



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Circular Letter (CL) No.:	2019-27
Date:	21 June 2019

CIRCULAR LETTER

TO : ALL INSURANCE/ REINSURANCE COMPANIES, PRE-NEED COMPANIES AND MUTUAL BENEFIT ASSOCIATIONS AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES FOR INVESTING IN REAL ESTATE INVESTMENT TRUST

Pursuant to the provisions of Section 202 (j) of the Insurance Code, as amended by R.A. No. 10607 and IC Circular Letter No. 08-2012, investment in real estate investment trust (REIT) shall qualify as admitted asset for insurance companies and mutual benefit associations (MBAs) and allowable investment for pre-need companies provided that:

1. The REIT had the prior approval of the Securities and Exchange Commission and shall be limited to publicly-listed REITs only;
2. The aggregate placement based on the company's latest synopsis of annual statement, do not exceed 10% of Total Admitted Assets for **life insurance company or mutual benefit association** and 20% of Net Worth for **non-life insurance or professional reinsurance company**;
3. For the **pre-need companies**, the investment shall not exceed fifteen percent (15%) of the total trust fund. This shall form part of the Other Investments with the corresponding limits provided under Section IV of IC Circular Letter No. 08-2012, dated 15 March 2012; and
4. This shall be subject to a risk-based capital charge of 25% for both life and non-life insurance companies pursuant to IC Circular Letter No. 2016-68 on Amended Risk-Based Capital Framework. (See Annexes of Circular Letter No. 2016-68, on Real-Estate or Property Investment Trust).

Please be guided accordingly.


DENNIS B. FUNA
Insurance Commissioner

