



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



<b>Circular Letter (CL) No.:</b>	<b>2021-44</b>
<b>Date:</b>	<b>12 July 2021</b>
<b>Supplements:</b>	<b>CL Nos. 2018-75; 2018-18 &amp; 2016-66</b>

**CIRCULAR LETTER**

**TO : ALL LIFE AND NON-LIFE INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : DISCOUNT RATES FOR LIFE AND NON-LIFE INSURANCE POLICY RESERVES AS OF 30 JUNE 2021**

**WHEREAS**, Circular Letter (CL) Nos. 2016-66 and 2018-18 prescribe the valuation standards for life insurance policy reserves and non-life insurance policy reserves, respectively;

**WHEREAS**, Item IV(1f) of Circular Letter (CL) No. 2016-66 and Item 10 of CL No. 2018-18 state that this Commission shall prescribe the risk-free discount rates to be used in the calculation of life and non-life insurance policy reserves;

**WHEREAS**, pursuant to CL No. 2018-75, the yield curve used as basis for the risk-free discount rate shall be obtained from PHP BVAL Reference rates from Bloomberg for Philippine Peso Policies and the International Yield Curve (IYC) from Bloomberg for US Dollar Denominated Policies;

**NOW THEREFORE**, in view of all the foregoing and in accordance with the undersigned’s power under Section 437 of the Insurance Code, as amended, the undersigned hereby issues the schedules of **Peso and Dollar Spot and Forward rates as of 30 June 2021** (Annexes A and B) which shall be used in discounting cash flows in the calculation of life and non-life insurance policy reserves as of 30 June 2021.

The Peso and Dollar spot and forward rates to be used for discounting cash flows with duration of more than 20 years were determined using the 1-year moving-average of the 20-year government bond yield rate.

Please be guided accordingly.

  
**DENNIS B. FUNA**  
 Insurance Commissioner

