

**[IC CIRCULAR LETTER NO. 10-2011, March 01,
2011]**

**LIBERALIZATION OF PREMIUM RATES AND STRICT
IMPLEMENTATION OF RESERVE REQUIREMENTS**

Considering the collective experience of the participating insurance providers concerning such attendant risk factors as host country destinations, age, health, and nature of work of OFWs, the Commission has decided to leave the determination of premium rate to the sound business decision of the insurance providers based on prudent underwriting principles and practices. However, the reserve requirements from which the claims fund shall be drawn shall not be sacrificed for this more liberal regulation. Hence, the requirement to maintain at all times the herein prescribed minimum reserves computation (Annex "A") shall be strictly implemented.

It is understood that for the purpose of computing the reserves, the basis shall be the rate of Seventy-Two (\$72.00) and One Hundred US Dollars (\$100.00) for the one-year coverage of land-based and sea-based workers, respectively or the Table of Premiums (Annex "B") for fractional parts thereof as prescribed under Circular Letter 35-2010 dated December 07, 2010 regardless of the amount of premium to be charged. In case a provider decides to charge a rate higher than the above, the higher premium shall be the basis of the reserves computation. In all cases, the reserve shall be the higher of the amount determined in Annex "A*" and the statutory reserves.

Non-compliance with this Circular shall be dealt with in accordance with the provisions of the Insurance Code and the Insurance Guidelines.

This circular letter modifies Circular Letter 35-2010 dated December 07, 2010 and other circulars inconsistent herewith.

Adopted: 01 March 2011

(SGD.) EMMANUEL F. DOOC
Insurance Commissioner

* Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.<
