

RULES AND REGULATIONS ON REINSURANCE TRANSACTIONS

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/7b5ba5a411ab/>

By virtue of the powers vested in the Insurance Commission under the provision of Section 414 of the Insurance Code, the following revised rules and regulations governing life reinsurance transactions in the Philippines are hereby promulgated:

1. The retention of a life insurance company on any one standard life insured shall not be less than the amount equal to one-half (1/2) of one percent of the latest verified stockholders equity.
2. The minimum retention on substandard lives shall be graded downwards from standard in accordance with sound underwriting practice. The schedules of retention limits shall be submitted to the Insurance Commission prior to its adoption in any reinsurance agreement.
3. No reinsurance shall be placed abroad where the amount of risk is Three Million Pesos (P3.0M or Less), per life standard risk, graded down for substandard lives.
4. No reinsurance shall likewise be placed abroad on accident riders where the accident risk does not exceed One Million Five Hundred Thousand Pesos (P1.5M) per standard risk.
5. Reinsurance treaties abroad shall be on the yearly renewable term plan (amount of risk) only. Renewal of existing treaties shall be on a year to year basis and shall contain a provision for recapture of previously ceded business. To protect the company against unusual number of claims as a result of jumbo policies issued, the company may avail itself of the catastrophe or stop loss cover abroad.
6. Reinsurance abroad on other life insurance riders, group insurance and all other life insurance business may be made only after it has been shown by ceding company that such risk cannot be absorbed by the Philippine market.

Likewise, facultative reinsurance placements are subject to prior approval by the Insurance Commission.

All circulars and orders inconsistent herewith are hereby revoked.

Adopted: 10 March 2009

(SGD.) EDUARDO T. MALINIS
Insurance Commissioner

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.