

## **AN ACT TO AMEND SECTION ONE HUNDRED AND NINETY-FIVE OF ACT NUMBERED TWENTY-FOUR HUNDRED AND TWENTY-SEVEN, OTHERWISE KNOWN AS "THE INSURANCE ACT", AS AMENDED.**

*REPUBLIC ACT NO. 446, June 08, 1950*

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section one hundred and ninety-five of Act Numbered Twenty-four hundred and twenty-seven as amended, is hereby further amended to read as follows:

"SEC. 195. Every insurance corporation hereafter formed or organized under the laws of the Philippines shall, if a stock corporation, have a subscribed capital stock equal to at least five hundred thousand pesos, fifty per centum of which must be paid up in cash previous to the issuance of any policy, and the residue within twelve months from the date of filing its articles of incorporation. For failure to have its capital stock paid up within the time prescribed the corporation shall not be permitted to take any new risks of any kind or character. If organized as a mutual company, in lieu of such capital stock, it must have available cash assets of at least five hundred thousand pesos above all liabilities for losses reported, expenses, taxes, legal reserve, and reinsurance of all outstanding risks.

"Any officer, official, or director of the corporation taking or authorizing the taking of any risk for the corporation in violation of the terms of this section shall be punished by imprisonment for not less than one year nor more than five years and by a fine of not less than one thousand nor more than five thousand pesos."

SEC. 2. This Act shall take effect upon its approval.

Approved, June 8, 1950.

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