

MINIMUM PAID-UP CAPITAL STOCK REQUIREMENT TO REHABILITATE AN INSURANCE COMPANY, LIFE OR NON-LIFE, OR A PROFESSIONAL REINSURER

DOF DEPARTMENT ORDER NO. 27-90, May 25, 1990

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Pursuant to the authority vested in me by the provision of Section 188, in relation with Section 203, and Section 280, in relation with Section 281 of the Insurance Code (Presidential Decree No. 1460), and upon recommendation of the Insurance Commissioner, the following guidelines are hereby promulgated to rehabilitate an insurance company, life of non-life, or a professional reinsurer so as to transact business anew, to wit:

1) No insurance company, either life or non-life, may be rehabilitated and authorized to transact insurance business anew unless possessed of a minimum paid-up capital stock equal of at least TWENTY FIVE MILLION PESOS (P25,000,000.00) and a contributed surplus fund of at least ONE MILLION PESOS (P1,000,000.00), in case of a life company, or at least FIVE HUNDRED THOUSAND PESOS (P500,000.00), in case of a non-life insurance company, free from any lien or encumbrance.

Twenty-five per centum (25%) of said paid-up capital stock shall be invested and deposited in accordance with the provisions of Section 203 of the Insurance Code.

2) No professional reinsurer as defined under Section 280 of the Insurance Code, may be rehabilitated and authorized to transact reinsurance business anew unless possessed of a minimum paid-up capital stock equal to FIFTY MILLION PESOS (P50,000,000.00), free from any lien or encumbrance.

Twenty-five per centum (25%) of said paid-up capital stock shall be invested and deposited in accordance with the provisions of Section 281 of the Insurance Code.

3) No insurance company, life or non-life, or any professional reinsurer, ordered to be liquidated by the Insurance Commissioner under the provisions of the Insurance Code may be rehabilitated or authorized to transact anew, insurance or reinsurance business, as the case maybe.

This Order shall take effect on July 1, 1990.

Adopted: 25 May 1990

(SGD.) JESUS P. ESTANISLAO
Secretary

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