

LETTER OF INSTRUCTIONS NO. 673, February 23, 1978

LETTER OF INSTRUCTIONS NO. 673, February 23, 1978

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/6bb596c3fcb6/>

TO:

All Department Secretaries and Heads
of Agencies

The Commissioner of the Budget
The National Treasurer

The General Manager, Government
Service Insurance System

WHEREAS, it is necessary to protect the properties of the National Government against accidental loss which may significantly affect the ability of Departments and Agencies in fulfilling their assigned functions;

WHEREAS, cost reduction in government property insurance premiums can be attained with improved risk management;

WHEREAS, the development and implementation of a sound risk and insurance management program will contribute to the conservation of the National Government's resources from the effects of accidental loss or destruction by natural perils and hazards, at minimum expense;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby issue the following instructions:

- The Commissioner of the Budget, in collaboration with the National Treasurer and the General Manager of the Government Service Insurance System, shall conduct a study of every Department and Agency of the National Government for purposes of developing and implementing a sound risk and insurance management program, covering the following specific tasks:
 - Inventory the resources and assets of every department and agency and exposures to accidental loss;
 - Analyze and measure the financial risk inherent to each exposure such as fire, earthquake, typhoon and other extraneous perils in terms of probably frequency and severity of loss and to set up effective methods in avoiding and controlling all exposure;
 - Evaluate the insurance policies covering the resources and assets of the Departments or Agencies, in terms of scope of coverage, premium rates, adequacy of the sums insured and policy conditions;
 - Study the advisability of establishing a sinking fund (as an immediate charge against reserves, profit or surplus), to assume losses resulting from risks which are not considered significant and will not unduly affect the financial stability of the Departments or Agencies concerned;

- Establish the basis of valuation of resources and assets in terms of book value, sound value or replacement value which should be related to the sums insured, of every insurance policy covering such assets and resources;
- Recommend policies on risk and insurance management for the guidance of the personnel to be entrusted with this responsibility.
- The Heads of all Departments and Agencies shall extend full cooperation in providing the necessary data, materials and assistance in order to facilitate the completion of this study.
- The Commissioner of the Budget is hereby authorized to contract the services of reputable professional risk management consulting; firms to carry out the objectives of these Instructions.

Done in the City of Manila, this 23rd day of February, in the year of Our Lord, nineteen hundred and seventy-eight,

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

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.