

SPLITTING OF SURETY BOND RISKS

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/70c8295629fd/>

Reports have been received that there are surety and bonding companies adopting the underwriting practice of "splitting surety bond risks" by issuing two or more surety bonds on a single risk or several bail bonds in behalf of an accused in a criminal case when the cover is of substantial amount

Splitting of risk in such manner makes it possible for a surety and bonding company to -

-

charge a rate of bond premium higher than that as authorized under existing rules on rate of premium on various kinds of surety bonds; and,

-

retain an amount of surety bond risks beyond the limit of twenty (20%) per cent of the net worth of the surety and bonding company as prescribed under Section 215 of the Insurance Code (PD No. 1460).

All surety and bonding companies are hereby enjoined from resorting to such underwriting practice of "splitting surety bond risks". Non-observance of this instruction shall be sufficient cause for both the suspension of the certificate of authority to do business of the surety and bonding company concerned under Section 247 of the Code and recommendation by this Commission to the President of the Philippines for the revocation of such company's authority to act as surety upon official recognizances, stipulations, bonds and undertakings granted under Act No. 536, as amended by Act No. 2206.

Adopted: 20 Apr. 1988

(SGD.) ADELITA A. VERGEL DE DIOS
Insurance Commissioner

Re-issued: 23 May 1991

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.