

AN ACT AMENDING SECTION ONE HUNDRED AND SEVENTY-EIGHT OF ACT NUMBERED TWO THOUSAND FOUR HUNDRED AND TWENTY-SEVEN OR “THE INSURANCE ACT”; AS AMENDED, AND INSERTING THEREAFTER A N...

REPUBLIC ACT NO. 488, June 11, 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 seventy-eight of Act Numbered Two thousand four hundred and twenty-seven, known as "The Insurance Act", as amended, is hereby further amended to read as follows:

"SEC. 178. No foreign insurance company shall engage in business in the Philippines unless possessed of paid up unimpaired capital or assets and reserve not less than that herein required of domestic insurance companies; and no insurance company organized or existing under the government or laws other than those of the Philippines shall engage in business in the Philippines until it shall have deposited with the Insurance Commissioner for the benefit and security of its policy holders and creditors in the Philippines, securities satisfactory to the Insurance Commissioner consisting of bonds of the Government of the Philippines or of any of the branches or political subdivisions of the Philippines authorized by law to issue bonds, or of the Government in which such company is organized, or other good securities to the actual market value of two hundred and fifty thousand pesos: Provided, That at least fifty per centum of the securities or bonds shall consist of securities of the Philippines: Provided, further, That foreign insurance companies already doing business in the Philippines on the date this Act becomes effective shall comply with the requirement increasing their respective deposits as provided in this Act not later than June thirty, nineteen hundred and fifty-one: And provided, finally, That it shall be a sufficient compliance with the provisions of this section if the deposits herein required be made with the Philippine National Bank, New York agency in the United States of America, embassies, legations or consular offices of the Philippines already established other than those in the United States or which may hereafter be established, or with a safe deposit company designated by the said Philippine National Bank, New York agency, embassies, legations or consular offices of the Philippines, which company shall agree to hold the securities so deposited subject to the control of the Philippine National Bank, New York agency, embassies, legations or consular offices of the Philippines, as the representatives of the Insurance Commissioner of the Philippines."

SEC. 2. There is inserted after section one hundred and seventy-eight of the Insurance Act a new section to be known as section one hundred and seventy-eight-A which shall read as follows:

"SEC. 178-A. Every foreign insurance company doing business in the Philippines shall set aside at least thirty per centum of the legal reserves of the policies written in the Philippines and invest and keep the same therein in accordance with the provisions of this Act: Provided, however, That of the legal reserves as of December thirty-one, nineteen hundred and forty-nine, at least ten per centum shall have been invested and kept in the Philippines by December thirty-one, nineteen hundred and fifty; of the legal reserves as of December thirty-one nineteen hundred and fifty, at least twenty per centum shall have been invested and kept therein by December thirty-one, nineteen hundred and fifty-one; and of the legal reserves as of December thirty-first of each year after nineteen hundred and fifty, at least thirty per centum shall have been invested and kept in the

Philippines by the end of the following year: Provided, further, That in determining the amount to be invested and kept in the Philippines under this section, a company shall be given credit for the amount of securities of the Philippines deposited by such company under section one hundred and seventy-eight of this Act, as amended: And Provided, finally, That the securities purchased and kept in the Philippines under this section shall not be sent out of the territorial jurisdiction of the Philippines without the written consent of the Commissioner."

SEC. 3. The Insurance Commissioner is hereby empowered to prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

SEC. 4. This Act shall take effect upon its approval.

Approved, June 11, 1950.

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