

AN ACT TO AMEND SECTIONS THREE HUNDRED THIRTY-SEVEN, THREE HUNDRED THIRTY-EIGHT, AND THREE HUNDRED FORTY OF THE ADMINISTRATIVE CODE.

Commonwealth Act No. 455, June 08, 1939

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Be it enacted by the National Assembly of the Philippines:

Sec. 1. Sections three hundred thirty-seven, three hundred thirty-eight, and three hundred forty of the Administrative Code are amended so as to read as follows:

Sec. 337. Properties insurable in the property insurance fund. -Vessels and craft, machinery, permanent buildings, property therein, property in rented buildings, belonging to the Government or to the companies or corporations the majority of the stock of which is held by the National Government, shall be insured, or insurable in the property insurance fund, against destruction or damage resulting from fire, earthquake, storm, or other casualty, in accordance with the provisions hereof."

"Sec. 338. How insurance effected, - The property of a province, chartered city, municipality, or other local political division, or of any of the companies or corporations mentioned in the next preceding section hereof, may only be insured in this fund with the approval of the Secretary of Finance, upon application made by proper board, council, or directors of the government division, company, or corporation in question; Provided, That the treasurer of the Philippines shall have discretionary power to recommend the disapproval of a portion or the whole amount of the insurance applied for by the companies or corporations aforesaid through their respective boards of directors: And provided, further, That, such property, or part thereof, as may not be insurable or acceptable for insurance in the property insurance fund may be insured with any private insurance company. The premium rates for such insurance shall be as fixed by the Treasurer of the Philippines with the approval of the Secretary of Finance. Property of the National Government insurable under the next preceding section hereof shall be insured in said fund without charge, and shall be deemed to be so insured solely by virtue hereof, without formality of any sort."

"Sec. 340. Constitution of property insurance fund. "The property-insurance fund shall be constituted and maintained as a permanent reimbursable fund, and shall consist of all moneys that heretofore have been or should have been lawfully covered into the insurance fund¹ as heretofore constituted, and of its own future accretions resulting either from profit on investments, from premiums, or from the continuing annual appropriation thereto.

"Until such time as the property insurance fund shall reach million pesos there shall accrue to it, from any funds in the National Treasury not otherwise appropriated, a continuing annual appropriation of one hundred thousand pesos and thereafter a similar appropriation of such sum or sums, not in excess of one hundred thousand pesos, as may be necessary to maintain the fund at that level.

"In case the total claims payable from the fund shall at any time exceed the capital, surplus, and reserves pertaining thereto, the amount necessary to cover such deficit shall be advanced from the general surplus of the National Government until such time as the overdraft shall have been offset by the future net earnings of the fund.

"The property insurance fund shall also be available for the payment of such expenses of administration and operation of the fund as may be incurred in carrying out the provisions of this chapter."

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

Approved, June 8, 1939.

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