

AN ACT AMENDING CERTAIN SECTIONS AND PARTS OF SECTIONS OF CHAPTER FIVE AND CHAPTER SIX OF ACT NUMBERED TWENTY-FOUR HUNDRED AND TWENTY-SEVEN, KNOWN AS *“THE INSURANCE LAW,”* TO MAK...

Act No. 3152, March 06, 1924

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section one hundred and sixty-nine of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

SEC. 169. In addition to the duties now imposed upon him by law, the Insular Treasurer shall act as Insurance Commissioner and in addition to his present official title he shall hereafter be designated as insurance commissioner ex-officio: Provided, That he may, with the approval of the Department Head, designate any officer or officers of the Bureau of the Treasury to act as his deputy or deputies, who shall exercise such powers and duties as may be assigned to him or them by the Insurance Commissioner."

SEC. 2. Section one hundred and seventy-two of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 172. After the becoming effective of this Act, no foreign or domestic insurance company shall transact any new business in the Philippine Islands until after it shall have obtained a certificate of authority for that purpose from the Insurance Commissioner upon payment by the company concerned of the fees hereinafter prescribed. '

"The Insurance Commissioner may refuse to issue a certificate of authority to any insurance company if, in his judgment, such refusal will best promote the interests of the people of this country. No such certificate of authority shall be granted to any such company until the Insurance Commissioner shall have satisfied himself by such examination as he may make and such evidence as he may require that such company is qualified by the laws of the Philippine Islands to transact business therein. Said certificate of authority shall expire on the last day of June of each year and shall be renewed annually if the company is continuing to comply with all of the provisions of this chapter or the circulars, instructions or rulings of the Insurance Commissioner. Before issuing such certificate of authority, the Insurance Commissioner must be satisfied that the name of the company is not that of any other known company transacting a similar business, or a name so similar as to be calculated to mislead the public. Every company receiving any such certificate of authority shall be subject to the insurance laws of the Philippine Islands and to the jurisdiction and supervision of the Insurance Commissioner."

SEC. 3. Section one hundred and seventy-three of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 173. The Insurance Commissioner shall require each domestic insurance company to keep its books, records, accounts, and vouchers in such manner that he or his authorized representatives may readily verify its annual statements and ascertain whether the company is solvent and has complied with the provisions of this

chapter, or circulars, instructions or rulings of the Insurance Commissioner."

SEC. 4. Section one hundred and seventy-four of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 174. The Insurance Commissioner shall at least once a year and whenever he considers the public interest so demands, cause an examination to be made into the financial condition of every domestic insurance company.

Such company shall submit to the examiner all such books, papers and securities as he may require and such examiner shall also have the power to examine the officers of such corporation under oath touching its business and financial condition, and the authority of any such company to transact business in the Philippine Islands that refuses to allow such examination, shall be revoked by the Insurance Commissioner, and such company shall not thereafter be allowed to transact further business in the Philippine Islands until it has fully complied with the provisions of this section.

"The Insurance Commissioner, for the examination herein prescribed and in section one hundred and seventy-five of this Act, shall collect and receive fees of one hundred pesos from each foreign insurance company examined. For the examination of each domestic insurance company, the Insurance Commissioner shall collect fees according to the amount of its total assets, as follows:

"Less than five hundred thousand pesos, one hundred; pesos.

"Five hundred thousand pesos or more but less than one million pesos, one hundred fifty pesos.

"One million pesos or more but less than two million pesos, two hundred pesos.

"Two million pesos or more, three hundred pesos.

"Provided, That, if the said examination is made in the provinces outside the City of Manila, besides these fees the Insurance Commissioner shall require of the company examined the payment of the actual and necessary traveling and subsistence expenses of the examiner or examiners."

SEC. 5. Section one hundred and seventy-five of Act Numbered Twenty-four hundred and twenty-seven' is hereby amended to read as follows:

"SEC. 175. If the Insurance Commissioner is of the opinion upon examination or other evidence that any foreign or domestic insurance company is in an unsound condition, or that it has failed to comply with any provision of law or regulations obligatory upon it, or that in the opinion of the Insurance Commissioner, its condition or method of business is such as to render its proceedings hazardous to the public or to its policy holders or that its actual assets exclusive of its capital are less than its liabilities, including unearned premiums and reinsurance reserve, the Insurance Commissioner is authorized to revoke or suspend all certificates of authority granted to such insurance company, its officers or agents, and no new business shall thereafter be done by such company or for such company by its agents in the Philippine Islands while such revocation, suspension or disability continues or until its authority to do business is restored by the Insurance Commissioner."

SEC. 6. The first paragraph of section one hundred and seventy-seven of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 177. The Insurance Commissioner must require as a condition precedent to the transaction of insurance business in the Philippine Islands by any foreign insurance company, that such company file in his office a written power of attorney designating some person who shall be a resident of the Philippine Islands as its general agent, on whom any notice provided by law or by any insurance policy, proof of loss, summons and other process may be served in all actions or other legal proceedings against such company, and consenting

that service upon such general agent shall be admitted and held as valid as if served upon the foreign company at its home office. Any such foreign company shall, as a further condition precedent to the transaction of insurance business in the Philippine Islands, make and file with the Insurance Commissioner an agreement or stipulation, executed by the proper authorities of: said company in form and substance as follows:"

SEC. 7. Section one hundred and eighty of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 180. Every insurance company, doing business in the Philippine Islands, shall annually on or before the thirtieth day of April, of each year, render to the Insurance Commissioner a statement signed and sworn to by the chief officer of such company showing, in such form and detail as may be prescribed by the Insurance Commissioner, the exact condition of its affairs on the preceding thirty-first day of December: Provided, That in case the fiscal year of an insurance company does not terminate with the thirty-first day of December, it shall be deemed a sufficient compliance with this section if the report is made to coincide with the regular fiscal year of the company. In such case the report of the company shall be filed with the Insurance Commissioner within four months after the close of its fiscal year: And provided, further, That the Insurance Commissioner may in his discretion, and upon approval of the Secretary of Finance, grant an extension of not exceeding six months, to any company, upon his being satisfied that the period of four months granted by this section is inadequate with regard to said company.

"For the filing of the annual statement the Insurance Commissioner shall collect and receive from all insurance companies doing business in the Philippine Islands a fee of twenty-five pesos."

SEC. 8. The first paragraph of section one hundred eighty-four of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 184. Hereafter no policy of insurance shall be issued or delivered within the Philippine Islands unless in the form previously approved by the Insurance Commissioner. In the case of life or endowment insurance, the policy shall contain in substance the following provisions:"

SEC. 9. Section one hundred and eighty-seven of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows: '

"SEC. 187. No fire or marine or miscellaneous insurance corporation whether foreign or domestic shall insure on any one risk or hazard to an amount exceeding ten per cent of its net assets as may be computed from the last annual financial statement submitted to the Insurance Commissioner, unless it has provided for reinsurance of the excess over said limit to take effect simultaneously with the original contract."

SEC. 10. Section one hundred and eighty-nine of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 189. No insurance company doing business within the Philippine Islands, nor any agent thereof, shall pay any commission or other compensation to any person for services in obtaining new insurance, unless such person shall have first procured from the Insurance Commissioner a certificate of authority to act as an agent of such company as hereinafter provided. No person shall act as agent, sub-agent, or broker in the solicitation or procurement of applications for insurance, or receive for services in obtaining new insurance any commission or other compensation from any insurance company doing business in the Philippine Islands, or agent thereof, without first procuring a certificate of authority so to act from the Insurance Commissioner, which must be renewed annually on the first day of January, or within six months thereafter. Such certificate shall be issued by the Insurance Commissioner only upon the written application of persons desiring such authority, such application being approved and countersigned by the company such person desires to represent, and shall be upon a form approved by the Insurance Commissioner, giving such information as he may require. The Insurance Commissioner shall have the right to refuse to issue or renew and to revoke any such certificate in

his discretion. No such certificate shall be valid., however, in any event after the first day of July of the year following the issuing of such certificate. Renewal certificates may be issued upon the application of the company.

"Any person who for compensation solicits or obtains insurance on behalf of any insurance company, or transmits for a person other than himself an application for a policy of insurance to or from such company or offers or assumes to act in the negotiating of such insurance, shall be an insurance agent within the intent of this section, and shall thereby become liable to all the duties, requirements, liabilities, and penalties to which an agent of such company is subject.

"Any person or company violating the provisions of this section shall be fined in the sum of five hundred pesos. 'On the conviction of any person acting as agent, sub-agent, or broker, of the commission of any offense connected with the business of insurance, the Insurance Commissioner shall immediately revoke the certificate of authority issued to him and no such certificate shall thereafter be issued to such convicted person."

SEC. 11. Chapter six of Act Numbered Twenty-four hundred and twenty-seven is hereby amended by inserting the following section therein:

"SEC. 204 (a). For issuing certificates of authority pursuant to sections one hundred and seventy-two, one hundred and eighty-nine, one hundred and ninety-two, and two hundred and two of this Act, the Insurance Commissioner shall collect and receive the following fees:

"For each certificate of authority issued to an insurance company doing business in the Philippine Islands, one hundred pesos.

"For each certificate of authority issued to a general agent of said company, fifty pesos.

"For each certificate of authority issued to an agent who is not a general agent of said company, fifteen pesos.

"Provided, That all the companies, persons, societies or associations of persons, general agents, and brokers or agents who are not general agents whose certificates of authority to engage in insurance or to act as agents or brokers of said companies, persons, societies or associations, are in force on the approval of this Act, shall pay the fees herein prescribed: Provided, further, That for renewing any certificate of authority, one-half of the fee corresponding to the first issuance thereof shall be collected."

SEC. 12. This Act shall take effect on its approval.

Approved, March 6, 1924.

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