

AN ACT AMENDING SECTIONS ONE HUNDRED NINETY-SEVEN AND TWO HUNDRED OF ACT NUMBERED TWO THOUSAND FOUR HUNDRED AND TWENTY-SEVEN OTHERWISE KNOWN AS "THE INSURANCE ACT," AND FOR OTHE...

REPUBLIC ACT NO. 273, June 15, 1948

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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 ninety-seven of Act Numbered Two thousand four hundred and twenty-seven, otherwise known as "The Insurance Act," is hereby amended to read as follows:

"SEC. 197. No insurance corporation shall loan any of its money or deposits to any person, corporation or association except upon first mortgages or deeds of trust of unencumbered improved or unimproved real estate, in cities and centers of population of municipalities in the Philippines when the amount of such loan is not in excess of sixty per centum of the market value of such real estate, or upon the security of first mortgages or deeds of trust of actually cultivated, improved and unencumbered agricultural lands in the Philippines when the amount of such loans is not in excess of forty per centum of the market value of such land, or upon bonds or other evidence of debt of the Government of the Philippines, or its political subdivisions authorized by law to issue bonds, or upon bonds or other evidences of debt of government-owned or controlled corporations and instrumentalities including the Central Bank, or upon stocks and bonds specified in section two hundred of this A: Provided, however, That a life insurance corporation loan its money upon the security of a policy to an amount not exceeding the net reserve value of the policy loan is made: Provided, further, That no loan upon the security of real estate shall have a maturity in excess of fifteen years: And provided, finally, That where such loans upon the security of real estate are granted for a period longer than five years, payment hereof shall be made in monthly, quarterly, semi-annual or annual installments."

SEC. 2. Section two hundred of Act Numbered Two thousand four hundred and twenty-seven, otherwise known as "The Insurance Act," is hereby amended to read as follows:

"SEC. 200. Insurance corporations may purchase, hold, own and convey real and personal property as follows:

"(a) The lot with the building thereon in which the corporation conducts and carries on its business.

"(b) Such property, real and personal, as may have been mortgaged, pledged, or conveyed to it in good faith in trust for its benefit by reason of money loaned by it in pursuance of the regular business of the corporation, and such real or personal property as may have been purchased by it at sales under pledges, mortgages, or deeds of trust for its benefit on account of money loaned by it, and such real and personal property as may have been conveyed to it by borrowers in satisfaction and discharge of loans made by the corporation to them: Provided, however, That any real estate purchased by said corporation in payment or by reason of any loan made by said corporation shall be sold by the corporation within five years after the title thereto has been vested in it.

"(c) Bonds and other evidences of debt of the Government of the Philippines or its political subdivisions authorized by law to issue bonds at the reasonable market value thereof.

"(d) Bonds or other evidences of debt of government-owned or controlled corporations and entities including the Central Bank.

"(e) Bonds or other evidences of indebtedness of any solvent institution incorporated under the laws of the Philippines which has paid regular dividends upon its preferred or common stocks for not less than three years

preceding the purchase of such bonds.

"(f) Debentures or other evidences of indebtedness of any corporation incorporated under the laws of the Philippines, which has paid regular dividends on its preferred or on its common stocks for a term of at least three years immediately preceding the date of investment in such debentures or other evidences of indebtedness.

"(g) Preferred stocks of any corporation incorporated under the laws of the Philippines, which has paid regular dividends upon such stocks, or upon its other preferred stocks ranking equally therewith or upon its common stocks, for not less than three years preceding the purchase of such preferred stocks.

"(h) Stocks of any corporation incorporated under the laws of the Philippines, which are guaranteed by a corporation which has paid regular dividends upon its preferred or common stocks for not less than three years preceding the purchase of such guaranteed stocks: Provided, That the amount of stocks so guaranteed is not in excess of fifty per cent of the amount of the preferred or common stocks, as the case may be, of the guaranteeing corporation.

"(i) Common stock of any corporation incorporated under the laws of the Philippines upon which regular dividends shall have been paid for the three years next preceding the purchase of such stocks.

"(j) Such other securities as may be approved by the Insurance Commissioner."

SEC. 3. This Act shall take effect upon its approval.

Approved, June 15, 1948.

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