

[PRESIDENTIAL DECREE NO. 317, October 22, 1973]

AMENDING CERTAIN SECTIONS OF ACT NUMBERED TWENTY-FOUR HUNDRED AND TWENTY-SEVEN, OTHERWISE KNOWN AS THE INSURANCE ACT, AS AMENDED BY PRESIDENTIAL DECREE NO. 63

WHEREAS, it is the policy of the State to foster the creation and growth of cooperatives as a means of attaining a more equitable distribution of income and wealth;

WHEREAS, in line with this policy and in addition to the privileges granted in Presidential Decree No. 175, dated April 14, 1973, developmental incentives must be provided to broaden the cooperative base and to enable the cooperatives to expand their activities in coordination with the economic, social, and agrarian reforms of the Government; and

WHEREAS, security and peace of mind should be provided to the small farmers and low income group in the event of loss of life, health and property;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, and in order to effect desired changes and reforms in the social, economic and political structures of our society, do hereby amend certain sections of Act Numbered Twenty-four hundred and twenty-seven, otherwise known as the Insurance Act, as amended by Presidential Decree No. 63, dated November 20, 1972, by adding the following provisions:

SECTION 1. Section 200(B) 1 of the same Act, as amended, is further amended by adding thereto the following:

"Provided, That this requirement shall not apply to cooperatives undertaking assurance on the life, health, property and oilier risks of its members and/or those of the individual members of the member-societies. Investment of funds of insurance cooperatives shall be under the supervision, direction and control of the Department of Local Government and Community Development through the Bureau of Cooperatives taking into consideration the declared investment, monetary, credit and fiscal policies of the Government."

SEC. 2. Section 189 of the same Act, as amended, is amended by adding another paragraph immediately following the first paragraph and to read as follows:

"The Insurance Commissioner shall, upon recommendation and certification of the Department of Local Government and Community Development through the Bureau of Cooperatives on the qualification of a cooperative society which is a member of an insurance cooperative, issue a certificate of authority to such cooperative society to act as agent, general or commission or sub-agent, or broker for an insurance cooperative of which it is a member, in the solicitation or procurement of