

**[ REPUBLIC ACT NO. 487, June 11, 1950 ]**

**AN ACT TO GIVE PROTECTION TO THE INSURING PUBLIC  
AGAINST UNFAIR AND UNJUST PRACTICES OF INSURANCE  
COMPANIES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. It shall be unlawful for any person, company or corporation in the Philippines to act as general agent of any insurance company unless he is empowered, by a written power of attorney duly executed by such insurance company, and registered with the Office of the Insurance Commissioner to receive notices, summons and legal processes for and in behalf of the insurance company concerned in connection with actions or other legal proceedings against insurance company. It shall be the duty of said general agent or agents or their respective post office addresses in the Philippines, or any change thereof. Notices, summons or process of any kind sent by registered mail to the last registered address of such registered representative of the company concerned or to the Insurance Commissioner shall be sufficient service and deemed as if served on the insuring company itself.

Any person, company or corporation violating any provision of this section shall be punished by a fine of five hundred pesos. The Insurance Commissioner, after conviction of any person, company or corporation for violation of this section, shall revoke any certificate of authority granted to such person, company or corporation for the issuance of new policies.

SEC. 2. In case of any litigation for the enforcement of any policy other than a life insurance policy, it shall be the duty of the court to make a finding as to whether the payment of the claim of the insured has been unreasonably denied or withheld, and in the affirmative case, the insurance company shall be adjudged to pay damages which shall consist of attorney's fees and other expenses incurred by the insured person by reason of such unreasonable denial or withholding of payment plus twelve *per centum* of the amount of the claim due the insured, from the date of the filing of the case in court until the claim is fully satisfied. The lapse of two months from the occurrence of the insured risk will be considered *prima facie* evidence of unreasonable delay in payment, unless satisfactorily explained.

SEC. 3. All acts or parts of acts inconsistent with the provisions of this Act are hereby repealed.

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

Approved, June 11, 1950.

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