

[ADMINISTRATIVE ORDER NO. 105, January 14, 1994]

**AUTHORIZING THE MONARCH INSURANCE COMPANY, INC., TO
BECOME A SURETY UPON OFFICIAL RECOGNIZANCES,
STIPULATIONS, BONDS AND UNDERTAKINGS**

WHEREAS, Section 1 of Act No. 536, as amended by Act No. 2206, provides that, whenever any recognizance, stipulation, bond, or undertaking conditioned for the faithful performance of any duty or of any contract made with any public authority, national, provincial, municipal, or of any undertaking, or for doing, or refraining from doing anything, and such recognizance, stipulation, bond, or undertaking specified is, by the laws of the Philippines or by the required or permitted to be given with one surety or with two or more sureties, the execution of the same of the guaranteeing solely of the performance of the condition thereof shall be sufficient when executed or guaranteed solely by any corporation organized under the laws of the Philippines, having power to guarantee the fidelity of persons holding positions of public or private trust and to execute and guarantee bonds of undertakings in judicial proceedings and to agree to the faithful performance of any contract or undertaking made with any public authority;

WHEREAS, said section further provides that no head of department, judge, officer, board, or body, whether executive, legislative, or judicial, shall approve or accept any corporation as surety on any recognizance, stipulation, bond, contract, or undertaking, unless such corporation has been authorized to do business in the Philippines in accordance with the provisions of said Act No. 536, as amended, not unless such corporation has, by contract with the Government of the Philippines, been authorized to become a surety upon official recognizances, stipulations, bonds, and undertakings; and

WHEREAS, MONARCH INSURANCE COMPANY, INC., is a domestic corporation organized and existing under the laws of the Republic of the Philippines, and fulfills the conditions prescribed by said Act No. 536, as amended.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby authorize the Monarch Insurance Company, Inc., to become a surety upon official recognizances, stipulations, bonds, and undertakings, in such manner and under such conditions as are provided by law, subject, however, to the condition that the amount constituting the contributed surplus fund shall not at anytime be withdrawn without prior recommendation and justification by the Insurance Commissioner, duly approved by the Secretary of Finance, and provided further, that the moment Monarch Insurance Company, Inc., becomes indebted to any government instrumentality or political subdivision thereof, or to any amount of P50,000.00 accruing from the issuance of bonds, the same having become due and demandable, this authority shall be automatically suspended and the insurance company shall desist from writing or issuing all kinds of bonds. Only when the insurance company shall have fully paid or settled its