

**[ ADMINISTRATIVE ORDER NO. 33, August 25, 1987 ]**

**PRESCRIBING GUIDELINES FOR THE INSURANCE OF ALL PROPERTIES, CONTRACTS, RIGHTS OF ACTION AND OTHER INSURANCE RISKS OF THE GOVERNMENT, INCLUDING THOSE IN WHICH THE GOVERNMENT HAS AN INSURABLE INTEREST, WITH THE GENERAL INSURANCE FUND OF THE GOVERNMENT SERVICE INSURANCE SYSTEM.**

WHEREAS, under Republic Act No. 656, as amended, the Government, except a municipal government below first class, is required to insure its properties with the General Insurance Fund against any insurable risk;

WHEREAS, notwithstanding the said requirement, there are still properties owned by government agencies and their subsidiaries which are not insured with the General Insurance Fund; or which are insured with private insurance companies; or which, while covered by the Fund, are not insured adequately.

WHEREAS, the aforesaid practices deny the government agencies adequate and reliable protection against any damage to, or loss of their properties and deprive the General Insurance Fund of substantial premium income that should have formed part of the Fund;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. All heads of departments, commissions, boards, bureaus, offices of the national and local governments concerned except municipal governments below first class, government-owned and/or controlled corporations, subsidiaries and acquired asset corporations shall secure from the General Insurance Fund directly, all insurances or bonds covering properties, contracts, rights of action and other insurable risks of their respective offices, including all those in which their respective offices have an insurable risk and all those in which they have an insurable interest only. For this purpose, no insurance agent or general agent shall hereafter be appointed or maintained to represent the General Insurance Fund and/or the Government Service Insurance System.

As used in this section, "insurable interest" means every interest in property, whether real or personal, or any relation thereto, or liability in respect thereof, of such nature that a contemplated peril might directly damnify the insured. Accordingly, the insurable interest of government parent, subsidiary and acquired asset corporations, including government financial institutions, as these corporations are defined in Presidential Decree No. 2029, shall also extend to their physical assets which by declared policy of the government are required to be privatized.