

[Act No. 3152, March 06, 1924]

AN ACT AMENDING CERTAIN SECTIONS AND PARTS OF SECTIONS OF CHAPTER FIVE AND CHAPTER SIX OF ACT NUMBERED TWENTY-FOUR HUNDRED AND TWENTY-SEVEN, KNOWN AS "THE INSURANCE LAW," TO MAKE MORE EFFECTIVE THE SUPERVISION OF THE INSURANCE COMMISSIONER OVER INSURANCE COMPANIES, TO AUTHORIZE THE COLLECTION OF CERTAIN FEES, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section one hundred and sixty-nine of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

SEC. 169. In addition to the duties now imposed upon him by law, the Insular Treasurer shall act as Insurance Commissioner and in addition to his present official title he shall hereafter be designated as insurance commissioner *ex-officio*: *Provided*, That he may, with the approval of the Department Head, designate any officer or officers of the Bureau of the Treasury to act as his deputy or deputies, who shall exercise such powers and duties as may be assigned to him or them by the Insurance Commissioner."

SEC. 2. Section one hundred and seventy-two of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 172. After the becoming effective of this Act, no foreign or domestic insurance company shall transact any new business in the Philippine Islands until after it shall have obtained a certificate of authority for that purpose from the Insurance Commissioner upon payment by the company concerned of the fees hereinafter prescribed. '

"The Insurance Commissioner may refuse to issue a certificate of authority to any insurance company if, in his judgment, such refusal will best promote the interests of the people of this country. No such certificate of authority shall be granted to any such company until the Insurance Commissioner shall have satisfied himself by such examination as he may make and such evidence as he may require that such company is qualified by the laws of the Philippine Islands to transact business therein. Said certificate of authority shall expire on the last day of June of each year and shall be renewed annually if the company is continuing to comply with all of the provisions of this chapter or the circulars, instructions or rulings of the Insurance Commissioner. Before issuing such certificate of authority, the Insurance Commissioner must be satisfied that the name of the company is not that of any other known company transacting a similar business, or a name so similar as to be calculated to mislead the public. Every company receiving any

such certificate of authority shall be subject to the insurance laws of the Philippine Islands and to the jurisdiction and supervision of the Insurance Commissioner."

SEC. 3. Section one hundred and seventy-three of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 173. The Insurance Commissioner shall require each domestic insurance company to keep its books, records, accounts, and vouchers in such manner that he or his authorized representatives may readily verify its annual statements and ascertain whether the company is solvent and has complied with the provisions of this chapter, or circulars, instructions or rulings of the Insurance Commissioner."

SEC. 4. Section one hundred and seventy-four of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 174. The Insurance Commissioner shall at least once a year and whenever he considers the public interest so demands, cause an examination to be made into the financial condition of every domestic insurance company.

Such company shall submit to the examiner all such books, papers and securities as he may require and such examiner shall also have the power to examine the officers of such corporation under oath touching its business and financial condition, and the authority of any such company to transact business in the Philippine Islands that refuses to allow such examination, shall be revoked by the Insurance Commissioner, and such company shall not thereafter be allowed to transact further business in the Philippine Islands until it has fully complied with the provisions of this section.

"The Insurance Commissioner, for the examination herein prescribed and in section one hundred and seventy-five of this Act, shall collect and receive fees of one hundred pesos from each foreign insurance company examined. For the examination of each domestic insurance company, the Insurance Commissioner shall collect fees according to the amount of its total assets, as follows:

"Less than five hundred thousand pesos, one hundred; pesos.

"Five hundred thousand pesos or more but less than one million pesos, one hundred fifty pesos.

"One million pesos or more but less than two million pesos, two hundred pesos.

"Two million pesos or more, three hundred pesos.

"*Provided*, That, if the said examination is made in the provinces outside the City of Manila, besides these fees the Insurance Commissioner shall require of the company examined the payment of the actual and necessary traveling and subsistence expenses of the examiner or examiners."

SEC. 5. Section one hundred and seventy-five of Act Numbered Twenty-four hundred and twenty-seven' is hereby amended to read as follows:

"SEC. 175. If the Insurance Commissioner is of the opinion upon examination or other evidence that any foreign or domestic insurance company is in an unsound condition, or that it has failed to comply with any provision of law or regulations obligatory upon it, or that in the opinion of the Insurance Commissioner, its condition or method of business is such as to render its proceedings hazardous to the public or to its policy holders or that its actual assets exclusive of its capital are less than its liabilities, including unearned premiums and reinsurance reserve, the Insurance Commissioner is authorized to revoke or suspend all certificates of authority granted to such insurance company, its officers or agents, and no new business shall thereafter be done by such company or for such company by its agents in the Philippine Islands while such revocation, suspension or disability continues or until its authority to do business is restored by the Insurance Commissioner."

SEC. 6. The first paragraph of section one hundred and seventy-seven of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows:

"SEC. 177. The Insurance Commissioner must require as a condition precedent to the transaction of insurance business in the Philippine Islands by any foreign insurance company, that such company file in his office a written power of attorney designating some person who shall be a resident of the Philippine Islands as its general agent, on whom any notice provided by law or by any insurance policy, proof of loss, summons and other process may be served in all actions or other legal proceedings against such company, and consenting that service upon such general agent shall be admitted and held as valid as if served upon the foreign company at its home office. Any such foreign company shall, as a further condition precedent to the transaction of insurance business in the Philippine Islands, make and file with the Insurance Commissioner an agreement or stipulation, executed by the proper authorities of: said company in form and substance as follows:"

SEC. 7. Section one hundred and eighty of Act Numbered Twenty-four hundred and twenty-seven is hereby amended to read as follows: