

[ Act No. 2648., February 24, 1916 ]

**AN ACT AMENDING SUBSECTIONS (G) AND (H) OF SECTION ONE HUNDRED AND EIGHTY-FOUR AND SECTION ONE HUNDRED AND NINETY-TWO OF ACT NUMBERED TWENTY-FOUR HUNDRED AND TWENTY-SEVEN, ENTITLED "AN ACT REVISING THE INSURANCE LAWS AND REGULATING INSURANCE BUSINESS IN THE PHILIPPINE ISLANDS."**

*By authority of the United States, be it enacted by the Philippine Legislature, that:*

**SECTION 1.** Subsections (g) and (70 of section one hundred and eighty-four of Act Numbered Twenty-four hundred and twenty-seven, entitled "An Act revising the insurance laws and regulating insurance business in the Philippine Islands," are hereby amended so as to read as follows:

"(g) A provision that after three full years' premiums have been paid, the company at any time, while the policy is in force, will advance, on proper assignment or pledge of the policy and on the sole security thereof, at a specified rate of interest, a sum equal to, or at the option of the owner of the policy less than, the reserve at the end of the current policy year on the policy and on any dividend additions thereto, less a sum not more than two and one-half per centum of the amount insured by the policy and of any dividend additions thereto; and that the company will deduct from such loan value any existing indebtedness on the policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year; which provision may further provide that such loan may be deferred for not exceeding six months after the application therefor is made. A company may, in lieu of the provisions hereinabove permitted for the deduction from a loan on the policy of a sum not more than two and one-half per centum of the amount insured by the policy and of any dividend additions thereto, insert in the policy a provision that one-fifth of the entire reserve may be deducted in case of a loan under the policy, or may provide therein that the deduction may be the said two and one-half per centum or the one-fifth of the said entire reserve at the option of the company: *Provided, however,* That nothing in this Act shall be considered as compelling any insurance company to loan on any policy an amount in excess of the death benefit of such policy, and one-half of the difference between the benefit in case of death and the benefit in case of survival of the policy-holder.

"(h) A table showing in figures the loan values, if any, and the options available under the policy each year upon default in premium payments, during at least twenty years of the policy, together with a provision that, in the event of the failure of the policy-holder to elect one of said options within the time specified in the policy, one of said options shall automatically take effect and no policy-holder shall ever forfeit his right to same, by reason of his failure to so elect."

SEC. 2. Section one hundred and ninety-two of said Act, as amended, is hereby further amended by adding at the end thereof the following paragraph: "Any decision made by the Insurance Commissioner by virtue of the powers conferred upon him by this Act shall be appealable to the Secretary of Finance and Justice,