

[REPUBLIC ACT NO. 656, June 16, 1951]

AN ACT TO CREATE AND ESTABLISH A "PROPERTY INSURANCE FUND" AND TO PROVIDE FOR ITS ADMINISTRATION AND FOR OTHER PURPOSES.

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

SECTION 1. This Act shall be known as the "Property Insurance Law."

SEC. 2. In order to indemnify or compensate the Government as defined in this Act for any damage to, or loss of, its properties due to fire, earthquake, storm, or other casualty there is hereby established the "Property Insurance Fund", which shall consist of all moneys resulting from the liquidation of the insurance constituted in section three hundred forty of the Revised Administrative Code and from premiums and other incomes.

SEC. 3. For the effectuation of the purpose of this Act, the administration of the Fund is hereby placed under the Government Service Insurance System with powers and authority to reinsure with private insurance companies under such terms and conditions that may be mutually agreed upon any excess risk it may deem advisable; to prescribe necessary rules and regulations, including such incidental powers as are necessary for its operation; and to appoint personnel, who are certified as eligibles by the Civil Service, prescribe their duties, and fix their remuneration. Section fifteen of Commonwealth Act Numbered One hundred eighty-six shall not be applicable to the personnel of the Fund.

SEC. 4. *Definitions.* -For the purposes of this Act-

- a. "System" means the Government Service Insurance System created under Commonwealth Act Numbered One hundred and eighty-six.
- b. "Fund" means the "Property Insurance Fund" created under this Act.
- c. "Property" includes vessels and craft, motor vehicles, machineries, permanent buildings, properties stored therein, or in buildings rented by the Government, or properties in transit.
- d. The word "Government" as used in this Act refers to the National, provincial, city, or municipal government, agency, commission, board or enterprises owned or controlled by the Government.
- e. "Disposable Surplus" means the amount left after the necessary insurance reserves and other reserves have been set aside together with the expenses incidental to the administration of the Fund.

SEC. 5. Every government, except a municipal government below first class, is hereby required to insure its properties, with the Fund against any insurable risk