

[REPUBLIC ACT NO. 488, June 11, 1950]

AN ACT AMENDING SECTION ONE HUNDRED AND SEVENTY-EIGHT OF ACT NUMBERED TWO THOUSAND FOUR HUNDRED AND TWENTY-SEVEN OR "THE INSURANCE ACT", AS AMENDED, AND INSERTING THEREAFTER A NEW SECTION TO BE KNOWN AS SECTION ONE HUNDRED AND SEVENTY-EIGHT-A-REQUIRING FOREIGN INSURANCE COMPANIES TO INCREASE THEIR SECURITY DEPOSITS AND TO INVEST IN THE PHILIPPINES A FRACTION OF THE LEGAL RESERVES ON THE POLICIES WRITTEN THEREIN.

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

SECTION 1. Section one hundred and seventy-eight of Act Numbered Two thousand four hundred and twenty-seven, known as "The Insurance Act", as amended, is hereby further amended to read as follows:

"SEC. 178. No foreign insurance company shall engage in business in the Philippines unless possessed of paid up unimpaired capital or assets and reserve not less than that herein required of domestic insurance companies; and no insurance company organized or existing under the government or laws other than those of the Philippines shall engage in business in the Philippines until it shall have deposited with the Insurance Commissioner for the benefit and security of its policy holders and creditors in the Philippines, securities satisfactory to the Insurance Commissioner consisting of bonds of the Government of the Philippines or of any of the branches or political subdivisions of the Philippines authorized by law to issue bonds, or of the Government in which such company is organized, or other good securities to the actual market value of two hundred and fifty thousand pesos: *Provided*, That at least fifty *per centum* of the securities or bonds shall consist of securities of the Philippines: *Provided, further*, That foreign insurance companies already doing business in the Philippines on the date this Act becomes effective shall comply with the requirement increasing their respective deposits as provided in this Act not later than June thirty, nineteen hundred and fifty-one: *And provided, finally*, That it shall be a sufficient compliance with the provisions of this section if the deposits herein required be made with the Philippine National Bank, New York agency in the United States of America, embassies, legations or consular offices of the Philippines already established other than those in the United States or which may hereafter be established, or with a safe deposit company designated by the said Philippine National Bank, New York agency, embassies, legations or consular offices of the Philippines, which company shall agree to hold the securities so deposited subject to the control of the Philippine