

[REPUBLIC ACT NO. 273, June 15, 1948]

AN ACT AMENDING SECTIONS ONE HUNDRED NINETY-SEVEN AND TWO HUNDRED OF ACT NUMBERED TWO THOUSAND FOUR HUNDRED AND TWENTY-SEVEN OTHERWISE KNOWN AS "THE INSURANCE ACT," AND FOR OTHER PURPOSES.

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

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

"SEC. 197. No insurance corporation shall loan any of its money or deposits to any person, corporation or association except upon first mortgages or deeds of trust of unencumbered improved or unimproved real estate, in cities and centers of population of municipalities in the Philippines when the amount of such loan is not in excess of sixty per centum of the market value of such real estate, or upon the security of first mortgages or deeds of trust of actually cultivated, improved and unencumbered agricultural lands in the Philippines when the amount of such loans is not in excess of forty *per centum* of the market value of such land, or upon bonds or other evidence of debt of the Government of the Philippines, or its political subdivisions authorized by law to issue bonds, or upon bonds or other evidences of debt of government-owned or controlled corporations and instrumentalities including the Central Bank, or upon stocks and bonds specified in section two hundred of this A: *Provided, however,* That a life insurance corporation loan its money upon the security of a policy to an amount not exceeding the net reserve value of the policy loan is made: *Provided, further,* That no loan upon the security of real estate shall have a maturity in excess of fifteen years: *And provided, finally,* That where such loans upon the security of real estate are granted for a period longer than five years, payment hereof shall be made in monthly, quarterly, semi-annual or annual installments."

SEC. 2. Section two hundred of Act Numbered Two thousand four hundred and twenty-seven, otherwise known as "The Insurance Act," is hereby amended to read as follows:

"SEC. 200. Insurance corporations may purchase, hold, own and convey real and personal property as follows:

"(a) The lot with the building thereon in which the corporation conducts and carries on its business.

"(b) Such property, real and personal, as may have been mortgaged, pledged, or conveyed to it in good faith in trust for its benefit by reason of