

[ADMINISTRATIVE ORDER NO. 4, August 07, 2017]

CREATING AN INTER-AGENCY COMMITTEE TO FORMULATE THE NECESSARY POLICIES, RULES AND REGULATIONS FOR THE PURPOSE OF ENSURING THAT THE KEY PROPERTIES, ASSETS AND OTHER INSURABLE INTERESTS OF THE GOVERNMENT ARE COMPREHENSIVELY AND ADEQUATELY INSURED

WHEREAS, Republic Act (RA) No. 656, or the Property Insurance Law, established a Property Insurance fund, later renamed as the General Insurance Fund (GIF) by Presidential Decree (PD) No. 245 (s. 1973), to indemnify or compensate the Government for any damage to, or loss of, its properties due to fire, earthquake, storm or other casualty;

WHEREAS, under RA No. 656, the national government agencies and local government units, except those belonging to municipalities below first class, are required to insure with the GIF, their properties, assets and other interests against any insurable risk;

WHEREAS, during the Third United Nations World Conference on Disaster Risk Reduction in 2015, insuring government properties and assets is regarded as one of the valuable components of a country's disaster risk financing strategy that is vital to improve its resiliency against natural disasters;

WHEREAS, notwithstanding the above-mentioned laws, the Commission on Audit indicated in its report that there are still agencies whose properties, assets, facilities and other insurable interests are currently not insured or substantially underinsured, thereby not providing them with adequate insurance protection;

WHEREAS, One (1) Billion Pesos have been allocated under the National Disaster Risk reduction and Management Fund of the FY 2017 General Appropriations Act for the insurance coverage of government facilities against natural calamities, subject to the guidelines to be issued by the Department of Budget and Management (DBM), Department of Finance (DOF) and the Government Service Insurance System (GSIS) for the purpose;

WHEREAS, there is a need to prescribe the necessary policies, rules and regulations to ensure that the key properties, assets and other interests of the Government, especially the high-risk items, are provided with comprehensive and adequate insurance coverage;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order: