

**[ ADMINISTRATIVE ORDER NO. 175, June 26,  
1990 ]**

**AUTHORIZING THE PHILIPPINES FIRST INSURANCE CO., INC.  
TO BECOME A SURETY UPON OFFICIAL RECOGNIZANCES,  
STIPULATIONS, BONDS AND UNDERTAKINGS**

WHEREAS, Section 1 of Act No. 536, as amended, provides that "[w]hensoever any recognizance, stipulation, bond or undertaking conditioned for the faithful performance of any duty or of any contract made with any public authority, national, provincial, municipal, or otherwise, or of any undertaking, or for doing or refraining from doing anything in such recognizance, stipulation, bond or undertaking specified, is, by the laws of the Philippines or by the regulations or resolutions of any public authority therein, required or permitted to be given with one surety or with two or more sureties, the execution of the same or the guaranteeing of the performance of the condition thereof shall be sufficient when executed or guaranteed solely by . . . any corporation organized under the laws of the Philippines, having power to guarantee the fidelity of persons holding positions of public or private trust and to execute and guarantee bonds or undertakings in judicial proceedings and to agree to the faithful performance of any contract or undertaking made with any public authority . . .;"

WHEREAS, Section 1 of Act No. 536, as amended, further provides that ". . . no head of Department, court, judge, officer, board, or body executive, legislative or judicial shall approve or accept any corporation as surety on any recognizance, stipulation, bond, contract, or undertaking, unless such corporation has been authorized to do business in the Philippines in the manner provided by the provisions of this Act, nor unless such corporation has, by contract with the Government of the Philippines, been authorized to become a surety upon official recognizances, stipulations, bonds, and undertakings . . .;"

WHEREAS, the PHILIPPINES FIRST INSURANCE CO., INC. is a domestic corporation organized and existing under the laws of the Republic of the Philippines and fulfills the conditions prescribed by said Act No. 536, as amended;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby authorize PHILIPPINES FIRST INSURANCE CO., INC. to become a surety upon official recognizances, stipulations, bonds, and undertakings in such manner and under such conditions as are provided by law, subject, however, to the condition that the amount constituting the contributed surplus fund shall not at anytime be withdrawn without prior recommendation and justification by the Insurance Commissioner duly approved by the Secretary of Finance, and provided further, that the moment PHILIPPINES FIRST INSURANCE CO., INC. becomes indebted to any government instrumentality or political subdivision thereof, or to any government-owned or controlled corporation in the total amount of P50,000.00 accruing from the issuance of bonds, the same