

## [ Act No. 3802, December 04, 1930 ]

### **AN ACT AMENDING CHAPTER ONE OF ACT NUMBERED TWENTY-FOUR HUNDRED AND TWENTY-SEVEN, KNOWN AS THE "INSURANCE ACT," SO AS TO FIX THE TIME WITHIN WHICH CLAIMS SHALL BE PAID AND TO PROVIDE FOR THE PAYMENT OF INTEREST IN CASE OF UNJUSTIFIED DELAY IN THE SETTLEMENT OF A CLAIM, AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:*

SECTION 1. Chapter One of Act Numbered Twenty-four hundred and twenty-seven is hereby amended by inserting the following sections therein:

#### PAYMENT OF CLAIMS

"SEC. 91-A. The proceeds of a life insurance policy shall be paid immediately upon maturity of the policy, unless such proceeds are made payable in instalments or as an annuity, in which case the instalments or annuities shall be paid as they become due: *Provided, however,* That in the case of a policy maturing by the death of the insured, the proceeds thereof shall be paid within sixty days after presentation of the claim and filing of the proof of the death of the insured. Refusal or failure to pay the claim within the time prescribed herein will entitle the beneficiary to collect interest on the proceeds of the policy for the duration of the delay at the rate of six per centum per annum, unless such failure or refusal to pay is based on the ground that the claim is fraudulent. In that event, when the case is taken to court, it shall be the duty of the court to determine whether the insurer was justified in contesting the claim. If the court shall find that there was no justification for the insurer to contest payment, the beneficiary shall be entitled to collect the interest provided for in this section, in addition to the proceeds of the policy.

"SEC. 91-B. The amount of any loss or damage for which an insurer may be liable, under any policy other than a life insurance policy, shall be paid within thirty days after proof of loss is received by the insurer and ascertainment of the loss or damage is made either by agreement between the insured and the insurer or by arbitration; but if such ascertainment is not had or made within sixty days after the receipt by the insurer of the proof of loss, then the loss or damage shall be paid within ninety days after such receipt. Refusal or failure to pay the loss or damage within the time prescribed herein will entitle the assured to collect interest on the proceeds of the policy for the duration of the delay at the rate of eight per centum per annum, unless such failure or refusal to pay is based on the ground that the claim is fraudulent. In that event, when the case is taken to court, it shall be the duty of the court to determine whether the insurer was justified in contesting the claim. If the court shall find that there was no justification for the insurer to contest payment, the assured shall be entitled to collect, besides the proceeds of the policy, the interest provided for in this section."