



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Circular Letter (CL) No.:	2014-46
Date:	12 November 2014
Supersedes:	None

CIRCULAR LETTER

TO : ALL INSURANCE AND SURETY COMPANIES CONCERNED

SUBJECT : RULES AND GUIDELINES IN THE APPLICATION FOR GRANT OF AUTHORITY TO PRIVATE INSURANCE AND SURETY COMPANIES TO ACT AS SURETIES IN GOVERNMENT TRANSACTIONS PURSUANT TO ACT NO. 536, AS AMENDED BY ACT NO. 2206

WHEREAS, Act No. 536, as amended by Act No. 2206¹ is the legal basis for the authority of the President of the Republic of the Philippines to issue corresponding Administrative Orders for insurance and surety companies to become a surety upon official recognizances, stipulations, bonds, and undertaking;

WHEREAS, by virtue of the Letter of the Office of the President dated May 7, 2014 and DOJ Opinion No. 93-2012 dated December 05, 2013, as affirmed by the DOJ in a Letter dated September 2014, IC Circular Letter (CL) No. 2014-24 dated May 28, 2014 was issued defining the power of the Insurance Commissioner to grant authority to private insurance and surety companies to act as sureties in government transactions;

WHEREAS, IC Circular Letter (CL) No. 2014-24 mandates the Deputy Insurance Commissioner for Legal Services, together with the Licensing Division, of the Insurance Commission to formulate the rules and guidelines of IC CL No 2014-24 for the processing of requests and/or applications for the grant of such authority.

¹ An Act Relative to Recognizances, Stipulations, Bonds, and Undertaking, and to Allow Certain Corporations To Be Accepted As Surety Thereon.