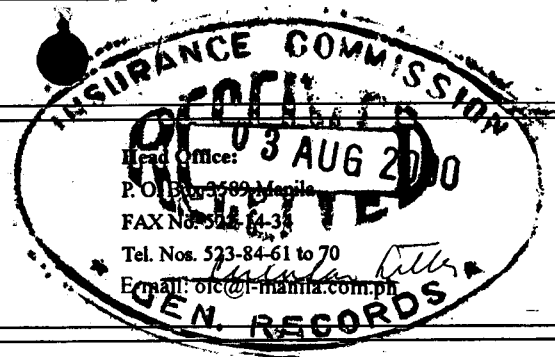




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



July 12, 2000

CIRCULAR LETTER NO. 8-2000

To : ALL NON-LIFE INSURANCE COMPANIES AUTHORIZED TO
BECOME SURETY UPON OFFICIAL RECOGNIZANCES,
STIPULATIONS, BONDS AND UNDERTAKINGS

Subject : JUDICIAL BONDS

In a Memorandum to all Clerks of Court and Branch Clerks of Court, dated September 10, 1993 (copy attached), the Court Administrator of the Supreme Court prescribed the guidelines before approval by the Judge concerned of all applications for bail/judicial bonds.

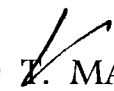
As a parallel move with that of the Supreme Court to stop the proliferation of spurious bail bonds and other judicial bonds, the following rules shall govern the issuance of judicial bonds:

1. Judicial bonds can only be issued by the head office or branches and district offices of insurance companies, duly registered with the Insurance Commission to the exclusion of others;
2. The insurance company issuing judicial bonds shall confirm every first ten (10) days of the following month, the bonds it had issued to a particular court copy furnished the Supreme Court and the Insurance Commission. However in the event that the court requests for a special or an urgent verification of a particular bond, the insurance company shall act upon it within three (3) working days from date of receipt and forward a copy to the Insurance Commission;
3. Penalties
 - a) For failure to submit the list of judicial bonds a company has issued for a particular month within ten (10) days of the following month, a penalty of P500.00 per day of delay;

- b) For failure to act on the court's request within three (3) working days from receipt of the request; a penalty of P500.00 per day of delay; and
- c) For failure to comply with any of the foregoing rules, a surety company cannot invoke the defense that the bond in question is a fake bond and hence shall be liable to pay its obligation under the bond.

The form to be used in the submission required under item No. 2 is attached.

This Circular Letter amends IC Circular Letter No. 24-93 and takes effect immediately.


EDUARDO T. MALINIS
Insurance Commissioner

Supreme Court of the Philippines
Manila

OFFICE OF THE COURT ADMINISTRATOR

Memorandum To:

ALL CLERKS OF COURT AND BRANCH CLERKS OF COURT

RE: FAKE BAIL BONDS

The proliferation of Fake Bail Bonds has reached a serious state. Among the victims of such illegal practice are the following surety/bonding companies: 1) Country Bankers; 2) Mercantile Insurance; 3) Oriental Insurance; 4) Dominion Insurance; 5) Zenith Insurance; 6) Eastern Insurance; 7) FGU Insurance; to mention a few. Eradication of illegal act is next to impossible. Therefore, to head off the commonly reported "fake bail bonds", all applications for bail/judicial bonds, before their approval by the Judge concerned, shall be scrutinized by the Clerk of Court or his duly authorized personnel as to their authenticity before affixing his signature thereto. For this purpose, the Clerk of Court shall keep a file of specimen signature of authorized bonding officers. For the information and guidance of the Court, the Clerk of Court shall also indicate the outstanding liability of the bonding company, if any.

In order to keep the Office of the Court Administrator fully abreast with the solvency/financial stability of bonding companies, the Clerk of Court shall submit to the Office, a quarterly report on surety transaction of bonding companies with the court concerned relating to such data as the outstanding obligations of the bonding companies, the amount executed together with the judgment of forfeiture and writ of execution as well as the subsequent motions/orders with respect thereto.

As a reminder, the authority of Plaridel Insurance Company to transact surety business has been suspended for cause by the Insurance Commission on January 28, 1992. Likewise the authority of Times Surety and Insurance Company to transact surety business has been suspended for cause by the Insurance Commission on September 22, 1992.

Strict compliance is hereby enjoined.

September 10, 1993.

(Sgd.) ERNANI CRUZ PAÑO
Court Administrator

CMG/Lily
a true copy:RGG

List of Judicial Bonds Issued
 For the Month of _____, 2000
 Pursuant to IC Circular No. _____ Dated _____

<u>COURT</u>	<u>KIND OF BOND</u>	<u>PRINCIPAL</u>	<u>CLASS</u>	<u>BOND NUMBER</u>	<u>DATE ISSUED</u>	<u>TERM</u>	<u>FACE AMOUNT OF BOND</u>	<u>AMOUNT OF PREMIUM</u>
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 COMPANY

 Authorized Signature
 (Please sign over printed name)

Date: _____