



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



Circular Letter No.	: 2019-38
Date	: 29 July 2019
Supplements	: IC CL No. 2014-24, IC CL No. 2014-46 and IC CL No. 2015-39

CIRCULAR LETTER

TO : ALL INSURANCE AND SURETY COMPANIES CONCERNED

SUBJECT : REMOVING THE VARYING LIMITS OF LIABILITY/ RESTRICTIONS IN THE AUTHORITY ISSUED TO INSURANCE 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. 2206 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 DOJ *Opinion No. 93 series of 2013* dated December 5, 2013 and the letter of the Office of the President dated May 7, 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 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 for the processing of requests and/or applications for the grant of such authority;

WHEREAS, IC CL No. 2014-46 dated November 12, 2014 and IC CL 2015-39 dated July 27, 2015 was issued to provide rules and regulations 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 subject to the submission of the requirements stated therein and payment of an accreditation fee or supervision fee, as the case may be;

WHEREAS, insurance companies authorized to act as sureties to government transactions pursuant to Act No. 536, as amended by Act No. 2206 are already subjected to the stringent networth and RBC requirements in accordance with the Insurance Code, as amended by

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