



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



Legal Opinion (L.O.)	2022-07
Date:	18 March 2022

MS. ANNETH AGONCILLO
SANYOSEIKI STAINLESS
2801 28TH Floor World Trade Exchange Building
Juan Luna St., Binondo, Manila
a.agoncillo@sanyoseiki.com

SUBJECT: **Query on Supersedeas Bonds**

Dear Ms. Agoncillo:

This pertains to your letter dated 10 February 2022 inquiring whether there is a rule or regulation pertaining to how often a premium for Supersedeas Bonds must be paid.

A Supersedeas Bond is filed by the principal in order to stay the execution of judgment of the lower court **pending his/her appeal** to an appellate court, and under the condition that when the appellate court affirms the judgment of the lower court, the principal and the Surety shall become liable for the satisfaction of the judgment rendered in favor of the opposing party in a given court case.

It must be noted that the period when an appeal is decided varies depending on the applicable Rules of Court, and on the unique circumstances of each case. For this reason, **a Supersedeas Bond has an indefinite term because it is contingent upon the issuance of judgment by the appellate court.** Hence, a Supersedeas Bond is in the nature of a continuing bond which has an indefinite term.

In this regard, please note that Insurance Commission (IC) **Circular Letter No. 2018-47** otherwise known as "*Amended Rules and Regulations on the Issuance of Bonds*", provides as follows:

*"For continuing bonds with an **indefinite term**, the annual premium at the applicable rate per annum shall be charged in full, and the same renewal premium shall be payable in advance for each renewal period of one year.*

Anent your question as to how often the premium of a Supersedeas Bond shall be paid, the answer is **annually**. The annual premium, at the applicable rate per annum shall be charged in full, and in case of renewal of the bond, the renewal premium shall be payable in advance for each renewal period of one year. Nonpayment of the annual premium will lead to cancellation of the bond.

For the applicable rates per annum, this may vary based on the amount being secured under the Supersedeas Bond. Please refer to the Schedules of applicable rates per annum under **IC CL No. 2018-47**. A copy of the Circular Letter is hereby attached for your reference.

Thank you.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner



Encl: A/S