

MALACANANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 121

AUTHORIZING THE PHILIPPINE MOTOR ASSURANCE CORPORATION TO BECOME A SURETY UPON OFFICIAL RECOGNIZANCES, STIPULATIONS, BONDS AND UNDERTAKINGS.

WHEREAS, Section I of Act No. 536, as amended by Act No. 2206, provides that whenever any recognizance, stipulation, bond or undertaking conditioned for the faithful performance of any duty or of any contract made with any public authority, national, provincial, municipal or otherwise or of any undertaking or for doing or refraining from doing anything in such recognizance, stipulation, bond or undertaking specified is, by the laws of the Philippines or by the regulations or resolutions of any public authority therein, required or permitted to be given with one surety or with two or more sureties, the execution of the same or the guaranteeing of the performance of the condition thereof shall be sufficient when executed or guaranteed solely by any corporation organized under the laws of the Philippines, having power to guarantee the fidelity of persons holding positions of public or private trust and to execute and guarantee bonds or undertakings in judicial proceedings and to agree to the faithful performance of any contract or undertaking made with any public authority;

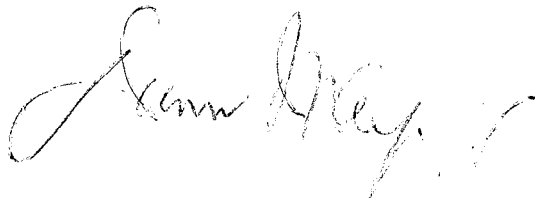
WHEREAS, said section further provides that no head of department, judge, officer, board or body, whether executive, legislative, or judicial, shall approve or accept any corporation as surety on any recognizance, stipulation, bond, contract or undertaking unless such corporation has been authorized to do business in the Philippines in accordance with the provisions of said Act No. 536, as amended, nor unless such corporation has, by contract with the Government of the Philippines, been authorized to become a surety upon official recognizances, stipulations, bonds and undertakings; and

WHEREAS, PHILIPPINE MOTOR ASSURANCE CORPORATION is a domestic corporation organized and existing under the laws of the Republic of the Philippines and fulfills the conditions prescribed by said Act No. 536, as amended;

NOW, THEREFORE, I, DIOSDADO MACAPAGAL, President of the Philippines, by virtue of the powers vested in me by law, do hereby authorize the PHILIPPINE MOTOR ASSURANCE CORPORATION to become a surety upon official recognizances, stipulations, bonds and undertakings in such

manner and under such conditions as are provided by law, subject, however, to the conditions that the amount constituting the contributed surplus fund shall not at any time be withdrawn and paid back in cash to the contributing stockholders without prior recommendation and justification by the Insurance Commissioner duly approved by the Secretary of Finance, and provided, further, that the moment PHILIPPINE MOTOR ASSURANCE CORPORATION becomes indebted to any government-owned or controlled corporation in the total amount of P50,000.00 accruing from the issuance of bonds, the same having been due and demandable, the insurance company must voluntarily desist from writing or issuing all kinds of bonds until the outstanding liabilities in government bonds have been fully paid or settled. Non-payment of liabilities shall be a cause for the immediate revocation of the Administrative Order.

Done in the City of Manila, this 24th day of April , in the year of Our Lord, nineteen hundred and sixty-five.



By the President:



RAMON A. DIAZ
Executive Secretary