



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6760

Introduced by
REPRESENTATIVE PANTALEON D. ALVAREZ

**AN ACT FURTHER AMENDING SECTION 27 OF PRESIDENTIAL
DECREE NO. 1146 EXEMPTING THE REINSURANCE POLICIES OF
THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)
FROM THE PROVISIONS OF REPUBLIC ACT NO. 9184**

EXPLANATORY NOTE

The Government Service Insurance System (GSIS) was created in 1936, pursuant to Commonwealth Act No. 186. It was then amended by Presidential Decree No. 1146 and was further amended by Republic Act No. 8291 or the GSIS Act of 1997.

GSIS, in principle, should be given the authority to determine the capability of the participating institutions to be financially sound whether private or publicly owned and foreign or domestic. GSIS should guarantee that the awarded contract shall be the most advantageous for the government.

In view of the foregoing, immediate passage of this bill is earnestly sought.

PANTALEON D. ALVAREZ



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*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. Section 27 of Presidential Decree No. 1146, further amended by Republic Act No. 8219, otherwise known as the Government Service Insurance System (GSIS) Act of 1997, is hereby further amended to read as follows:

"SECTION 27. Reinsurance. — The GSIS may reinsure any of its interests or part thereof TO any FINANCIALLY SOUND AND CAPABLE private company or reinsurer whether domestic or foreign, OR TO ANY INSURANCE INSTITUTION OWNED AND OPERATED BY A FOREIGN GOVERNMENT AGENCY: PROVIDED, THAT IN THE AWARD OF REINSURANCE POLICIES, THE GSIS SHALL BE EXEMPT FROM THE PROVISIONS OF REPUBLIC ACT NO. 9184 AND SHALL ENSURE THAT THE CONTRACT TO BE AWARDED SHALL BE THE MOST ADVANTAGEOUS FOR THE GOVERNMENT OF THE PHILIPPINES. PROVIDED FURTHER, THAT THE

GSIS SHALL HAVE THE AUTHORITY TO DETERMINE THE CAPITALIZATION AND FINANCIAL RESERVE REQUIREMENTS OF ITS REINSURERS; Provided FINALLY, That the GSIS shall submit an annual report on its reinsurance operations to the Insurance Commission.

SECTION 3. **Separability Clause** – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 4. **Repealing Clause** - All other laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules and regulations or parts thereof which are contrary to or inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

SECTION 5. **Effectivity** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,