



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



Legal Opinion No.	10-2018-01
Date	January 5, 2018

ENGR. NOEL R. DALENA
Acting General Manager
Metropolitan Cebu Water District
Lapu-Lapu – Magallanes Sts.
Cebu City

Subject: Legal Opinion on the Proper Interpretation of Section 39.2 (c) Rule XI of the 2016 Implementing Rules and Regulations of Republic Act No. 9184 Pertaining to Performance Bonds.

Dear Engr. Dalena:

This refers to your request for opinion regarding the proper interpretation of Section 39.2 (c) Rule XI of the 2016 Implementing Rules and Regulations of Republic Act No. 9184 pertaining to Performance Bonds.

Specifically, you raised the following issue for this Commission's consideration:

“Does the certification by the Insurance Commission need to be specific to every awarded project? Or will the generic certification already incorporated in the issued bond, that the insurance company is authorized by the Commission to issue securities, suffice?”

Our Opinion

Section 39.2 paragraph (c) of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184¹ requires that the surety bond, which is callable on demand, must be duly certified by the Insurance Commission as issued by a surety or insurance company authorized to issue **such security**, referring to the specific surety bond issued for a particular project, *viz:*

¹ The Government Procurement Act