



MALACAÑAN PALACE  
MANILA

**BY THE PRESIDENT OF THE PHILIPPINES**

**ADMINISTRATIVE ORDER NO. 4**

**CREATING AN INTER-AGENCY COMMITTEE TO FORMULATE THE NECESSARY POLICIES, RULES AND REGULATIONS FOR THE PURPOSE OF ENSURING THAT THE KEY PROPERTIES, ASSETS AND OTHER INSURABLE INTERESTS OF THE GOVERNMENT ARE COMPREHENSIVELY AND ADEQUATELY INSURED**

**WHEREAS**, Republic Act (RA) No. 656, or the Property Insurance Law, established a Property Insurance Fund, later renamed as the General Insurance Fund (GIF) by Presidential Decree (PD) No. 245 (s. 1973), to indemnify or compensate the Government for any damage to, or loss of, its properties due to fire, earthquake, storm or other casualty;

**WHEREAS**, under RA No. 656, the national government agencies and local government units, except those belonging to municipalities below first class, are required to insure with the GIF, their properties, assets and other interests against any insurable risk;

**WHEREAS**, during the Third United Nations World Conference on Disaster Risk Reduction in 2015, insuring government properties and assets is regarded as one of the valuable components of a country's disaster risk financing strategy that is vital to improve its resiliency against natural disasters;

**WHEREAS**, notwithstanding the above-mentioned laws, the Commission on Audit indicated in its reports that there are still agencies whose properties, assets, facilities and other insurable interests are currently not insured or substantially underinsured, thereby not providing them with adequate insurance protection;

**WHEREAS**, One (1) Billion Pesos have been allocated under the National Disaster Risk Reduction and Management Fund of the FY 2017 General Appropriations Act for the insurance coverage of government facilities against natural calamities, subject to the guidelines to be issued by the Department of Budget and Management (DBM), Department of Finance (DOF) and the Government Service Insurance System (GSIS) for the purpose;

**WHEREAS**, there is a need to prescribe the necessary policies, rules and regulations to ensure that the key properties, assets and other interests of the Government, especially the high-risk items, are provided with comprehensive and adequate insurance coverage;

**NOW, THEREFORE, I, RODRIGO ROA DUTERTE**, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**Section 1. Creation of an Inter-Agency Committee on Government Property Insurance.** An Inter-Agency Committee on Government Property Insurance is hereby created to formulate the necessary policies, rules and regulations, which shall ensure that key properties, assets and other insurable interests of the Government are insured comprehensively and adequately.

The Committee shall be composed of the following:

- |    |                                   |               |
|----|-----------------------------------|---------------|
| a. | DOF                               | - Chairman    |
| b. | Office of the Executive Secretary | - Co-Chairman |
| c. | DBM                               | - Member      |
| d. | Insurance Commission, DOF         | - Member      |
| e. | GSIS                              | - Member      |

The DOF, through the Bureau of the Treasury, shall provide the necessary technical and administrative support services to the Inter-Agency Committee.

The Inter-Agency Committee shall likewise consult other government agencies or instrumentalities and other stakeholders concerned in the formulation of the necessary policies, rules and regulations on the matter, as may be necessary.

**Section 2. Functions of the Inter-Agency Committee.** The Inter-Agency Committee shall have the following functions:

- a. Formulate the necessary policies, rules and regulations that shall ensure that key properties, assets and other insurable interests of the Government are properly and adequately insured;
- b. Develop the appropriate monitoring and reporting mechanisms that could be adopted to ensure that all key properties, assets, facilities and other insurable interests of the Government are insured comprehensively and adequately;
- c. Assess the utilization and management of the GIF presently being administered by the GSIS;
- d. Review and evaluate the existing inventory of all government properties, assets, facilities and other insurable interests that are actively insured;
- e. Define and determine high-risk key government properties, assets and other public facilities which should be insured annually; and

- f. Propose appropriate legislative measures or executive issuances, as necessary, as regards insuring key government properties, assets, facilities and other insurable interests.

**Section 3. Submission of Terminal Report to the President.** The Inter-Agency Committee shall submit a terminal report to the President within one (1) year after the Committee has been convened.

The Inter-Agency Committee shall cease to exist after it has submitted its terminal report to the President.

Thereafter, the DOF shall continue to undertake, as necessary, the vital activities related to ensuring that all key properties, assets, facilities and other insurable interests of the Government are comprehensively and adequately insured, including inventory of key properties and assets of the government, as well as implementing the monitoring and reporting mechanisms to ensure that government agencies continue to insure their properties and follow the guidelines prescribed by the Inter-Agency Committee.


**Section 4. Funding.** The funds necessary for the implementation of this Order shall be charged against the current appropriation of the members of the Inter-Agency Committee and other appropriate funding sources, subject to existing budgeting, accounting and auditing laws, rules and regulations.

**Section 5. Separability.** Should any part or provision of this Order be held unconstitutional or invalid, the other parts or provisions not affected thereby shall continue to be in full force and effect.

**Section 6. Repeal.** All orders, rules or regulations, issuances, or any part thereof inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

**Section 7. Effectivity.** This Order shall take effect immediately.

DONE, in the City of Manila, this **7<sup>th</sup>** day of **August**, in the Year of our Lord, Two Thousand and Seventeen.

*R Duterte* 

By the President:

  
**SALVADOR C. MEDIALDEA**  
Executive Secretary *A*