

Department of Budget and Management  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
**TECHNICAL SUPPORT OFFICE**

**NPM No. 17-2012**

2 February 2012

**MS. NIMFA MACABENTA HIRANG**

*Bids Consultant*

**INNOVE COMMUNICATIONS, INC.**

10F GT Telepark, 111 Valero St.,

Makati City

**Re: Certification issued by the Insurance Commission**

Dear Ms. Hirang:

We respond to your letter dated 18 January 2012 requesting for clarification as regards the prescribed format and the required information of the certification that should accompany a surety bond submitted as a bid or performance security provided in Sections 27 and 39.

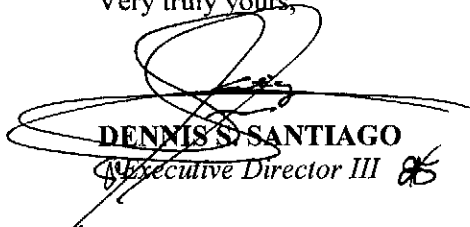
With respect to the format of the certification, please be informed that since the authority to issue such certification belongs with the Insurance Commission, it has the prerogative to determine the format therefor.

As regards the content of the certification, please note that as discussed in a previous opinion<sup>1</sup> and in compliance with Sections 27.2 (c) and 39.2 (c), the certification which must be submitted by the bidder together with the surety bond must (i) unequivocally state that the surety or insurance company is specifically authorized to issue surety bonds callable on demand, and (ii) must be issued by the Insurance Commission. Further, we wish to note that since the surety bond required under Sections 27.2 (c) and 39.2 (c) is required to be project specific, the certification from the Insurance Commission must also be project specific.

For further guidance, we wish to inform you that the Regulatory, Conservation & Liquidation Division of the Insurance Commission issues a certificate of authority specifically for purposes of bidding upon request from the insurance company. You may contact them at telephone numbers (02) 5238641 to 70 local 105.

We hope our advice provided sufficient guidance on the matter. Should you have further questions, please do not hesitate to contact us.

Very truly yours,

  
**DENNIS S. SANTIAGO**  
*Executive Director III*

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<sup>1</sup> NPM No. 24-2010 dated 7 July 2010