



Republic of the Philippines
Department of Education
Region III
SCHOOLS DIVISION OF PAMPANGA

February 09, 2026

DIVISION MEMORANDUM
NO. 103, s. 2026

**REITERATION ON COMPLIANCE WITH THE PROPERTY INSURANCE LAW AND
SUBMISSION OF PROPERTY INVENTORY FORM (PIF)**

To: Assistant Schools Division Superintendents
Chief Education Supervisors
Education Program Supervisors
Public School District Supervisors
Public Secondary School Heads (Fiscal Schools)
All Others Concerned

1. In line with existing laws, rules, and regulations, this Memorandum is issued to reiterate strict compliance with the Property Insurance Law, particularly Republic Act (RA) No. 656, otherwise known as the Property Insurance Law, as amended by Presidential Decree (PD) No. 245 dated July 13, 1973.

2. RA No. 656, as amended, mandates that all government agencies, except municipal governments below first-class category, shall insure their properties, assets, and interests against risk with the General Insurance Fund (GIF) administered by the Government Service Insurance System (GSIS).

3. Further, COA Circular No. 2018-002 dated May 31, 2018, prescribes the guidelines on the submission of the Property Inventory Form (PIF) as the basis for the assessment of general insurance coverage over all insurable assets, properties, and interests of the government with the GIF of the GSIS.

4. In accordance with the above, the school heads of fiscal schools, through the concerned officials under his/her supervision, are hereby directed to ensure the following:

- a. Preparation of the Property Inventory Form (PIF). Prepare the PIF listing all insurable properties and other assets, indicating their latest appraised values/valuation, appraisal date, location, and other required information, using the prescribed format (Annex A).
- b. Extraction of Data from RPCPPE, as well as from RPCI, prepared in accordance with the provisions of the Government Accounting Manual (GAM) for NGAs, excluding impaired properties for disposal.
- c. Appraisal of Insurable Properties and Assets
Cause the appraisal of all insurable properties and other assets of the respective offices.



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- o For properties or insurable interests with a value of Ten Million Pesos (P10,000,000.00) and below, an in-house appraisal shall be sufficient.
- o For properties exceeding P10,000,000.00, independent appraisal shall be required.

d. Submission of Consolidated PIF. Submit the consolidated Property Inventory Form (PIF) to the Supervising Auditor/Audit Team Leader and to GIF, GSIS not later than April 30 of each year, for insurance coverage assessment.

5. For guidance and reference, COA Circular No. 2018-002 and the Property Insurance Form are attached as Annex "A." All concerned officials and personnel are hereby enjoined to give this matter their utmost attention and ensure full compliance.

6. Immediate and wide dissemination of this Memorandum is desired.

ROMEO M. ALIP, PhD, CESO V
Schools Division Superintendent

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Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CIRCULAR

No. : 2018-002
Date : MAY 31 2018

- TO** : All Heads of Departments, Agencies, Bureaus, Commissions, Boards and Offices of the National Government; State Universities and Colleges; Government-Owned or Controlled Corporations; Local Government Units; Commission on Audit Directors, Supervising Auditors and Audit Team Leaders of the National, Local, and Corporate Government Sectors; and All Others Concerned
- SUBJECT** : Guidelines prescribing the submission of the Property Inventory Form as basis for the assessment of general insurance coverage over all insurable assets, properties and interests of the government with the General Insurance Fund of the Government Service Insurance System

1.0 Rationale

Republic Act (RA) No. 656, otherwise known as the Property Insurance Law, as amended by Presidential Decree (PD) No. 245, requires all government agencies (except municipal governments below first class category) to insure against any insurable risk their properties, assets, and interests with the General Insurance Fund (GIF), as administered by the Government Service Insurance System (GSIS).

It has come to the attention of this Commission that there are still properties owned by government agencies and their subsidiaries which are not insured with the GIF; or which are insured with private insurance companies or which, while covered by the GIF, are not insured adequately.

The non-compliance with the requirement denies the government adequate and reliable protection against any damage to or loss of its properties or assets and interests due to fire, earthquake, storm, or other fortuitous events/casualty. It also deprives the GSIS of substantial premium income that should have formed part of the GIF.

To enable the GIF to deliver the mandated services, it is necessary for the GSIS to obtain complete information on the inventory of assets and properties of all government agencies, including the latest appraised/market values determined by a third party or in-house appraiser in compliance with the accounting and other valuation standards adopted by the concerned agency.

2.0 Purpose

This Circular is being issued to assist in the implementation of the provisions of RA No. 656, as amended, on the insurance and bonding of risks on insurable government assets and properties with the GIF.

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3.0 Coverage

This Circular shall cover all insurable government assets and other assets such as contracts, rights of action, and other insurable risks of government agencies, departments, bureaus, boards, commissions, state universities and colleges, local government units, government-owned or controlled corporations and their subsidiaries/affiliates, including all others in which these agencies or offices have an insurable risk or an insurable interest, such as but not limited to, loss or damage of the government assets.

It is only when such property or part thereof are not acceptable to the GIF that these may be insured with a private insurance company¹ at a cost most advantageous to the government, subject to the applicable provisions of the Revised Implementing Rules and Regulations of RA No. 9184 or the Government Procurement Reform Act.

Properties or assets, contracts or agreements, causes or rights of action, or other insurable interests of the Armed Forces of the Philippines, shall be bound by this Circular to the extent that they are acceptable to the GIF.²

4.0 Definition

For purposes of this Circular, the following terms are defined as follows:

- 4.1 **Property** includes vessels and craft, motor vehicles, machineries, permanent buildings, properties stored therein (i.e. furniture, fixtures, equipment, supplies and materials, etc.) or in buildings rented by the government, or properties in transit, the ownership of which had already passed to the government.
- 4.2 **Insurable Interests**, as defined in RA No. 10607 (PD No. 612, as amended), otherwise known as the Insurance Code, and Administrative Order No. 33 mean every interest in property, whether real or personal, or any relation, thereto, or liability in respect thereof, of such nature that a contemplated peril might directly damnify the insured.
- 4.3 **Insurable Value** refers to replacement cost or actual cash value of a building for which standard insurance policies provide indemnity cover. Insurable value is less than the appraised or market value of the property because it excludes the value of land on which the building stands. The formula for computing the insurable value is usually stated in the valuation clause of a policy document.
- 4.4 **Market Value** refers to the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, where the parties had each acted knowledgeably, prudently, and without compulsion.
- 4.5 **Appraised Value** is an appraiser's opinion of the current worth of a property based on factors such as area, location, improvements, and amenities.

¹ As provided by Republic Act No. 656

² Pursuant to Commission on Audit Decision No. 2016-290 dated October 19, 2016

- 4.6 **Acquisition Cost** is the amount paid or value given up to acquire a government asset.

5.0 Guidelines

- 5.1 Heads of government agencies shall direct the pertinent official under his/her supervision to:
- a. Secure directly from the GSIS GIF, all insurances or bonds covering properties, contracts, rights of action, and other insurable risks of their respective offices;
 - b. Prepare the Property Inventory Form (PIF) listing of all the insurable properties and other assets, showing their latest appraised values/valuation, appraisal date, location, and other information (Annex A);
 - c. Extract from the Report on the Physical Count of Property, Plant and Equipment, as well as from the Report on the Physical Count of Inventories, prepared in accordance with the provisions of the Government Accounting Manual, the data for the PIF pertaining to the insurable assets and interest of the government (excluding impaired properties for disposal);
 - d. Cause the appraisal of the insurable properties and other assets of their respective offices. For this purpose, an in-house appraisal shall be sufficient if the property or insurable interest has a value of P10 million and below. Otherwise, an independent appraisal shall be necessary;
 - e. Submit the consolidated PIF to the Supervising Auditor /Audit Team Leader and the GIF, GSIS, not later than April 30 of each year;
 - f. Include in the agency annual budget the amount of premiums for the general insurance covering all insurable properties and other assets and ensure its payment to the GSIS; and
 - g. Ensure centralized payment of insurance premiums of all assets/property, whether located in the Central/Head Office (C/HO) or Regional/District Offices, Branches and/or Operating Units (R/DOs/Bs/OU) in order to avoid double payment. The Head of the agency shall issue specific guidelines/instructions to the R/DOs/Bs/OU to submit their respective accurate and updated PIF for consolidation at the C/HO.
- 5.2 ~~It~~ shall be the responsibility of the officials of the GIF to validate/review the accuracy of the valuation of the properties reported in the PIF.
- 5.3 The Head of Agency, Accountant, Property Officer, Administrative Officer, Cashier, Treasurer, or any government official of the National Government Agencies/Local Government Units/Government-Owned or Controlled Corporations, who are responsible for the payment of the premiums prescribed, who refuses or habitually neglects to comply within the time

prescribed, shall be held liable for the payment of said premiums and shall pay to GSIS a fine of two per centum (2%) per month of said premiums from their due dates until received by the GIF, as provided for under Section 6(b) of RA No. 656.

- 5.4 Likewise, the GSIS General Insurance Group officials and employees who neglected and failed to collect or accept payments of the said premiums or issue receipt therefor shall be liable for the said premiums and the penalty prescribed herein.
- 5.5 Failure on the part of the agency officials concerned and the GSIS to submit and receive, respectively, the documents and reports mentioned herein, as well as failure of the GSIS underwriting officials to assess the premium due within the timeframe herein prescribed, shall automatically cause the suspension of the payment of their salaries until they shall have complied with the requirements of RA No. 656 and its Implementing Rules and Regulations, as well as the provisions of this Circular.
- 5.6 No appropriation authorized in the General Appropriations Act shall be available to pay the salary of any official or employee who violates the provisions of this Circular, without prejudice to any disciplinary action that may be instituted against such official or employee.

6.0 Repealing Clause

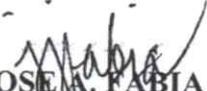
All circulars, memoranda, and other issuances inconsistent with this Circular are hereby repealed, amended, or modified accordingly.

7.0 Effectivity

This Circular shall take effect after fifteen (15) days upon publication in a newspaper of general circulation.




MICHAEL G. AGUINALDO
Chairperson


JOSE M. FABIA
Commissioner

Annex A
Instructions for filling up the PIF

Column	Description
1	<p>Classification</p> <p>This column shall contain the general/major classification of the property as it is classified in the financial statements. Example: Buildings, Machinery and Equipment; Motor Vehicle, etc.</p> <p>Please refer to the Government Accounting Manual and the Chart of Accounts for the general/major classification of property.</p> <p>Type</p> <p>This column shall also contain the specific description of the property, i.e. Machinery, Office Equipment, Information and Communications Technology Equipment.</p> <p>For both classification and type and its description, please refer to the Government Accounting Manual and the Chart of Accounts for the general/major classification of property.</p>
2	<p>Item Description</p> <p>This column shall indicate a more specific and detailed information of the property, i.e. the brand or make, size/dimension of the property, capacity, etc. of the property.</p>
3	<p>Nature of Occupancy</p> <p>This column is for buildings and other structures, which indicates the nature or type of occupancy of the Government property whether: schools, offices, clinics, hospitals, laboratories, public markets, car parks, terminals, residential, and other information which are important basis for the pricing of the property and in determining the amount of the premium to be paid to the GSIS.</p>
4	<p>Location</p> <p>This column shall indicate where the property is located, installed or constructed. It shall indicate the whether it is in the Central/Head or Regional Offices, Branches and Operating units and their addresses.</p>
5	<p>Date Constructed/ Acquired/Manufactured</p> <p>Indicate in this column the date of construction/acquisition and manufacture of the property which is important for the determination of the depreciation, depreciated cost, and the insurable amount.</p>
6	<p>Property No./Other Reference</p> <p>Property Number indicated in this column pertains to the identifying number assigned by the Supply and/or Property Division/Unit corresponding to the RPCPPE, Acknowledgement Receipt of Equipment, Inventory Custodian Slip, Property Stickers, and other reference.</p>

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Column

Description

Other Reference shall be indicated in this column for insurable interests other than Property. It may refer to Contract Reference Number, Purchase Order Number and the like.

7 **Acquisition Cost/Insurable Interest**

Acquisition Cost/ Insurable Interest pertains to the cost/value as defined in Paragraph 4 hereof.

8 **Market/Appraisal/ Insurable Interest** pertains to the cost/value as defined in Paragraph 4 hereof

9 **Date of Appraisal**

The date of the appraisal to be indicated in this column pertains to the date the appraisal was conducted by the in-house or independent appraiser pursuant to Paragraphs 1 and 5.1.b hereof.

10 **Remarks**

Indicate other information which are important for and will facilitate the determination of the depreciation, depreciated cost, and the insurable amount of the property and the amount of premium to be paid to the GSIS .

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