

policies issued separately by two (2) insurance companies authorized to do business in the Philippines, satisfactory to the Commissioner to indemnify the applicant against any claim or claims for breach of duty as insurance broker which may be made against him by reason of any negligent act, error or omission, whenever or wherever committed or alleged to have been committed, on the part of the applicant or any person who has been, is now, or may hereafter during the subsistence of the policies be employed by the said applicant in his capacity as insurance broker: *Provided*, That the filing of any claim or claims under one of such policies shall preclude the filing of the said claim or claims under the other policy. The said policies shall be in such amounts as may be prescribed by the Commissioner, depending upon the size or amount of the broking business of the applicant, but in no case shall the amount of each of such policies be less than Five hundred thousand pesos (P500,000.00).

"SEC. 312. The Commissioner shall, in order to determine the competence of every applicant to have the kind of license applied for, require such applicant to submit to a written examination and to pass the same to the satisfaction of the Commissioner. The Commissioner may delegate or authorize the administration of the examination to an independent organization, subject to such conditions that the Commissioner may provide.

"SEC. 313. An applicant for the written examination mentioned in the preceding section must be of good moral character and must not have been convicted of any crime involving moral turpitude. He must satisfactorily show to the Commissioner that he has been trained in the kind of insurance contemplated in the license applied for. Such examination may be waived if it is shown to the satisfaction of the Commissioner that the applicant has undergone extensive education and/or training in insurance.

"SEC. 314. An application for the issuance or renewal of a license to act as an insurance agent or insurance broker may be refused, or such license, if already issued or renewed, shall be suspended or revoked if the Commissioner finds that the applicant for, or holder of, such license:

"(a) Has willfully violated any provision of this Code; or

"(b) Has intentionally made a material misstatement in the application to qualify for such license; or

"(c) Has obtained or attempted to obtain a license by fraud or misrepresentation; or

"(d) Has been guilty of fraudulent or dishonest practices; or

"(e) Has misappropriated or converted to his own use or illegally withheld moneys required to be held in a fiduciary capacity; or

"(f) Has not demonstrated trustworthiness and competence to transact business as an insurance agent or insurance broker in such manner as to safeguard the public; or

"(g) Has materially misrepresented the terms and conditions of policies or contracts of insurance which he seeks to sell or has sold; or

"(h) Has failed to pass the written examination prescribed, if not otherwise exempt from taking the same.

"In addition to the foregoing causes, no license to act as insurance agent or insurance broker shall be renewed if the holder thereof has not been actively engaged as such agent or broker in accordance with such rules as the Commissioner may prescribe.

"SEC. 315. The premium, or any portion thereof, which an insurance agent or insurance broker collects from an insured and which is to be paid to an insurance company because of the assumption of