

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

THIRTEENTH CONGRESS

HOUSE BILL NO. 3818



Introduced by Hon. Edmundo O. Reyes, Jr.

EXPLANATORY NOTE

Our government has the responsibility to protect every citizen of this country. It has the power to intervene on issues involving public interest, public health and public welfare especially in times of state of calamities and disasters. This was clearly stated in the 1987 Constitution that in *times of national emergency, when the public interest so requires, the State may, during the emergency and under reasonable terms prescribed by it, temporarily take over or direct operation of any privately owned public utility or **business affected with public interest.***

Learning from the lessons of the 1996 Marcopper Mine Spill tragedy, dubbed as the worst industrial disaster in the history of the Philippines, which devastated the Island Province of Marinduque, the purpose of this bill is to let government intervene in this kind of accidents, disasters or catastrophies that had tragic effect on people's lives, property and livelihood. Such catastrophic events, that may or may not be due to the negligence of the corporation, make *business* of mining, in this case, *affected with public interest*. Such circumstance should therefore afford the government to immediately intervene to protect the welfare of the people that have been affected.

This bill will cover corporations involved in industrial projects, as these are *businesses affected with public interest* when major accidents occur in their industrial project sites that affect their surrounding communities. The intervention sought in this bill, however, is not an attempt to take over the corporation. What it intends to do is to automatically assign to government the insurance proceeds of the corporation should a catastrophic event or accident occurs involving the industrial project causing grave damage to persons, property, and environment. This way, the government can be assured that the compensation for the damages caused will be indemnified. With this set up, money for indemnification will be secured by the government and will remain intact even in the event that the corporation may plan and succeed to divest its shares to escape liability especially if there has been bad faith or negligence on the part of the corporation. This will also ensure that the corporation would not gain any pecuniary benefit from the insurance proceeds at the expense of the damages incurred from the catastrophe.

In view of the foregoing, approval of this bill is earnestly sought.


EDMUNDO O. REYES, JR.

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AN ACT

AUTOMATICALLY ASSIGNING TO GOVERNMENT INSURANCE PROCEEDS OF CORPORATIONS UNDERTAKING INDUSTRIAL PROJECTS WHENEVER MAJOR ACCIDENT, DISASTER OR CATASTROPHIC EVENT OCCURS INVOLVING THEIR INDUSTRIAL PROJECT CAUSING DAMAGE TO PERSONS, PROPERTY, AND ENVIRONMENT

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SEC. 1. *Short Title.* - This Act shall be known as the "Industrial Disaster Insurance Act of 2005."

SEC. 2. *Insurance Proceeds of Corporations undertaking Industrial Projects.* - In the event that a major accident, disaster or catastrophic event occurs involving the industrial project causing damage to persons, property, and/or the environment of its surrounding communities, the insurance proceeds of the corporation shall be automatically assigned to government.

SEC. 3. *Major accident, disaster or catastrophic event* - The Department of Environment and Natural Resources (DENR) shall be the government agency tasked to determine whether such event is covered under the term "major accident, disaster or catastrophe." The DENR may convene a task force composed of different government agencies and nongovernmental organizations to help in its determination, as may be provided by the implementing rules and regulations of this Act.

SEC. 4. *Repealing Clause.* - All laws, presidential decrees, executive and administrative orders inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 5. *Effectivity Clause.* - This Act shall take effect fifteen (15) days from its publication in at least two newspapers of general circulation in the Philippines.

Approved.