

1 Republic of the Philippines

2
3 **House of Representatives**

4 Quezon City

5
6 *SIXTEENTH CONGRESS*

7 First Regular Session

8
9 HOUSE BILL NO. **3226**



10
11 **Introduced by Honorable Anthony M. Bravo and Honorable**
12 **Cresente C. Paez**

EXPLANATORY NOTE

The Philippine Crop Insurance Corporation (PCIC) is a government owned and controlled corporation created under PD 1467. It was later amended by PD 1733 and further amended by RA 8175. It is the implementing agency of the government's agricultural insurance program. PCIC is an attached agency of the Department of Agriculture and its principal mandate is to provide insurance protection to farmers against losses arising from natural calamities, plant diseases and pest infestations of their crops.

The problem with the PCIC is that it has continually failed to adequately protect our subsistence farmers from the rigors of calamities, often paying far less than what the actual value of the projected harvest is. This bill seeks to amend the PCIC Charter to require a payment between the range of 80% to a hundred percent of the actual value of the projected harvest of our farmers. It is only by properly compensating the farmers will we fully protect their interest and those of their families. This is very much needed at present and in the years to come considering the devastation brought about by climate change which has led to stronger typhoons and more unpredictable weather patterns.

In light of the foregoing, the immediate passage of this bill is earnestly requested.


HON. ANTHONY M. BRAVO


HON. CRESENTE C. PAEZ

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11 AN ACT
12 AMENDING PRESIDENTIAL DECREE NO. 1467 AS AMENDED BY REPUBLIC
13 ACT NO. 8175 OTHERWISE KNOWN AS THE REVISED CHARTER OF
14 THE PHILIPPINE CROP INSURANCE CORPORATION ACT
15

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

16 SECTION 1. Section 5 of Presidential Decree No. 1467, as amended by Republic Act
17 No. 8175, also known as the "Revised Charter of the Philippine Crop Insurance Corporation Act
18 of 1995," is hereby further amended to read as follows:

19 Sec. 5. Rate of Premium and [Its Sharing] AMOUNT OF INDEMNITY.
20 — The rate of premium, as well as the allocated sharing thereof by the farmers,
21 the lending institutions, the Government of the Republic of the Philippines (herein
22 called the Government) and other parties, shall be determined by the Board of
23 Directors of the Corporation: provided, that the share of the Government in the
24 premium cost, in the form of premium subsidy, shall be limited to subsistence
25 farmers BUT SHALL IN NO CASE BE LESS THAN FIFTY PERCENT (50%)
26 OF THE COST OF THE PREMIUM FOR RICE AND CORN AND TWENTY
27 FIVE PERCENT (25%) FOR OTHER CROPS: provided, however, that each of
28 these subsistence farmers is cultivating not more than seven (7) hectares by
29 themselves or with the help of the labor of the members of their households or
30 hired labor, the premium rate and sharing to be determined by the Board of
31 Directors subject to approval by the President of the Philippines: provided,
32 further, that the premium share of the subsistence farmer shall be reasonably
33 affordable by him: provided, furthermore, that the Government shall share in the
34 premium cost only in insurance coverage against unforeseen and unavoidable
35 risks such as, but not limited to, typhoons, droughts, outbreaks or pests and

1 diseases: provided, finally, that premium subsidy and/or insurance benefits shall,
2 upon the accumulation of surplus funds, be increased to such amount as may be
3 determined by the Board, taking into consideration that the Corporation has been
4 established not only for profit but mainly to help the insured in their direst hours
5 of need.

6 THE AMOUNT OF INDEMNITY SHALL BE AT LEAST EIGHTY
7 PERCENT (80%) BUT NOT MORE THAN ONE HUNDRED PERCENT
8 (100%) OF THE VALUE OF THE POTENTIAL HARVEST OF THE CROPS
9 SUBJECT TO THE APPROVAL OF THE PCIC BOARD. THE BOARD
10 SHALL TAKE INTO ACCOUNT THE ACTUAL COST OF PRODUCTION
11 INPUTS ALREADY APPLIED AT THE TIME OF LOSS PER FARM PLAN
12 AND BUDGET, SUBJECT TO LIMITS STIPULATED IN THE POLICY
13 CONTRACT, PRORATED COST OF THE HARVESTED CROPS, THE
14 SALVAGE VALUE, IF ANY, AND THE PERCENTAGE OF YIELD LOST."

15 SECTION 2. *Repealing Clause.* – Any law, presidential decree or issuance, executive
16 order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent
17 with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

18 SECTION 3. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) newspapers of general circulation.

Approved,