



**16th CONGRESS OF THE REPUBLIC OF THE PHILIPPINES
SECOND REGULAR SESSION)**

House of Representatives
HOUSE BILL NO. 4743

INTRODUCED BY HONORABLE GUS S. TAMBUNTING

EXPLANATORY NOTE

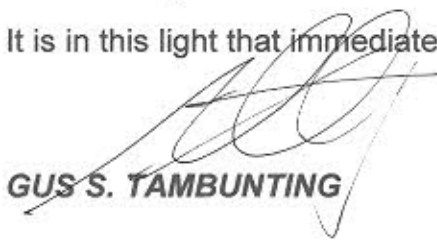
This bill seeks to hold liable any shareholder or corporate officer of parent company of a Pre-Need Plan who committed an act or failed to act where it should have known that the act or omission would prejudice plan holders of a pre-need plan.

Filipino family values education so much that Pre-need plans seemed to be a wise investment to secure the educational needs of their children.

However, recent cases of bankruptcy of Pre-need companies had demolished so many ambitions and future of the youth simply because the investment to Pre-need plans has been mismanaged and unscrupulous perpetrators remain free from liability.

Under this proposed legislation, the corporate officers and the shareholders shall be criminally liable and should be dealt with the full force and effect of the law.

It is in this light that immediate passage of this bill is earnestly sought.


GUS S. TAMBUNTING



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AN ACT

DECLARING SHAREHOLDER OR CORPORATE OFFICER OF PARENT COMPANY WHO COMMITTED AN ACT OR FAILED TO ACT WHERE IT SHOULD HAVE KNOWN THAT THE ACT OR OMISSION WOULD PREJUDICE PLAN HOLDERS OF PRE-NEED PLAN AND ITS BENEFICIARIES CRIMINALLY LIABLE, AND FOR OTHER PURPOSES

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

SEC. 1 It is hereby the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

SEC. 2 Any shareholder or corporate officer of parent company of a Pre-Need Plan who committed an act or failed to act where it should have known that the act or omission would prejudice plan holders of a pre-need plan shall be held criminally liable on the basis of a tort.

SEC. 3. *Implementing Rules and Regulations.* - The Insurance Commission (IC), Securities and Exchange Commission (SEC), Department of Justice (DOJ) and other appropriate government agencies shall promulgate the revised implementing rules and regulations necessary for the effective implementation of this Act.

SEC. 4. *Repealing Clause.* - All other laws, decrees, orders, issuances and rules and regulations or parts thereof inconsistent with this Act are hereby amended or repealed accordingly.

SEC.5. *Separability Clause.* - The provisions of this Act are hereby declared to be separable and, in the event any of such provisions is declared unconstitutional, the order provision, which is not affected thereby, shall remain in full force and effect.

SEC.6. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,