



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7492

Introduced by
**REPRESENTATIVES PANTALEON D. ALVAREZ AND RODOLFO
C. FARIÑAS**

**AN ACT FURTHER AMENDING SECTIONS 101 (A) (1) AND
SECTION 169 OF PRESIDENTIAL DECREE NO. 612, OTHERWISE
KNOWN AS "THE INSURANCE CODE", AS AMENDED BY
REPUBLIC ACT NO. 10607**

EXPLANATORY NOTE

Uncertainty and risk negatively affect investments which create jobs for our people and improve their standards of living especially in Mindanao where four (4) out of five (5) of the poorest regions in the Philippines are located¹. The siege of Marawi City on May 23 2017, for example, besides causing damage to infrastructure and agriculture estimated to cost Php 11.6 Billion, came at a price of loss of opportunity estimated at Php 6.6 Billion.

Further, in 2017 alone, the Armed Forces of the Philippines recorded 56 cases of arson committed by the New People's Army in Mindanao, destroying property worth at least Php 224.6 million. Unsurprisingly, the investments in Mindanao in the first half of 2017

¹ <https://psa.gov.ph/content/poverty-incidence-among-filipinos-registered-216-2015-psa>

dropped by 63% to Php 6.87 billion from Php 18.42 billion the same period the previous year. ²

An increase of terrorist and rebellion activity results to a greater exposure of our countrymen to various forms of threats resulting to death, destruction of property, and disruption of livelihood. Therefore, steps must be taken in order to ensure the safety and security of our people and their interests.

To address this concern, it is hereby proposed that certain sections of the insurance code be amended to cover loss due to terrorist and rebellion attacks. This will provide a safety net that would reduce risk and create an atmosphere of greater certainty necessary for investments, economic growth, and improved welfare for our people.

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



PANTALEON D. ALVAREZ



RODOLFO C. FARIÑAS

² <http://edgedavao.net/the-economy/2017/07/21/mindanao-investment-pledges-63/>



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REPUBLIC ACT NO. 10607**

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

SECTION 1. Section 101(a)(1) of of Republic Act No. 10607, as amended,
otherwise known as The Insurance Code, is hereby further amended to
read as follows:

"SEC. 101. Marine Insurance includes:

"(a) Insurance against loss of or damage to:

**"(1) Vessels, craft, aircraft, vehicles, goods, freights,
cargoes, merchandise, effects, disbursements, profits,
moneys, securities, choses in action, instruments of
debts, valuable papers, bottomry, and respondentia
interests and all other kinds of property and interests
therein, in respect to, appertaining to or in connection**

with any and all risks or perils of navigation, transit or transportation, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting shipment, or during any delays, storage, transshipment, or reshipment incident thereto, including war, **REBELLION AND TERRORISM** risks, marine builder's risks, and all personal property floater risks;

SECTION 2. Section 169 of Republic Act No. 10607, as amended, otherwise known as The Insurance Code, is hereby further amended to read as follows:

"SEC. 169. As used in this Code, the term fire insurance shall include insurance against loss by fire, lightning, windstorm, tornado or earthquake, **ACTS OF REBELLION OR TERRORISM** and other allied risks, when such risks are covered by extension to fire insurance policies or under separate policies."

SECTION 3. *Separability Clause.* - If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 4. *Repealing Clause.* - All other laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules and regulations or parts thereof which are contrary to or inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

SECTION 5. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two newspapers of general circulation, whichever comes earlier.

Approved,