

**Republic of the Philippines  
House of Representatives  
Quezon City**

**NINETEENTH CONGRESS  
Third Regular Session**

HOUSE BILL NO. **1880**



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Introduced by Hon. Felimon M. Espares  
COOP-NATCCO PARTYLIST

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Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
First Regular Session

**AN ACT  
STRENGTHENING THE PHILIPPINE CROP INSURANCE  
CORPORATION, REPEALING FOR THE PURPOSE PRESIDENTIAL  
DECREE NO. 1467, AS**

**AMENDED, ENTITLED "CREATING THE 'PHILIPPINE CROP INSURANCE  
CORPORATION' PRESCRIBING ITS POWERS AND ACTIVITIES,  
PROVIDING FOR ITS CAPITALIZATION AND FOR THE REQUIRED  
GOVERNMENT PREMIUM SUBSIDY, AND FOR OTHER PURPOSES"**

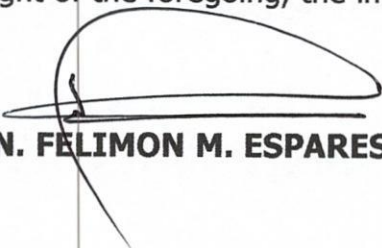
**EXPLANATORY NOTE**

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 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 be 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.

This bill was approved by the House of Representatives in the 18<sup>th</sup> Congress filed by Rep. Sabiniano S. Canama with House Bill no. 2649.

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



**HON. FELIMON M. ESPARES**

Republic of the Philippines  
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**AN ACT**  
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**ITS CAPITALIZATION AND FOR THE REQUIRED GOVERNMENT PREMIUM SUBSIDY,**  
**AND FOR OTHER PURPOSES"**

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

1       **SEC. 1. Short Title.** – This Act shall be known as the "Revised Charter of  
2 the Philippine Crop Insurance Corporation".

3       **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State  
4 to provide support to agriculture through adequate financial, production, marketing  
5 and other support services. Towards this end, the State shall:

- 6       (a) Ensure food security, intensity food production, promote agricultural  
7 credit, and broaden the coverage of mandatory crop insurance amidst  
8 the recurrence of disasters and calamities, natural or otherwise, such  
9 as floods, typhoons, heavy rains, and drought that destroy crops,  
10 especially *palay* and other grains and crops necessary for food security;  
11       (b) Alleviate the financial burden of farmers and fisherfolk due to  
12 uncompensated losses arising from destruction of crops wrought by

13           disasters and calamities; keep them away from indebtedness; enhance  
14           their credit standing; and provide additional government support to  
15           farmers and fisherfolk to increase agricultural production;

16           (c) Assist banks and financial institutions by enhancing their capabilities to  
17           extend loans to farmers; and

18           (d) Strengthen the organizational capability and expand the coverage of  
19           the Philippine Crop Insurance Corporation (PCIC), to provide insurance  
20           protection to farmers and fisherfolk against losses arising from natural  
21           calamities, fortuitous events, plant and fish diseases, and pest  
22           infestations.

23           **SEC. 3. *Expanded Purposes and Coverage of the PCIC.*** – The Philippine  
24           Crop Insurance Corporation (PCIC), a government-owned corporation established  
25           pursuant to Presidential Decree No. 1467, with its principal place of business in  
26           Metro Manila, shall insure qualified farmers and fisherfolk against losses arising  
27           from natural calamities, fortuitous events, plant and fish diseases, and pest  
28           infestations.

1 The PCIC shall provide insurance coverage for *palay* and corn crops, high-  
2 value commercial crops, livestock, aquaculture and fishery products, agroforestry  
3 crops, and forest plantations; non-crop agricultural assets such as machineries,  
4 equipment, transport facilities, and other related infrastructure; and life and accident  
5 term insurance coverage for farmers and fisherfolk. Such crop insurance shall  
6 cover, in every case, the cost of production inputs, the value of the labor of the  
7 farmers or fisherfolk, and members of their households including the value of the  
8 labor of hired workers, and a portion of the projected value of the crops. Such  
9 insurance protection, however, shall exclude losses arising from avoidable risks  
10 emanating from or due to the negligence, malfeasance, or fraud committed by the  
11 insured or any member of the immediate farm household or employee, or the failure  
12 of the insured to follow proven farm practices.

13 The PCIC shall also insure properties and facilities which are owned or used  
14 by government agencies involved in agri-fishery-forestry projects or activities and  
15 government-financed agri-fishery-forestry projects. It shall also provide reinsurance  
16 coverage to agri-fishery-forestry properties and facilities underwritten by private and  
17 government insurance companies, and weather index-based insurance (WIBI) and  
18 reinsurance for *palay* and corn crops, high-value commercial crops, livestock,  
19 aquaculture and fishery products, agroforestry crops, and forest plantation.

20 **SEC. 4. Powers.** – The PCIC shall continue to exercise the following powers  
21 and functions:

- 22 (a) To prescribe, repeal, and amend its own by-laws;
- 23 (b) To adopt and use a corporate seal;
- 24 (c) To sue and be sued;
- 25 (d) To have continuous succession until dissolved by law;
- 26 (e) To determine its operating policies and to issue such rules and  
27 regulations as may be necessary to implement the crop insurance  
28 scheme;
- 29 (f) To insure the crops of farmers and fishpond, seaweed, oyster, or  
30 mussel farm of fisherfolk against losses, damages and destruction  
31 caused by rodents, vermin, diseases, insects, and other pests and  
32 natural calamities such as typhoons, floods, droughts, earthquakes,  
33 volcanic eruptions; and to carry on any business necessary, related to  
34 and expedient for the above purpose;

- 1 (g) To insure in the Philippines or abroad, all or any risk of the PCIC;
- 2 (h) To purchase or otherwise acquire ownership and manage any and all
- 3 parts of the business, property, and liabilities of any person or company
- 4 carrying on any business which the PCIC is authorized to carry on or
- 5 possess;
- 6 (i) To acquire by purchase or otherwise acquire ownership of and to invest
- 7 in, hold, sell, or otherwise dispose of, stocks or bonds or any interest in
- 8 either, or any obligation or evidence of indebtedness of any corporation,
- 9 domestic or foreign, or the bonds or any obligation or evidence of
- 10 indebtedness, of any person, firm or corporation; and as owner of such
- 11 stocks, bonds or interest therein, or other obligations or evidence of
- 12 indebtedness, to exercise the rights, powers and privileges of
- 13 ownership, including the right to vote thereon or consent in respect
- 14 thereto for any and all lawful purposes;
- 15 (j) To purchase or otherwise acquire, sell, lease, convey, mortgage,
- 16 encumber, or otherwise deal with any property, real or personal, or any
- 17 interest therein; extend credit on the security of real estate or movable
- 18 property; exercise easement right or privilege over or in respect to any
- 19 property, real or personal, as may be permitted by law and as may be
- 20 reasonable or necessary to carry out the purposes for which the PCIC
- 21 is formed or as may or hereafter be permitted by law;
- 22 (k) To establish branches whenever it may be expedient and necessary;
- 23 and
- 24 (l) To generate internal funds by floating bonds, expanding the PCIC's
- 25 insurance lines to include agricultural guarantee loans, and extending
- 26 coverage to other areas of agriculture, such as livestock, aquaculture,
- 27 fishery, agroforestry and forest plantations, in order to address the
- 28 insurance needs of the target sector and to do and perform acts and
- 29 things and to exercise all the general powers conferred by law upon the
- 30 PCIC as are incidental or conducive to the attainment of the objectives
- 31 of the PCIC.

32 **SEC. 5. Who shall be Insured.** – It shall be compulsory for farmers to take

33 out insurance for *palay* and other crops essential for food security, as determined

34 by the Department of Agriculture (DA). For other crops, insurance coverage shall

1 be compulsory upon all farmers obtaining production loans under the supervised  
2 credit program of the government and optional on the part of self-financed farmers:  
3 *Provided*, That they agree to place themselves under the supervision of agricultural  
4 production technicians.

5 As used in this Act, the term *supervised credit program* refers to the  
6 production credit program wherein the farmer who obtains production loans agrees  
7 in writing to apply proven farm practices necessary to conserve the land, improve  
8 its fertility and increase its production, and abide by the approved farm plan and  
9 budget jointly prepared by such farmer and the duly accredited supervised credit  
10 technician.

11 The term *supervision of agricultural production technician* refers to the  
12 supervision, pursuant to Presidential Decree No. 409, dated March 11, 1974,  
13 undertaken by agricultural production technicians who are duly accredited by the  
14 appropriate government agencies concerned, as required under the supervised  
15 credit program of the government.

16 **SEC. 6. Rate of Premium, Sharing, and Amount of Indemnity.** – The rate  
17 of premium, as well as the allocated sharing thereof of farmers, fisherfolk, lending  
18 institutions, the government of the Republic of the Philippines, hereinafter referred  
19 to as the Government, and other parties, shall be determined by the Board of  
20 Directors of the PCIC, hereinafter referred to as the Board: *Provided*, That the share  
21 of the Government in the premium cost in the form of premium subsidy shall be  
22 limited to subsistence farmers and fisherfolk: *Provided, however*, That each of these  
23 subsistence farmers is cultivating not more than seven (7) hectares of farmland and  
24 each fisherfolk is cultivating not more than five (5) hectares of fishpond, seaweed,  
25 oyster, or mussel farm by themselves or with the help of the labor of the members  
26 of their households or hired labor, the premium rate and sharing to be determined  
27 by the Board: *Provided, further*, That the premium share of the subsistence farmer  
28 or fisherfolk shall be reasonably affordable: *Provided, furthermore*, That the  
29 Government shall share in the premium cost only in insurance coverage against  
30 unforeseen and unavoidable risks such as typhoons, droughts, rainfall, or outbreaks  
31 of pests or diseases; *Provided, finally*, That premium subsidy or insurance benefits  
32 shall, upon the accumulation of surplus funds, be increased to such amount as may  
33 be determined by the Board.

1 The amount of indemnity shall be determined by the Board, which shall take  
2 into account the value of the potential harvest of crops at the ripening stage, actual  
3 cost of production inputs already applied at the time of loss per farm plan and budget  
4 subject to limits stipulated in the policy contract, pro-rated cost of the harvested  
5 crops, the salvage value, if any, and the percentage of yield loss.

6 **SEC. 7. Premium Subsidy. –**

- 7 (a) The required government premium subsidy, as determined by the Board  
8 and approved by the President of the Philippines, shall be deemed  
9 appropriated from the funds of the National Treasury not otherwise  
10 appropriated, and shall be drawn, on a month-to-month or other periodic  
11 bases, depending upon the actual amount of insurance underwritten by  
12 the PCIC. For this purpose, the PCIC shall bill the Government the sum  
13 of money corresponding to the computed amount of subsidy;
- 14 (b) Yearly projections of the premium subsidy shall be submitted by the  
15 PCIC to the President of the Philippines, and upon approval, shall be  
16 included in the government's budgetary appropriation;
- 17 (c) Calamity funds earmarked by the government shall include a certain  
18 percentage for crop insurance and shall be released to and administered  
19 by the PCIC;
- 20 (d) Ten percent (10%) of the net earnings of the Philippine Charity  
21 Sweepstakes Office (PCSO) from its lotto operation shall be earmarked  
22 for the Crop Insurance Program and said amount shall be directly  
23 remitted by the PCSO to the PCIC every six (6) months until the amount  
24 of government subscription is fully paid.

25 **SEC. 8. Capital Stock. –**

- 26 (a) The authorized capital stock of the PCIC is Ten billion  
27 (P10,000,000,000.00) pesos, divided into seventy-five million  
28 (75,000,000) common shares with par value of One hundred (P100)  
29 pesos per share, which shall be fully subscribed by the government, and  
30 twenty-five million (25,000,000) preferred shares with a par value of One  
31 hundred (P100) pesos per share;
- 32 (b) The common capital stock of One billion five hundred million  
33 (P1,500,000,000.00) pesos having been fully paid to the PCIC, the

1 balance of Six billion (P6,000,000,000.00) pesos to be subscribed by the  
2 government shall be appropriated annually by Congress.

3 (c) The preferred shares shall be given priority over common shares in the  
4 declaration of dividends and in the distribution of assets in the event of  
5 liquidation of the PCIC. Preferred shares shall have the following specific  
6 features:

- 7 i. As to dividends, they shall be entitled to a minimum interest rate  
8 of one and half percent (1.5%) or the prevailing 360-day Treasury  
9 bill rate at the time of declaration of dividends, whichever is higher;
- 10 ii. They shall be cumulative, non-participating, and nonvoting;
- 11 iii. The dividends thereon shall be exempt from income tax;
- 12 iv. They shall be redeemable at the option of the PCIC at the  
13 prevailing book value but in no case less than par after five (5)  
14 years from issuance thereof; and
- 15 v. They shall be transferrable.

16 (d) At least Five hundred million (P500,000,000.00) pesos of preferred  
17 shares shall be subscribed and paid for by the Land Bank of the  
18 Philippines (LANDBANK). The balance of the preferred shares may be  
19 available for sale or subscription by the general public.

20 **SEC. 9. Reserve Fund for Catastrophic Losses.** – A State Reserve Fund,  
21 herein referred to as the Fund, for catastrophic losses in the amount of Five hundred  
22 million (P500,000,000.00) pesos shall be created exclusively to answer for the  
23 proportion of all losses in excess of risk or pure premium under the PCIC's Crop  
24 Insurance Program for small farmers and fisherfolk. The Fund may be increased,  
25 subject to the approval of the President of the Philippines. The Fund shall be  
26 administered by the government financial institution to be designated by the PCIC's  
27 Board. Such sum as may be necessary for the purpose shall be funded by the  
28 government through the annual General Appropriations Act. The mechanics of  
29 claims against the Fund and to what extent the Fund shall be liable shall be  
30 determined jointly with the financial institution administering the Fund, subject to the  
31 approval of the President of the Philippines.

32 **SEC. 10. Reinsurance.** – In order to spread the risk of the PCIC, it is hereby  
33 authorized to seek reinsurance protection whenever it may be available.

1       **SEC. 11. Board of Directors.** – The powers of the PCIC shall be vested in  
2 and exercised by its Board of Directors, composed of seven (7) members as follows:

- 3       1. President of the LANDBANK;
- 4       2. President of the PCIC;
- 5       3. Secretary of the Department of Agriculture (DA);
- 6       4. Representative from the private insurance industry to be nominated by  
7       the Secretary of Finance; and
- 8       5. Three (3) representatives from the subsistence farmers' sector,  
9       preferably representing agrarian reform beneficiaries, cooperatives, or  
10      associations coming from Luzon, Visayas, and Mindanao, who shall be  
11      selected and nominated by the different farmers' organizations or  
12      cooperatives.

13      The respective nominees of the private insurance industry and the farmers'  
14      sector shall be submitted to and appointed by the President of the Philippines. The  
15      Chairperson of the Board shall be appointed by the President of the Philippines from  
16      among the members of the Board. The President of the PCIC shall also be  
17      appointed by the President of the Philippines and shall be the ex officio Vice  
18      Chairperson who shall assist and act as Chairperson in case of the latter's absence  
19      or incapacity.

20      In case of absence or incapacity of both the Chairperson and Vice  
21      Chairperson, the Board shall designate a temporary Chair from among its members.  
22      Except for the President of the LANDBANK and the Secretary of the DA, all  
23      members of the Board, including the President of the PCIC, shall be appointed by  
24      the President of the Philippines within a reasonable period of time after the approval  
25      of this Act.

26      The members of the Board may designate their respective alternates who  
27      shall attend the meetings in their absence or incapacity.

28      The Board shall meet regularly at least twice a month or as often as the  
29      exigencies of the PCIC's affairs demand. The presence of at least five (5) members  
30      shall constitute a quorum which shall be necessary for the transaction of any  
31      business. In the absence of the Chairperson, the Vice Chairperson shall preside  
32      over the meeting of the Board.

33      The Chairperson and the members of the Board shall each receive *per diem*  
34      pursuant to existing law for each meeting of the Board actually attended: *Provided,*

1 That in the case of the representatives of the subsistence farmers' sector, the Board  
2 is authorized to provide funds to defray the cost of reasonable travel expenses and,  
3 if necessary, subsistence expenses in addition to *per diem*.

4 **SEC. 12. Powers and Functions of the Board of Directors.** – The Board  
5 shall have the following powers and functions:

- 6 (a) Implement the provisions and purpose of this Act;
- 7 (b) Determine the rate of premium, as well as the allocated sharing thereof  
8 of farmers, fisherfolk, lending institutions, the Government, and other  
9 parties;
- 10 (c) Formulate and adopt policies and plans, and promulgate rules and  
11 regulations for the management, operation and conduct of the affairs and  
12 business of the PCIC and, for this purpose, may limit or refuse insurance  
13 in any area or on any farmer because of the risk involved or may expand  
14 the subject of insurance coverage to crops other than *palay* and other  
15 crops essential for food security: *Provided*, That such coverage on other  
16 crops shall be approved by the President of the Philippines;
- 17 (d) Borrow funds from local and international financing sources or institutions  
18 and issue bonds up to five (5) times the value of its authorized capital  
19 stock for the purpose of financing the programs and projects deemed vital  
20 for the attainment of the PCIC's goals and objectives;
- 21 (e) Enter into, make, and execute contracts of any kind or nature as may be  
22 necessary or incidental to the accomplishment of the purposes of the  
23 PCIC;
- 24 (f) Approve the budget of the PCIC and fix the reasonable compensation of  
25 its personnel: *Provided*, That the Board shall have exclusive and final  
26 authority to promote, transfer, assign or reassign personnel of the PCIC:  
27 *Provided further*, That these personnel actions are deemed made in the  
28 interest of the service and not disciplinary in nature or purpose;
- 29 (g) Establish the policies and guidelines for the employment of personnel on  
30 the basis of merit, technical competence and moral character, and  
31 approve a staffing pattern of personnel defining their powers and duties;  
32 and
- 33 (h) Exercise the general powers mentioned in Republic Act No. 11232,  
34 otherwise known as the "Revised Corporation Code of the Philippines",

1 insofar as these are not inconsistent or incompatible with the provisions  
2 of this Act.

3 **SEC. 13. *Management.*** – The management of the PCIC shall be vested in  
4 its President, who shall be a person of known integrity and technical and managerial  
5 competence. There shall also be Vice Presidents as the Board may decide, to be  
6 appointed by the Board. The President of the PCIC shall have the following powers  
7 and duties:

- 8 (a) Execute and administer the policies, plans and rules and regulations  
9 approved and promulgated by the Board;
- 10 (b) Submit for the consideration of the Board such policies, plans and  
11 programs deemed necessary to carry out the provisions and purposes of  
12 this Act;
- 13 (c) Direct and supervise the operations and internal administration of the  
14 PCIC and, for this purpose, to delegate some or any power and duty to  
15 subordinate officials;
- 16 (d) Recommend to the Board the appointment, promotion, transfer,  
17 assignment, reassignment, demotion, dismissal, and compensation of  
18 personnel; and
- 19 (e) To exercise such other powers and perform such other duties as may be  
20 directed by the Board.

21 **SEC. 14. *Settlement of Claims.*** –

- 22 (a) Claims for indemnity against the PCIC shall be settled by the PCIC's  
23 regional manager concerned or the appropriate officer to whom the  
24 function is delegated. However, if in the opinion of the regional manager  
25 the claim is novel, difficult, or controversial, the matter may be elevated  
26 by the regional manager to the President of the PCIC for decision;
- 27 (b) The claimant aggrieved by the decision of the regional manager may,  
28 within thirty (30) days from receipt of the decision, request for  
29 reconsideration thereof, and if not satisfied therewith, elevate the matter  
30 to the President of the PCIC;
- 31 (c) Any party aggrieved by a decision, order, or ruling of the President of the  
32 PCIC may appeal said decision, order, or ruling to the Board;
- 33 (d) Any claim not acted upon within sixty (60) days from submission of  
34 complete claims documents to the PCIC shall be considered approved.

1       **SEC. 15. No Claim Benefits.** – Any insured farmer or fisherfolk who has not  
2 filed any claims during the immediately preceding three (3) crop seasons, or any  
3 insured fishpond or fish cage operator who has not filed any claim during the  
4 immediately preceding three (3) harvest seasons shall be entitled to a no-claim  
5 benefit of at least ten percent (10%) of premium share paid for said crop seasons,  
6 to be deposited in a trust fund to be managed by the PCIC. Such trust fund may be  
7 used to finance premium rebate or premium credit applicable to the immediately  
8 following crop seasons as determined by the Board.

9       **SEC. 16. Commission on Audit.** – The Chairperson of the Commission on  
10 Audit shall be the *ex officio* auditor of the PCIC.

11       **SEC. 17. Legal Counsel.** – The PCIC shall have its own Legal Department,  
12 the head and members of which shall be appointed by the Board.

13       **SEC. 18. Interagency Linkages.** –

14       (a) To support and promote the objectives of the PCIC, all government  
15 departments, bureaus, offices, agencies and instrumentalities, national  
16 or local, all lending institutions, government or private, now or hereafter  
17 engaged in the supervised credit program to farmers and fisherfolk and  
18 such other public or private entities as may be called upon by the PCIC,  
19 shall act as its cooperating agencies and, for this purpose, are hereby  
20 directed to harmonize their policies, programs, rules, and regulations with  
21 the objectives of the PCIC.

22       (b) All lending institutions granting production loans for *palay*, corn, and other  
23 crops under the supervised credit program of the government shall  
24 automatically act as underwriters for and on behalf of the PCIC. As such,  
25 they shall receive and process applications for insurance coverage,  
26 approve those found in order and collect premiums therefor. Premiums  
27 so collected, together with the premiums payable by the lending institution  
28 itself, shall be remitted in the manner and within such period as the PCIC

29 may prescribe.

30       **SEC. 19. Utilization of Profits.** – The profits of the PCIC shall be determined  
31 on a calendar year basis and the manner of its distribution shall be determined by  
32 law.

33       **SEC. 20. Tax Subsidy.** – The PCIC may avail of the Tax Expenditure  
34 subsidy administered by the Fiscal Incentives Review Board (FIRB), subject to the

1 provisions of Title XIII (Tax Incentives) of the National Internal Revenue Code of  
2 1997, as amended, Executive Order No. 93, as amended and the annual General  
3 Appropriations Act: *Provided*, That persons or other entities transacting business  
4 with the PCIC shall pay the applicable taxes.

5 **SEC. 21. Penal Provisions. –**

6 (a) The claimant or any person who, through malfeasance or misfeasance or  
7 nonfeasance, allows a spurious claim to be paid, including that of the  
8 claimant, shall upon final conviction be punished by imprisonment of not  
9 less than three (3) years but not more than eight (8) years or a fine of not  
10 less than One hundred thousand (P100,000.00) pesos but not more than  
11 Six hundred thousand (P600,000.00) pesos, or both imprisonment and  
12 fine, at the discretion of the Court. The PCIC's personnel who allowed the  
13 commission of the offense shall, in addition, be dismissed from office and  
14 forfeit all privileges and benefits which may accrue to such personnel;

15 (b) Any person or entity granting production loan for *palay* under the  
16 supervised credit program of the government without requiring crop  
17 insurance therefor or having collected premiums from farmers, would fail  
18 to remit the same within the time and place specified in the rules and  
19 regulations of the PCIC shall, upon conviction, be punished by a fine not  
20 exceeding Ten thousand (P10,000.00) pesos or imprisonment not  
21 exceeding six (6) months or both, at the discretion of the Court;

22 (c) Any person who shall violate any provision of this Act or any rule or  
23 regulation issued for its implementation, for which no penalty is provided,  
24 shall be deemed guilty of a penal offense and, upon conviction, be  
25 punished by a fine not exceeding Five thousand (P5,000.00) pesos or  
26 imprisonment of two (2) months, or both, at the discretion of the court.  
27 Whenever any violation of the provisions of this section is committed by  
28 a corporation or association, or by a government office or entity, the  
29 executive officer or officers of said corporation, association, or  
30 government office or entity who shall have knowingly permitted or failed  
31 to prevent said violation shall be liable as principal.

32 **SEC. 22. Applicability of Presidential Decree (PD) No. 612, as Amended.**

33 – The provisions of Presidential Decree No. 612, as amended, otherwise known as

1 the "The Insurance Code", insofar as they are not in conflict or inconsistent with  
or  
2 repugnant to the provisions of this Act, shall apply to the PCIC.

3 **SEC. 23. Term of Existence and Periodic Review.** – The PCIC's term  
of

4 legal existence, which was set to last for fifty (50) years starting from the date  
of

5 approval of Presidential Decree No. 1467 on June 11, 1978, shall continue and  
is

6 hereby affirmed. To ensure the PCIC's continuing relevance, the Board  
shall

7 undertake periodic reviews of the PCIC's activities and shall submit to both  
houses

8 of Congress, at least once a year, a report which shall include a  
recommendation

9 for improving its services to the target sectors and the financial viability of the  
PCIC.

10 **SEC. 24. Transitory Provisions.** – The members of the Board  
representing

11 the private insurance industry and the three (3) representatives from the  
farmers'

12 sector shall, in an interim capacity, continue to exercise their powers and  
functions

13 as part of the Board and carry out the provisions of this Act without need to  
be

14 issued new appointments until a new Board is constituted and organized.

15 To prevent disruption in the delivery of services, the PCIC shall, pending  
the

16 full implementation of this Act, continue to operate and provide services to its  
clients

17 and all its officials and employees shall continue to perform their duties  
and

18 functions and receive their corresponding salaries and benefits. The approval of  
this

19 Act shall not cause any demotion in rank or diminution of salary, benefits, and  
other

20 privileges of the incumbent personnel of the PCIC: *Provided*, That qualified  
officers

21 and employees may voluntarily elect for retirement or separation from service  
and

22 shall be entitled to benefits under existing laws.

23 **SEC. 24. Separability Clause.** – If any provision or part hereof is  
held

repealed.

28 All other laws, executive orders, and other issuances or parts thereof  
inconsistent

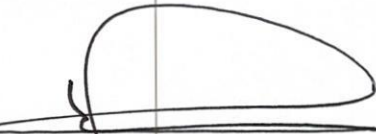
29 with this Act are hereby repealed or modified accordingly.

30 **SEC. 26. Effectivity.** – This Act shall take effect fifteen (15) days after  
its

31 publication in the *Official Gazette* or in a newspaper of general circulation.

32 *Approved,*

**Approved.**

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke.

**FELIMON M. ESPARES**  
COOP NATCCO PARTYLIST