



**Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila**

**Nineteenth Congress  
First Regular Session**

**HOUSE BILL NO. 7469**



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**Introduced by Representative Rudys Caesar G. Fariñas I**

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### **EXPLANATORY NOTE**

This bill seeks to ensure food security, promote agricultural credit, and broaden the coverage of mandatory crop insurance to reduce the financial burden of farmers and fisherfolk.

To this end, this measure expands the purposes and coverage of the Philippine Crop Insurance Corporation (PCIC). Among other salient provisions of this bill, this representation envisions the PCIC to provide insurance coverage for palay and corn crops, high-value commercial crops, livestock, aquaculture and fishery products, agroforestry crops, and forest plantations; non-crop agricultural assets such as pieces of machinery, equipment, transport facilities, and other related infrastructure; and life and accident term insurance coverage for farmers and fisherfolk. It also provides reinsurance coverage to agri-fishery-forestry properties and facilities underwritten by private and government insurance companies.

Hence, this representation seeks the passage of this measure.

**RUDYS CAESAR G. FARIÑAS I**



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**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”**

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

1           SECTION 1. *Short Title.* – This Act shall be known as the “Revised Charter  
2 of 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,  
5 marketing 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  
11 security;

12          (b) Alleviate the financial burden of farmers and fisherfolk due to  
13 uncompensated losses arising from destruction of crops wrought by  
14 disasters and calamities; keep them away from indebtedness;  
15 enhance their credit standing; and provide additional government  
16 support to farmers and fisherfolk to increase agricultural production;

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

3 (d) Strengthen the organizational capability and expand the coverage of  
4 the Philippine Crop Insurance Corporation (PCIC), to provide  
5 insurance protection to farmers and fisherfolk against losses arising  
6 from natural calamities, fortuitous events, plant and fish diseases,  
7 and pest infestations.

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

14 The PCIC shall provide insurance coverage for *palay* and corn crops, high-  
15 value commercial crops, livestock, aquaculture and fishery products,  
16 agroforestry crops, and forest plantations; non-crop agricultural assets such as  
17 machineries, equipment, transport facilities, and other related infrastructure;  
18 and life and accident term insurance coverage for farmers and fisherfolk. Such  
19 crop insurance shall cover, in every case, the cost of production inputs, the  
20 value of the labor of the farmers or fisherfolk, and members of their households  
21 including the value of the labor of hired workers, and a portion of the projected  
22 value of the crops. Such insurance protection, however, shall exclude losses  
23 arising from avoidable risks emanating from or due to the negligence,  
24 malfeasance, or fraud committed by the insured or any member of the immediate  
25 farm household or employee, or the failure of the insured to follow proven farm  
26 practices.

27 The PCIC shall also insure properties and facilities which are owned or  
28 used by government agencies involved in agri-fishery-forestry projects or  
29 activities and government-financed agri-fishery-forestry projects. It shall also  
30 provide reinsurance coverage to agri-fishery-forestry properties and facilities  
31 underwritten by private and government insurance companies, and weather  
32 index-based insurance (WIBI) and reinsurance for *palay* and corn crops, high-  
33 value commercial crops, livestock, aquaculture and fishery products,  
34 agroforestry crops, and forest plantation.

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

37 (a) To prescribe, repeal, and amend its own by-laws;

- (b) To adopt and use a corporate seal;
- (c) To sue and be sued;
- (d) To have continuous succession until dissolved by law;
- (e) To determine its operating policies and to issue such rules and regulations as may be necessary to implement the crop insurance scheme;
- (f) To insure the crops of farmers and fishpond, seaweed, oyster, or mussel farm of fisherfolk against losses, damages and destruction caused by rodents, vermin, diseases, insects, and other pests and natural calamities such as typhoons, floods, droughts, earthquakes, volcanic eruptions; and to carry on any business necessary, related to and expedient for the above purpose;
- (g) To insure in the Philippines or abroad, all or any risk of the PCIC;
- (h) To purchase or otherwise acquire ownership and manage any and all parts of the business, property, and liabilities of any person or company carrying on any business which the PCIC is authorized to carry on or possess;
- (i) To acquire by purchase or otherwise acquire ownership of and to invest in, hold, sell, or otherwise dispose of, stocks or bonds or any interest in either, or any obligation or evidence of indebtedness of any corporation, domestic or foreign, or the bonds or any obligation or evidence of indebtedness, of any person, firm or corporation; and as owner of such stocks, bonds or interest therein, or other obligations or evidence of indebtedness, to exercise the rights, powers and privileges of ownership, including the right to vote thereon or consent in respect thereto for any and all lawful purposes;
- (j) To purchase or otherwise acquire, sell, lease, convey, mortgage, encumber, or otherwise deal with any property, real or personal, or any interest therein; extend credit on the security of real estate or movable property; exercise easement right or privilege over or in respect to any property, real or personal, as may be permitted by law and as may be reasonable or necessary to carry out the purposes for which the PCIC is formed or as may or hereafter be permitted by law;
- (k) To establish branches whenever it may be expedient and necessary; and
- (l) To generate internal funds by floating bonds, expanding the PCIC's insurance lines to include agricultural guarantee loans, and

1 extending coverage to other areas of agriculture, such as livestock,  
2 aquaculture, fishery, agroforestry and forest plantations, in order to  
3 address the insurance needs of the target sector and to do and  
4 perform acts and things and to exercise all the general powers  
5 conferred by law upon the PCIC as are incidental or conducive to the  
6 attainment of the objectives of the PCIC.

7 SEC. 5. *Who shall be Insured.* – It shall be compulsory for farmers to take  
8 out insurance for *palay* and other crops essential for food security, as  
9 determined by the Department of Agriculture (DA). For other crops, insurance  
10 coverage shall be compulsory upon all farmers obtaining production loans under  
11 the supervised credit program of the government and optional on the part of self-  
12 financed farmers: *Provided*, That they agree to place themselves under the  
13 supervision of agricultural production technicians.

14 As used in this Act, the term *supervised credit program* refers to the  
15 production credit program wherein the farmer who obtains production loans  
16 agrees in writing to apply proven farm practices necessary to conserve the land,  
17 improve its fertility and increase its production, and abide by the approved farm  
18 plan and budget jointly prepared by such farmer and the duly accredited  
19 supervised credit technician.

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

25 SEC. 6. *Rate of Premium, Sharing, and Amount of Indemnity.* – The rate  
26 of premium, as well as the allocated sharing thereof of farmers, fisherfolk,  
27 lending institutions, the government of the Republic of the Philippines,  
28 hereinafter referred to as the Government, and other parties, shall be  
29 determined by the Board of Directors of the PCIC, hereinafter referred to as the  
30 Board: *Provided*, That the share of the Government in the premium cost in the  
31 form of premium subsidy shall be limited to subsistence farmers and fisherfolk:  
32 *Provided, however*, That each of these subsistence farmers is cultivating not  
33 more than seven (7) hectares of farmland and each fisherfolk is cultivating not  
34 more than five (5) hectares of fishpond, seaweed, oyster, or mussel farm by  
35 themselves or with the help of the labor of the members of their households or  
36 hired labor, the premium rate and sharing to be determined by the Board:  
37 *Provided, further*, That the premium share of the subsistence farmer or fisherfolk

1 shall be reasonably affordable: *Provided, furthermore*, That the Government shall  
2 share in the premium cost only in insurance coverage against unforeseen and  
3 unavoidable risks such as typhoons, droughts, rainfall, or outbreaks of pests or  
4 diseases; *Provided, finally*, That premium subsidy or insurance benefits shall,  
5 upon the accumulation of surplus funds, be increased to such amount as may  
6 be determined by the Board.

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

12 SEC. 7. *Premium Subsidy.* –

13 (a) The required government premium subsidy, as determined by the  
14 Board and approved by the President of the Philippines, shall be  
15 deemed appropriated from the funds of the National Treasury not  
16 otherwise appropriated, and shall be drawn, on a month-to-month or  
17 other periodic bases, depending upon the actual amount of insurance  
18 underwritten by the PCIC. For this purpose, the PCIC shall bill the  
19 Government the sum of money corresponding to the computed  
20 amount of subsidy;

21 (b) Yearly projections of the premium subsidy shall be submitted by the  
22 PCIC to the President of the Philippines, and upon approval, shall be  
23 included in the government's budgetary appropriation;

24 (c) Calamity funds earmarked by the government shall include a certain  
25 percentage for crop insurance and shall be released to and  
26 administered by the PCIC;

27 (d) Ten percent (10%) of the net earnings of the Philippine Charity  
28 Sweepstakes Office (PCSO) from its lotto operation shall be earmarked  
29 for the Crop Insurance Program and said amount shall be directly  
30 remitted by the PCSO to the PCIC every six (6) months until the amount  
31 of government subscription is fully paid.

32 SEC. 8. *Capital Stock.* –

33 (a) The authorized capital stock of the PCIC is Ten billion  
34 (P10,000,000,000.00) pesos, divided into seventy-five million  
35 (75,000,000) common shares with par value of One hundred (P100)  
36 pesos per share, which shall be fully subscribed by the government,

- 1 and twenty-five million (25,000,000) preferred shares with a par value  
2 of One hundred (P100) pesos per share;
- 3 (b) The common capital stock of One billion five hundred million  
4 (P1,500,000,000.00) pesos having been fully paid to the PCIC, the  
5 balance of Six billion (P6,000,000,000.00) pesos to be subscribed by  
6 the government shall be appropriated annually by Congress.
- 7 (c) The preferred shares shall be given priority over common shares in the  
8 declaration of dividends and in the distribution of assets in the event of  
9 liquidation of the PCIC. Preferred shares shall have the following  
10 specific features:
- 11 i. As to dividends, they shall be entitled to a minimum interest rate  
12 of one and half percent (1.5%) or the prevailing 360-day Treasury  
13 bill rate at the time of declaration of dividends, whichever is  
14 higher;
  - 15 ii. They shall be cumulative, non-participating, and nonvoting;
  - 16 iii. The dividends thereon shall be exempt from income tax;
  - 17 iv. They shall be redeemable at the option of the PCIC at the  
18 prevailing book value but in no case less than par after five (5)  
19 years from issuance thereof; and
  - 20 v. They shall be transferrable.
- 21 (d) At least Five hundred million (P500,000,000.00) pesos of preferred  
22 shares shall be subscribed and paid for by the Land Bank of the  
23 Philippines (LANDBANK). The balance of the preferred shares may be  
24 available for sale or subscription by the general public.

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

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

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

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

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

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

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

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

36 The Chairperson and the members of the Board shall each receive *per diem*  
37 pursuant to existing law for each meeting of the Board actually attended:

1 *Provided*, That in the case of the representatives of the subsistence farmers’  
2 sector, the Board is authorized to provide funds to defray the cost of reasonable  
3 travel expenses and, 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  
12 and business of the PCIC and, for this purpose, may limit or refuse  
13 insurance in any area or on any farmer because of the risk involved or  
14 may expand the subject of insurance coverage to crops other than *palay*  
15 and other crops essential for food security: *Provided*, That such  
16 coverage on other crops shall be approved by the President of the  
17 Philippines;
- 18 (d) Borrow funds from local and international financing sources or  
19 institutions and issue bonds up to five (5) times the value of its  
20 authorized capital stock for the purpose of financing the programs and  
21 projects deemed vital for the attainment of the PCIC’s goals and  
22 objectives;
- 23 (e) Enter into, make, and execute contracts of any kind or nature as may  
24 be necessary or incidental to the accomplishment of the purposes of  
25 the PCIC;
- 26 (f) Approve the budget of the PCIC and fix the reasonable compensation of  
27 its personnel: *Provided*, That the Board shall have exclusive and final  
28 authority to promote, transfer, assign or reassign personnel of the  
29 PCIC: *Provided further*, That these personnel actions are deemed made  
30 in the interest of the service and not disciplinary in nature or purpose;
- 31 (g) Establish the policies and guidelines for the employment of personnel  
32 on the basis of merit, technical competence and moral character, and  
33 approve a staffing pattern of personnel defining their powers and  
34 duties; and
- 35 (h) Exercise the general powers mentioned in Republic Act No. 11232,  
36 otherwise known as the “Revised Corporation Code of the Philippines”,

1           insofar as these are not inconsistent or incompatible with the  
2           provisions 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  
5   managerial competence. There shall also be Vice Presidents as the Board may  
6   decide, to be appointed by the Board. The President of the PCIC shall have the  
7   following powers 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  
12          of 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  
20          be 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  
30          matter to the President of the PCIC;
- 31          (c) Any party aggrieved by a decision, order, or ruling of the President of  
32          the 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.

35          SEC. 15. *No Claim Benefits.* – Any insured farmer or fisherfolk who has not  
36   filed any claims during the immediately preceding three (3) crop seasons, or any  
37   insured fishpond or fish cage operator who has not filed any claim during the

1 immediately preceding three (3) harvest seasons shall be entitled to a no-claim  
2 benefit of at least ten percent (10%) of premium share paid for said crop seasons,  
3 to be deposited in a trust fund to be managed by the PCIC. Such trust fund may  
4 be used to finance premium rebate or premium credit applicable to the  
5 immediately following crop seasons as determined by the Board.

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

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

10 SEC. 18. *Interagency Linkages.* –

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

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

27 SEC. 19. *Utilization of Profits.* - The profits of the PCIC shall be determined  
28 on a calendar year basis and the manner of its distribution shall be determined  
29 by law.

30 SEC. 20. *Tax Subsidy.* – The PCIC may avail of the Tax Expenditure  
31 subsidy administered by the Fiscal Incentives Review Board (FIRB), subject to  
32 the provisions of Title XIII (Tax Incentives) of the National Internal Revenue Code  
33 of 1997, as amended, Executive Order No. 93, as amended and the annual  
34 General Appropriations Act: *Provided*, That persons or other entities transacting  
35 business with the PCIC shall pay the applicable taxes.

36 SEC. 21. *Penal Provisions.* –

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

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

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

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

30 – The provisions of Presidential Decree No. 612, as amended, otherwise known  
31 as the “The Insurance Code”, insofar as they are not in conflict or inconsistent  
32 with or repugnant to the provisions of this Act, shall apply to the PCIC.

33 SEC. 23. *Term of Existence and Periodic Review.* – The PCIC's term of legal  
34 existence, which was set to last for fifty (50) years starting from the date of  
35 approval of Presidential Decree No. 1467 on June 11, 1978, shall continue and  
36 is hereby affirmed. To ensure the PCIC's continuing relevance, the Board shall  
37 undertake periodic reviews of the PCIC's activities and shall submit to both

1 houses of Congress, at least once a year, a report which shall include a  
2 recommendation for improving its services to the target sectors and the financial  
3 viability of the PCIC.

4 SEC. 24. *Transitory Provisions.* – The members of the Board representing  
5 the private insurance industry and the three (3) representatives from the farmers’  
6 sector shall, in an interim capacity, continue to exercise their powers and  
7 functions as part of the Board and carry out the provisions of this Act without  
8 need to be issued new appointments until a new Board is constituted and  
9 organized.

10 To prevent disruption in the delivery of services, the PCIC shall, pending  
11 the full implementation of this Act, continue to operate and provide services to  
12 its clients and all its officials and employees shall continue to perform their  
13 duties and functions and receive their corresponding salaries and benefits. The  
14 approval of this Act shall not cause any demotion in rank or diminution of salary,  
15 benefits, and other privileges of the incumbent personnel of the PCIC: *Provided,*  
16 That qualified officers and employees may voluntarily elect for retirement or  
17 separation from service and shall be entitled to benefits under existing laws.

18 SEC. 25. *Separability Clause.* – If any provision or part hereof is held  
19 unconstitutional or invalid, the other provisions not affected shall remain in force  
20 and effect.

21 SEC. 26. *Repealing Clause.* – Presidential Decree No. 1467, as amended  
22 by Presidential Decree No. 1733 and Republic Act No. 8175, is hereby repealed.  
23 All other laws, executive orders, and other issuances or parts thereof  
24 inconsistent with this Act are hereby repealed or modified accordingly.

25 SEC. 27. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
26 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,