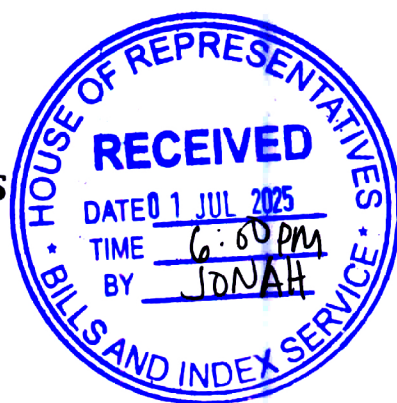




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session



HOUSE BILL NO. **1008**

Introduced by **MAGBUBUKID PARTY-LIST Representative FERDINAND "B1" L. BELTRAN**

EXPLANATORY NOTE

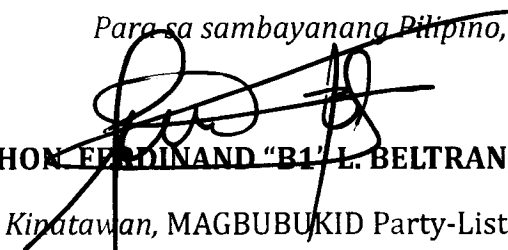
Nanatiling gulugod ng ekonomiya ng bansa ang agrikultura na siyang nagbibigay ng kabuhayan sa milyun-milyong Pilipino, lalo na sa mga rural at kulang-sa-serbisyong lugar. Gayunman, patuloy na hinaharap ng sektor ang matitinding hamon: madaling tamaan ng mga natural na kalamidad, pesteng salot, mga sakit, at papatindi pang epekto ng *climate change*. Nagdudulot ang mga panganib na ito ng malalaking pagkaluging ekonomiko na pumipigil sa pamumuhunan, pumipigil sa produktibidad, at iniwan ang mga magbubukid at mangingisda sa paulit-ulit na siklo ng kahirapan at utang. Upang mabawasan ang mga panganib na ito at maisulong ang katatagan ng sektor, mahalaga ang isang tumutugon at inklusibong sistema ng *agricultural insurance*.

Itinatag ang Philippine Crop Insurance Corporation (PCIC) sa bisa ng Presidential Decree No. 1467 upang magbigay ng crop insurance laban sa natural na panganib at sakuna. Bagaman isang hakbang pasulong ang pagkakatatag nito, napatunayang hindi sapat ang saklaw ng mga serbisyo nito—na pangunahing nakatuon sa palay—para tugunan ang malawak na pangangailangan ng iba't ibang subsektor ng agrikultura tulad ng *livestock*, *aquaculture*, *agroforestry*, at *fisheries*. Dagdag pa rito, nananatiling limitado ang akses sa *agricultural insurance* dahil sa mga estruktural at pinansiyal na hadlang, pati na rin sa kakulangan ng makabuluhang partisipasyon mula sa pribadong sektor.

Ang panukalang ito ay nakabatay sa konstitusyonal na mandato na isulong ang komprehensibong pag-unlad sa kanayunan at agrarian reform (Article XIII, Section 5) at tiyakin ang patas na pamamahagi ng mga oportunidad at yaman, lalo na para sa mga nasa laylayan (Article XII, Section 1). Kaakibat din ito ng polisiya ng Estado sa Section 1 ng panukalang batas na bumuo ng sapat na agricultural insurance program bilang mekanismo sa pamamahala ng panganib at pananatili ng katatagan sa sektor ng agrikultura.

Ang panukalang ito ay naaprubahan ng mababang kapulungan ng Kongreso noong 19th Congress at layunin ng nito na i-modernisa ang sistema ng agricultural insurance ng bansa sa pamamagitan ng pagpapalawak ng mga serbisyo ng PCIC, pagtataguyod ng kolaborasyon kasama ang pribadong sektor, at pagsusulong ng mas matatag at inklusibong ekonomiyang rural. Dahil kritikal ang papel ng sektor ng agrikultura sa pambansang seguridad sa pagkain at pag-unlad sa kanayunan, napapanahon at agarang kinakailangan ang pag-apruba ng panukalang ito.

Para sa sambayanang Pilipino,



HON. FERDINAND "B1" L. BELTRAN
Kinatawan, MAGBUBUKID Party-List



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 1008

Introduced by **MAGBUBUKID PARTY-LIST Representative FERDINAND "B1" L. BELTRAN**

AN ACT
EXPANDING THE SERVICES OF THE PHILIPPINE CROP INSURANCE CORPORATION
AND ENCOURAGING PRIVATE SECTOR PARTICIPATION IN AGRICULTURAL
INSURANCE, FURTHER AMENDING PRESIDENTIAL DECREE NO. 1467, CREATING THE
PHILIPPINE CROP INSURANCE CORPORATION, AS AMENDED

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

1 **SECTION 1.** It shall be the policy of the State to develop and support an adequate
2 agricultural insurance program as a mechanism for managing the risks inherent in
3 agriculture and stabilizing the financial fluctuations suffered by agricultural producers in
4 case of loss on all agricultural commodities, whether crops or livestock, and including the
5 agricultural facilities and related infrastructures, with the end in view of encouraging
6 lending institutions to extend credit to the agricultural sector.

7
8 It shall also be the policy of the State to promote the modernization of the
9 agricultural sector by mitigating the risks inherent to the industry and which increase the
10 barriers to increased market participation in businesses related to agriculture.

11
12 Towards this end, the State shall encourage active private sector participation in
13 extending agricultural insurance to members of the agricultural sector by allowing the
14 Philippine Crop Insurance Corporation to undertake reinsurance agreements with private
15 sector agricultural insurers and to extend its insurance services to livestock, aquaculture
16 and fishery, agro-fishery, and forest plantation insurance.

1 **SEC. 2.** Section 1 of Presidential Decree No. 1467, as amended, is hereby further
2 amended to read as follows:

3 ***"SEC. 1. Creation of the Philippine Crop Insurance Corporation. –***

4 There is hereby created a body corporate to be known as the "Philippine
5 Crop Insurance Corporation" (PCIC and herein called the Corporation)
6 which shall be attached to the Department of Agriculture for budgetary
7 purposes. The Corporation shall insure **[qualified]** farmers against losses
8 arising from natural calamities, plant diseases, and pest infestations.
9 **[Initially,] [t]**The Corporation shall provide insurance coverage for **ALL**
10 **AGRICULTURAL COMMODITIES, INCLUDING** palay crops, and **[later on**
11 **to]** other crops, without prejudice to the inclusion of other non-crop
12 agricultural assets, such as **[but not limited to] LIVESTOCK,**
13 **AQUACULTURE AND FISHERY, AGROFORESTRY, FOREST PLANTATIONS,**
14 machineries, equipment, transport facilities, and other related
15 infrastructures, as the Board of Directors of the Corporation may determine.
16 Such **[crop]** insurance shall cover, in every case, the cost of production
17 inputs, the value of the farmer's own labor and those of the members of his
18 household, including the value of the labor of hired workers, and a portion
19 of the expected yield as the Board of Directors, in its discretion, decide to
20 insure. Such insurance protection, however, shall exclude losses arising
21 from avoidable risks emanating from or due to the negligence, malfeasance
22 or fraud committed by the insured or any member of his immediate farm
23 household or employee **[or the failure of the insured to follow proven**
24 **farm practices].**

25
26 **THE CORPORATION SHALL ALSO OFFER REINSURANCE SERVICES FOR**
27 **ENTITIES WILLING TO OFFER AGRICULTURAL INSURANCE."**

28
29 **SEC. 3.** Subsection 3.11 of Section 3 of Presidential Decree No. 1467, as amended,
30 is hereby further amended to read as follows:

31
32 "3.11. To generate internal funds by floating bonds, expansion to
33 other insurance lines, **INCLUDING REINSURANCE AGREEMENTS WITH**
34 **AGRICULTURAL COOPERATIVES, FARMERS' ASSOCIATIONS, AND**
35 **OTHER PRIVATE SECTOR PARTICIPANTS IN THE AGRICULTURAL**
36 **INSURANCE MARKET,** and extending coverage to other areas of
37 agriculture, **SUCH AS LIVESTOCK, AQUACULTURE AND FISHERY,**
38 **AGROFORESTRY, OR FOREST PLANTATIONS,** in order to address **THE**

1 insurance needs of the target sector and to do and perform acts and things
2 and to exercise all the general powers conferred by law upon the
3 Corporation as are incidental or conducive to the attainment of the
4 objectives of the Corporation.”

5
6 **SEC. 4.** Subsection 9.1, Section 9 of Presidential Decree No. 1467, as
7 amended, is hereby further amended by deleting the entire provision, and in lieu
8 thereof, insert the following:

9 **“9.1. THE POWERS OF THE PCIC SHALL BE VESTED IN AND EXERCISED**
10 **BY ITS BOARD OF DIRECTORS, COMPOSED OF EIGHT (8) MEMBERS AS**
11 **FOLLOWS:**

- 12 **1. SECRETARY OF FINANCE, AS *EX OFFICIO* CHAIRPERSON;**
13 **2. PRESIDENT OF THE PCIC AS *EX OFFICIO* VICECHAIRPERSON;**
14 **3. PRESIDENT OF THE LANDBANK;**
15 **4. SECRETARY OF THE DEPARTMENT OF AGRICULTURE (DA);**
16 **5. ONE (1) REPRESENTATIVE FROM THE PRIVATE INSURANCE**
17 **INDUSTRY TO BE NOMINATED BY THE SECRETARY OF FINANCE; AND**
18 **6. THREE (3) REPRESENTATIVES FROM THE SUBSISTENCE FARMERS’**
19 **SECTOR, PREFERABLY REPRESENTING AGRARIAN REFORM**
20 **BENEFICIARIES, COOPERATIVES, OR ASSOCIATIONS COMING FROM**
21 **LUZON, VISAYAS, AND MINDANAO, WHO SHALL BE SELECTED AND**
22 **NOMINATED BY THE DIFFERENT FARMERS’ ORGANIZATIONS OR**
23 **COOPERATIVES.”**

24
25 **SEC. 5.** Subsection 9.4, Section 9 of Presidential Decree No. 1467, as amended, is
26 hereby further amended by deleting the entire provision, and in lieu thereof, insert the
27 following:

28 **“9.4 THE CHAIRPERSON AND THE MEMBERS OF THE BOARD SHALL**
29 **EACH RECEIVE *PER DIEM* PURSUANT TO EXISTING LAWS, FOR EACH**
30 **MEETING OF THE BOARD ACTUALLY ATTENDED: *PROVIDED*, THAT IN**
31 **THE CASE OF THE REPRESENTATIVES OF THE SUBSISTENCE**
32 **FARMERS’ SECTOR, THE BOARD IS AUTHORIZED TO PROVIDE FUNDS**
33 **TO DEFRAY THE COST OF REASONABLE TRAVEL EXPENSES AND, IF**
34 **NECESSARY, SUBSISTENCE EXPENSES IN ADDITION TO *PER DIEM*.”**

35
36 **SEC. 6.** Section 11-B of Presidential Decree No. 1467, as amended, is hereby further
37 amended by deleting the entire provision, and in lieu thereof, insert the following:

38 **“SEC. 11-B. *NO CLAIM BENEFITS*. – ANY INSURED FARMER WHO HAS NOT**
39 **FILED ANY CLAIM DURING THE IMMEDIATELY PRECEDING THREE (3)**

1 CROP SEASONS, OR ANY INSURED FISHPOND OR FISH CAGE OPERATOR
2 WHO HAS NOT FILED ANY CLAIM DURING THE IMMEDIATELY PRECEDING
3 THREE (3) HARVEST SEASONS, SHALL BE ENTITLED TO A NO-CLAIM
4 BENEFIT OF AT LEAST TEN PERCENT (10%) OF HIS PREMIUM SHARE PAID
5 FOR SAID CROP SEASONS TO BE DEPOSITED IN A TRUST FUND AND TO BE
6 MANAGED BY THE CORPORATION. SUCH TRUST FUND MAY BE USED TO
7 FINANCE PREMIUM REBATE OR PREMIUM CREDIT APPLICABLE TO THE
8 IMMEDIATELY FOLLOWING CROP SEASONS AS DETERMINED BY THE
9 BOARD OF DIRECTORS.”

10
11 SEC. 7. Section 14 of Presidential Decree No. 1467, as amended, is hereby amended by
12 deleting the entire provision, and in lieu thereof, insert the following:

13 “SEC. 14. *INTER-AGENCY LINKAGES.* – TO SUPPORT AND PROMOTE THE
14 OPERATIONS OF THE CORPORATION, ALL GOVERNMENT DEPARTMENTS,
15 BUREAUS, OFFICES, AGENCIES AND INSTRUMENTALITIES, NATIONAL OR
16 LOCAL, ALL LENDING INSTITUTIONS, GOVERNMENT OR PRIVATE, NOW
17 OR HEREAFTER ENGAGED IN THE SUPERVISED CREDIT PROGRAM TO
18 FARMERS AND FISHERFOLK, AND SUCH OTHER PUBLIC OR PRIVATE
19 ENTITIES AS MAY BE CALLED UPON BY THE CORPORATION, SHALL ACT
20 AS COOPERATING AGENCIES TO THE CORPORATION, AND FOR THIS
21 PURPOSE, ARE HEREBY DIRECTED TO DESIGN THEIR POLICIES,
22 PROGRAMS, RULES AND REGULATIONS SO AS TO ATTUNE AND
23 SYNCHRONIZE THEM WITH THE OBJECTIVES OF THE CORPORATION.”

24
25 SEC. 8. Section 17-A of Presidential Decree No. 1467, as amended, is hereby amended
26 by deleting the entire provision, and in lieu thereof, insert the following:

27 “SEC. 17-A. *PENAL PROVISIONS.* – THE CLAIMANT OR ANY PERSON WHO
28 THROUGH MALFEASANCE, MISFEASANCE OR NONFEASANCE ALLOWS A
29 SPURIOUS CLAIM TO BE PAID, INCLUDING THE CLAIMANT HIMSELF, SHALL
30 UPON FINAL CONVICTION, BE PUNISHED BY IMPRISONMENT OF NOT LESS
31 THAN THREE (3) YEARS BUT NOT MORE THAN EIGHT (8) YEARS OR A FINE
32 OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000) BUT NOT
33 MORE THAN SIX HUNDRED THOUSAND PESOS (P600,000), OR BOTH, AT
34 THE DISCRETION OF THE COURT. THE PCIC PERSONNEL WHO ALLOWED
35 THE COMMISSION OF THE OFFENSE SHALL, IN ADDITION, BE DISMISSED
36 FROM OFFICE, AND FORFEIT ALL PRIVILEGES AND BENEFITS WHICH MAY
37 ACCRUE TO SUCH PERSONNEL.”

38
39 SEC. 9. *Separation Clause* - If any provision or part hereof is held unconstitutional
40 or invalid, the remainder of the law, or the provisions not otherwise affected shall
41 remain valid and subsisting.

1
2 **SEC. 10. *Repealing Clause*** - Any provision of Presidential Decree No. 1467, as
3 amended, and all other laws inconsistent herewith are hereby repealed or modified
4 accordingly.

5
6 **SEC. 11. *Effectivity Clause*** - This Act shall take effect fifteen (15) days after its
7 complete publication in a newspaper of general circulation.

8
9 Approved,