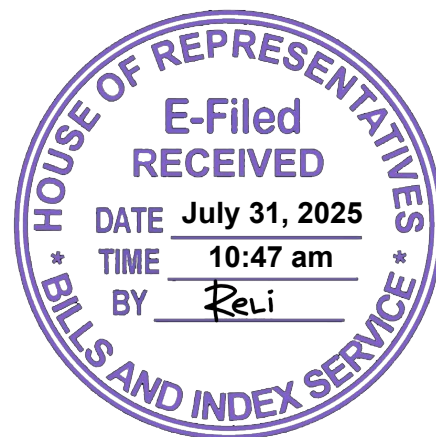


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2780



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

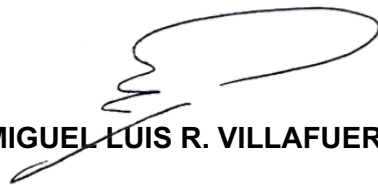
Agriculture in the Philippines remains highly vulnerable to climate shocks, pest infestations, and other risks, often resulting in serious financial losses for farmers and fisherfolk. Crop insurance plays a critical role in stabilizing income, enabling access to credit, and encouraging continued production.

Under Presidential Decree No. 1467, the Philippine Crop Insurance Corporation (PCIC) was established to provide coverage primarily for palay and corn farmers. However, this mandate has become increasingly outdated, as the agricultural sector has diversified and modernized.

This legislation proposes to expand PCIC's insurance services to include livestock, aquaculture and fishery, agroforestry, forest plantations, and non-crop agricultural assets such as machinery, equipment, transport facilities, and rural infrastructure. It also authorizes the PCIC to enter into reinsurance agreements with private insurers, cooperatives, and farmers' organizations, thereby broadening private sector participation and enhancing financial sustainability.¹

A similar measure was filed in the 19th Congress and was approved on third reading by the House of Representatives.

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



HON. MIGUEL LUIS R. VILLAFUERTE



HON. VINCENZO RENATO LUIGI R. VILLAFUERTE

¹ Reganit, J. C. (2023, March 21). *Bill expanding services of PCIC hurdles House*. Philippine News Agency. <https://www.pna.gov.ph/articles/1197856>



HON. TSUYOSHI ANTHONY G. HORIBATA



HON. TERRY L. RIDON

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RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND
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**AN ACT EXPANDING THE SERVICES OF THE PHILIPPINE CROP INSURANCE
CORPORATION AND ENCOURAGING PRIVATE SECTOR PARTICIPATION IN
AGRICULTURAL INSURANCE, FURTHER AMENDING SECTIONS 1 AND 3.11 OF
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:*

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

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

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

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

“SEC. 1. Creation of the Philippine Crop Insurance Corporation. – There is hereby created a body corporate to be known as the “Philippine Crop Insurance Corporation” (PCIC and herein called the Corporation) which shall be attached to the Department of Agriculture for budgetary purposes. The Corporation shall insure **[qualified]** farmers against losses arising from natural calamities, plant diseases, and pest infestations. **[Initially,] [t]**The Corporation shall provide insurance coverage for **ALL AGRICULTURAL COMMODITIES, INCLUDING** palay crops, and **[later on to]** other crops, without prejudice to the inclusion of other non-crop agricultural assets, such as **[but not limited to] LIVESTOCK, AQUACULTURE AND FISHERY, AGROFORESTRY, FOREST PLANTATIONS,** machineries, equipments, transport

facilities, and other related infrastructures, as the Board of Directors of the Corporation may determine. Such **[crop]** insurance shall cover, in every case, the cost of production inputs, the value of the farmer's own labor and those of the members of his household, including the value of the labor of hired workers, and a portion of the expected yield as the Board of Directors, in its discretion, decide to insure. Such insurance protection, however, shall exclude losses arising from avoidable risks emanating from or due to the negligence, malfeasance or fraud committed by the insured or any member of his immediate farm household or employee **[or the failure of the insured to follow proven farm practices]**. **THE CORPORATION SHALL ALSO OFFER REINSURANCE SERVICES FOR ENTITIES WILLING TO OFFER AGRICULTURAL INSURANCE.**"

SECTION 3. Subsection 3.11 of Section 3 of Presidential Decree No. 1467, as amended, is hereby further amended to read as follows:

"3.11. To generate internal funds by floating bonds, expansion to other insurance lines, **INCLUDING REINSURANCE AGREEMENTS WITH AGRICULTURAL COOPERATIVES, FARMERS' ASSOCIATIONS, AND OTHER PRIVATE SECTOR PARTICIPANTS IN THE AGRICULTURAL INSURANCE MARKET**, and extending coverage to other areas of agriculture, **SUCH AS LIVESTOCK, AQUACULTURE AND FISHERY, AGROFORESTRY, OR FOREST PLANTATIONS**, in order to address **THE** insurance needs of the target sector and to do and perform acts and things and to exercise all the general powers conferred by law upon the Corporation as are incidental or conducive to the attainment of the objectives of the Corporation."

SECTION 4. All laws, decrees, executive orders, proclamations, and administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

SECTION 5. This Act shall take effect fifteen (15) days after its complete publication in a newspaper of general circulation.

Approved,