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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
TWENTIETH CONGRESS

House Bill No. 3962



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Introduced by REP. JESUS MANUEL "BONG" C. SUNTAY

EXPLANATORY NOTE

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Our farmers are the bedrock of national sustenance. Yet they are also the most vulnerable, for each typhoon, pestilence, or drought may erase a season's labor and plunge households into debt. Relief has too often been delayed, politicized, or insufficient.

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This bill creates a mandatory crop insurance program for small farmers tilling up to eight hectares, with government fully subsidizing premiums for the poorest and most vulnerable. It mandates the use of objective and science-based triggers—weather data, growth stages, and yield thresholds—so that indemnity flows without the need for a state of calamity declaration.

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By institutionalizing this safety net, the State affirms that no farmer shall face ruin for choosing to feed the nation. This is not charity but justice: a recognition that food security for all depends on security for those who till the land.

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

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REP. JESUS MANUEL "BONG" C. SUNTAY

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Introduced by REP. JESUS MANUEL “BONG” C. SUNTAY

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**AN ACT ESTABLISHING A MANDATORY CROP INSURANCE
COVERAGE FOR SMALL FARMERS, PROVIDING FOR A NATIONAL
GOVERNMENT SUBSIDY, AND FOR OTHER PURPOSES**

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

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Section 1. *Short Title.* - This Act shall be known as the "Crop Insurance Program for
Small Farmers Act of 2025."

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Sec. 2. *Declaration of Policy.* – It Is the policy of the State to promote genuine
inclusive growth and alleviate poverty. It is likewise the policy of the State to promote a
just and dynamic social order that shall ensure prosperity, promote full employment, a
rising standard of living and an improved quality of life for all.

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Sec. 3. *Crop Insurance for Small Farmers Program.* –

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(a) The Department of Agriculture (DA) in coordination with the Philippine Crop
Insurance Corporation (PCIC) shall develop a special Crop Insurance Program
for Small Farmers, guided by the following objectives:

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- a. Promotion of food security through palay and other crop production;
 - b. Provision of immediate support and protection to farmers incurring crop
losses due to extreme conditions; and
 - c. Alleviate the financial burden of farmers due to uncompensated losses.

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(b) The Crop Insurance Program for Small Farmers shall operate under an insurance
framework including, but not limited to, the following:

- 1 a. The Philippine Atmospheric, Geophysical and Astronomical Services
2 Administration (PAGASA) shall be the primary reference weather station
3 from which observed weather parameter shall be obtained. Other
4 reference weather stations may include other weather stations accredited
5 by PAGASA;
- 6 b. There shall be an Identified trigger or threshold reference point to serve
7 as a basis of measurement wherein in case of an occurrence of a breach
8 the PCIC is obligated to indemnify and pay the required payout to the
9 insured;
- 10 c. Phases of crop growth shall be covered by the insurance where a separate
11 trigger and payout may be determined;
- 12 d. The payout or the insurance payment shall be based on a pre16
13 determined schedule that takes into account the actual area planted; and
- 14 e. Any breach of the threshold reference point shall be the basis of any
15 payout. Declaration of a State of Calamity in a local government unit shall
16 not be required to trigger he obligation of the PCIC to the insured
17 farmers.

18 *Sec. 4. Terms and Conditions.* – Within ninety (90) days after the effectivity of this
19 Act, the Department of Agriculture (DA) in coordination with the Philippine Crop
20 Insurance Corporation (PCIC), and in consultation with the Insurance Commission (IC)
21 shall formulate the terms and conditions which shall govern a comprehensive insurance
22 scheme for the benefit of the farmers. The terms and conditions shall be published in the
23 Official Gazette or in a newspaper of general circulation in the Philippines.

24 *Sec. 5. Insured Farmers under the Crop Insurance Program for Small Farmers and*
25 *Premium Subsidy.* –

- 26 (a) All farmers of palay and other crops owning or cultivating eight (8) hectares of
27 farmland and below shall automatically be covered by the Crop Insurance Program
28 for small farmers. Subsidy for insurance premiums shall be 2 determined by the
29 following qualifications:
- 30 a. For farmers owning or cultivating five (5) hectares of farmland and below,
31 the National Government shall fully subsidize their insurance premiums;

1 b. For farmers owning or cultivating more than five (5) hectares but not
2 exceeding eight (8) hectares of farmland, the National Government shall
3 only cover and subsidize fifty percent(50%) of their insurance premiums.

4 (b) The DA together with the Department of Agrarian Reform (DAR) and PCIC, in
5 coordination with local government units, shall develop, maintain and annually
6 update a database of farmers covered under this Program, and determine their
7 qualifications as to the type of subsidy covered;

8 (c) The DA and PCIC shall develop a system for the processing and payment of the
9 fifty percent (50%) insurance premiums not covered by the National Government
10 subsidy. Such premium may be paid in money or in a quantity of paddy the value
11 of which shall be equal to the amount of the premium due to the farmer, such value
12 being computed according to the current market price of the crop as determined
13 by 19 DA.

14 (d) All farmers covered under this Act shall be deemed to have entered into a contract
15 of insurance with the National Government through the PCIC;

16 (e) Small farmers who are currently covered by an existing crop insurance shall have
17 an option to choose whether to remain under their existing crop insurance or be
18 covered by the Crop Insurance Program for small farmers.

19 Sec. 6. *Rate of Premium.* – The rate of premium shall be determined by the Board
20 of the Philippine Crop Insurance Corporation (PCIC) subject to the approval by the
21 President of the Philippines.

22 Sec. 7. *Source of Funding.* – In Accordance with Section 5(a) of this Act, insurance
23 premiums of small farmers shall be subsidized by the National Government. The funding
24 for this Program shall be deemed appropriated from the funds of the Department of
25 Agriculture.

26 Initially, the premium subsidy for the first year of implementation shall be drawn
27 on a month-to-month basis, depending on the actual amount of insurance underwritten
28 by the PCIC. Subsequently, projections of the premium subsidy shall be submitted by the
29 PCIC to the President, and upon approval of the President shall be included in the
30 National Expenditure Program.

31 Sec. 8. *Claim to Indemnity.* – In cases where the identified trigger or threshold
32 reference point has been breached, the insured person shall submit a written claim to

1 indemnity in respect of losses incurred to the municipal agriculturist. The municipal
2 agriculturist shall then forward the written claim to indemnity to the PCIC. The payment
3 of the Indemnity shall be in accordance with the terms and conditions set forth by the DA
4 and PCIC under Section 4 of this Act.

5 Sec. 9. *Implementing Rules and Regulations.* – The The Department of Agriculture,
6 and the Philippine Crop Insurance Corporation, in consultation with relevant government
7 agencies and instrumentalities, shall provide the necessary implementing rules and
8 regulations within sixty (60) days upon the approval of this Act. Such rules and
9 regulations shall take effect after they have been made and shall be published in at least
10 two (2) newspapers of general circulation

11 Sec. 13. *Separability Clause.* - If any part or provision of this Act shall be declared
12 unconstitutional or invalid, the other provisions hereof which are not affected thereby
13 shall remain in full force and effect.

14 Sec. 14. *Repealing Clause.* - All laws, decrees, executive orders, memorandum
15 orders, memorandum circulars, administrative orders, ordinances or parts thereof which
16 are inconsistent with the provisions of this Act are hereby deemed repealed or modified
17 accordingly.

18 Sec. 15. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication
19 in the Official Gazette or in a newspaper of national circulation.

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21 Approved,