



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 5159



Introduced by Representative Yedda Marie K. Romualdez

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

EXPLANATORY NOTE

Agriculture serves as a backbone for the Philippine economy by providing employment to a significant portion of our labor force, supplying food resources, and supporting rural livelihoods. However, agricultural production remains exposed to vulnerabilities such as typhoons, floods, droughts, pest infestations, and diseases. These uncertainties are exacerbated by climate change and economic volatility, placing farmers, fisherfolk, and other agricultural stakeholders in a precarious position and deterring much-needed investments in the sector. It is thus imperative that policies on agricultural insurance be established to enhance the resilience of farmers, thereby encouraging bolstering credit access and market participation.

Thus, this bill seeks to expand the insurance coverage of the Philippine Crop Insurance Corporation (PCIC) beyond traditional crop insurance to include all agricultural commodities such as high-value crops, livestock, aquaculture and fishery products, agroforestry, and forest plantations, as well as non-crop

agricultural assets like machinery, equipment, transport facilities, and other infrastructure vital to agricultural production.

We acknowledge Representatives Joey Sarte Salceda, Harris Christopher M. Ongchuan, Marlyn L. Primicias-Agabas, John Tracy F. Cagas, and Wilbert "Manoy" T. Lee, among others, for filing this bill during the Nineteenth Congress and was approved on Third Reading.

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

A handwritten signature in black ink, appearing to be 'Yedda Marie K. Romualdez', written in a cursive style.

YEDDA MARIE K. ROMUALDEZ



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*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 establish, strengthen, and maintain a comprehensive and responsive agricultural insurance program as a vital mechanism for managing the risks inherent in agricultural production. This program shall aim to protect and stabilize the income of agricultural producers from losses arising from natural calamities, plant and animal diseases, pest infestations, or other unforeseen events affecting all types of agricultural commodities, including crops,

livestock, aquaculture, and related agricultural facilities and infrastructure. It shall also be the policy of the State to promote the modernization of the agricultural sector by mitigating the risks that hinder its development and limit broader market participation. To this end, the State shall promote active participation of the private sector in delivering agricultural insurance by authorizing the Philippine Crop Insurance Corporation (PCIC) to undertake reinsurance agreements with private sector agricultural insurers, and to expand its insurance services to cover livestock, aquaculture and fisheries, agro-fisheries, and forest plantations.

SEC. 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, equipment, 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.”**

SEC. 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.”

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

SEC. 5. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation.

Approved,