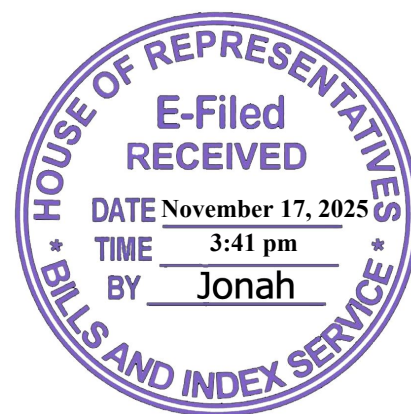


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 6066



Introduced by Representatives ERIC G. YAP and EDVIC G. YAP

EXPLANATORY NOTE

This bill seeks to strengthen the country's disaster risk financing mechanisms by institutionalizing a Philippine Disaster Risk Financing and Insurance Strategy specifically for public infrastructure assets. The measure aims to establish a comprehensive financial protection framework that enables the government to respond rapidly to disasters, repair and rebuild damaged infrastructure, and ensure the uninterrupted delivery of essential public services.

The Philippines holds the distinction of being the most disaster-prone country in the world, ranking first globally in the 2024 World Risk Index with an overall risk score of 46.9, the highest among all surveyed nations¹. This ranking reflects not only the country's geographic exposure to about 20 tropical cyclones each year but also the government's limited adaptive capacity and institutional weaknesses in disaster management. This shows that the country urgently needs investment in resilience and institutional readiness to reduce disaster-related losses and to translate policy intentions into tangible results.

The economic implications of this vulnerability are severe and recurring. A world Bank article estimates that the Philippines incurs ₱177 billion (US\$3.5 billion) in annual asset losses from typhoons and earthquakes alone². Moreover, probabilistic catastrophe modeling reveals that there is a 10% chance of losses exceeding US\$33 billion and a 20% chance of losses surpassing US\$53 billion, posing systemic fiscal threats to national stability³. On the other hand, the Quick Response Fund (QRF) and other allocations under the National Disaster Risk Reduction and Management Fund (NDRRMF) totaled only ₱7.925 billion in FY 2024⁴, which is significantly smaller than the expected annual losses.

¹ CPBRD - House of Representatives. (2024). World Risk Index 2024. CPBRD - House of Representatives. (<https://cpbrd.congress.gov.ph/wp-content/uploads/2025/02/FF2024-68-World-Risk-Index-2024.pdf>)

² Signer, B. L., & Poulter, R. (2021, December 01). Disaster risk insurance: 5 insights from the Philippines. World Bank Blogs. (<https://blogs.worldbank.org/en/climatechange/disaster-risk-insurance-5-insights-philippines>)

³ World Bank Group. (2020, December 14). *Public Expenditure Review: Disaster Response and Rehabilitation in the Philippines*. WorldBank. (<https://documents1.worldbank.org/curated/en/815371611730636596/pdf/Disaster-Response-and-Rehabilitation-in-the-Philippines-Public-Expenditure-Review-Technical-Report.pdf>)

⁴ Department of Budget and Management. (2023). General Appropriations Act FY 2024. Department of Budget and Management (DBM). (<https://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2024/VolumeI/NDRRMF.pdf>)

These figures show a persistent reality: without pre-arranged financial instruments, the country remains trapped in a cycle of reactive spending and delayed rehabilitation.

Under this Act, to be known as the Public Infrastructure Financing and Insurance Act, the State shall develop a multi-layered financing strategy that safeguards its assets through the coordination of disaster response funds, rehabilitation programs, and insurance mechanisms. The measure proposes the creation of a Disaster Risk Financing and Insurance Council (DRFIC), chaired by the Secretary of Finance, tasked to formulate and oversee the implementation of the DRFI Framework, ensuring that government assets are adequately insured and that financing for reconstruction is swiftly mobilized.

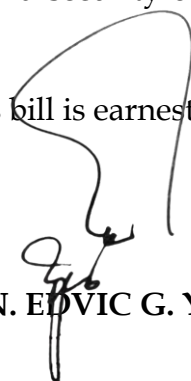
The bill also establishes the National Public Asset Insurance Consortium (NPAIC), led by the Government Service Insurance System (GSIS), to manage comprehensive insurance coverage for public infrastructure.

Through this legislative initiative, the State aims to institutionalize financial resilience within the public infrastructure system, ensuring that disaster recovery and reconstruction are both timely and sustainable. By establishing a pre-arranged financing and insurance structure grounded in data and fiscal foresight, this bill provides a transformative step toward reducing the economic and human toll of disasters, safeguarding not only physical assets but also the stability and security of the Filipino people.

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



HON. ERIC G. YAP



HON. EDVIC G. YAP

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

TWENTIETH CONGRESS
First Regular Session

House Bill No. **6066**

Introduced by Representatives ERIC G. YAP and EDVIC G. YAP

AN ACT
STRENGTHENING PHILIPPINE DISASTER RISK FINANCING,
INSTITUTIONALIZING A PHILIPPINE DISASTER RISK FINANCING AND
INSURANCE STRATEGY FOR PUBLIC INFRASTRUCTURE ASSETS, AND
APPROPRIATING FUNDS THEREFOR

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

Section 1. *Short Title.* — This Act shall be known as the “*Public Infrastructure Financing and Insurance Act*”.

SEC. 2. *Declaration of Policy.* — The State shall ensure a diverse and multi-layered financing strategy to safeguard its public infrastructure assets from debilitating damage arising from natural or man-made disasters and ensure the continuous and effective delivery of goods and services.

To this end, the State shall coordinate all existing disaster response financing in relation to the repair, reconstruction, rehabilitation, and mitigation of public infrastructure assets, and shall develop and implement a similar disaster risk financing and insurance (DRFI) strategy with the private sector.

The DRFI strategy shall follow up-to-date internationally-accepted disaster risk financing principles and standards, shall be information and data-driven, and shall be anchored on a robust public asset management system. The DRFI strategy shall also integrate and utilize up-to-date technology, such as but not limited to artificial intelligence, to advance and optimize current practices in its implementation.

SEC. 3. *Definition of Terms.* — As used in this Act:

a) Asset Management refers to a set of interrelated and interacting elements of an organization, whose function is to establish the asset management policy and asset management objectives, and the processes needed to achieve those objectives. Elements of the AMS include policies, plans, business processes and

information systems, which are integrated to give assurance that the asset management activities will be delivered in line with organizational objectives;

b) Disaster refers to a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources. Disasters are often described as a result of the combination of: the exposure to a hazard; the conditions of vulnerability that are present; and the insufficient capacity or measures to reduce or cope with the potential negative consequences. Disaster impacts may include loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation; and

c) Disaster Risk refers to the potential disaster losses in lives, health status, livelihood, assets and services, which could occur to a particular community or a Society over some specified future time period. Government shall refer to the entire government structure and, as the context may require, shall include local government units, national government agencies, and government-owned and controlled corporations, whether considered collectively or individually and separately.

SEC. 4. *Coverage and Scope.* — This Act shall apply to all public infrastructure assets owned by the Government, including those owned under Republic Act (RA) No. 6957 or the “*Build-Operate-Transfer Law*”, as amended. Assets covered under this Section shall include:

- a) Buildings, including but not limited to, schools, hospitals, and government offices;
- b) Roads;
- c) Bridges;
- d) Airports;
- e) Ports;
- f) Railways;
- g) Power generation and transmission structures;
- h) Water resource management and supply structures; and
- i) Other similar structures necessary for effective public service delivery.

Insurance and non-insurance financing shall cover repair, reconstruction, and rehabilitation or other similar activities to be undertaken as a result of disasters, natural or man-made in origin, to ensure asset recovery and continuity of public service delivery.

SEC. 5. *Disaster Risk Financing and Insurance Council.* — A council which shall be known as the Disaster Risk Financing and Insurance Council (DRFIC) is hereby created, which shall be headed by the Secretary of the Department of Finance (DOF) as the Chairperson, with the Secretary of the Department of Budget and Management (DBM) and the Secretary of the Department of Economy, Planning, and Development (DEPDev) as Vice Chairpersons.

The DRFIC shall be further composed of the following members:

- a) Secretary of the Department of Science and Technology (DOST);
- b) Secretary of the Department of Information and Communications Technology (DICT);
- c) Secretary of the Department of Internal and Local Government (DILG);
- d) Secretary of the Department of National Defense (DND);
- e) Secretary of the Department of Public Works and Highways (DPWH);
- f) President of the Government Service Insurance System (GSIS);
- g) Executive Director of the Climate Change Office of the Climate Change Commission (CCC);
- h) Chairperson of the Governance Commission for GOCCs (GCG); and
- i) Chairperson of the Philippine Competition Commission (PCC)

SEC. 6. *Powers and Functions of the DRFIC.* — The DRFIC shall be empowered with policy-making, coordination, and monitoring and evaluation functions, as follows:

- a) Develop a strategic and comprehensive Disaster Risk Financing and Insurance for Public Assets Framework, hereinafter referred to as the DRFI Framework, which shall ensure a streamlined, seamless, responsive, and timely financing for disaster-related repair, reconstruction, mitigation, and rehabilitation of public assets through both non-insurance and insurance financing mechanisms.

Financing shall be secured from a combination of sources, such as the public sector, the private sector, or from relevant international financing mechanisms of which the Government of the Republic of the Philippines is a party thereto, to ensure a multi-layered protection for public assets;

b) Promote policies which shall attract, develop, and expand domestic and overseas investment and capital for disaster risk-related financing;

c) Develop and maintain a digital, reliable, and secure asset management system through a National Asset Registry System (NARS), covering all public assets owned by the Government. All data collected by and accessed through the NARS shall be comprehensive, accessible, risk-reflective, and interoperable as necessary for the purposes of this Act;

d) Conduct relevant valuation, analysis, risk modeling, and forecasting of public asset-related data to identify, develop, and enhance DRFI policies;

e) Ensure the data integrity of the NARS;

f) Manage and ensure the insurance of Government public assets;

g) Review and approve the proposed insurance policies to be entered by the Government with the Consortium;

h) Develop and establish insurance claim guidelines in coordination with the Consortium;

i) Ensure competitive practice within the Consortium;

j) Exercise general oversight and regularly monitor and evaluate compliance and performance of the Consortium;

k) Develop and maintain an integrated, centralized, and interoperable digital claims management module which shall track, facilitate, and record:

i) Public asset insurance transactions such as claims and claims payments between the Government and the Consortium;

ii) Financing requests and payments charged under the National Disaster Infrastructure Response Fund (NDRIF); and

iii) Financing requests to the international financing instruments such as but not limited to the Loss and Damage Fund.

Provided, That the digital module shall have a separate sub-module for insurance-related transactions falling under subparagraph (i) of this subsection, and shall be accessible and integrated into the insurance claims mechanism of the Consortium.

l) Manage, under a separate and special account the National Disaster Response for Infrastructure Fund (NDRIF);

m) Provide guidelines and criteria for funding under the NDRIF; *Provided, That* after evaluation and approval of the funding request, the DRFIC shall authorize the release of funds from the same;

n) Provide guidelines and criteria for funding under the Loss and Damage Fund with the Loss and Damage Fund Board as provided by RA No. 12019 or the *"Loss and Damage Fund Board Act"*, and all other international financing mechanism available with the respective managing hobbies;

o) Provide guidelines for the monitoring, evaluation, and auditing of the utilization of public asset financing from all applicable sources as provided under subsection (a) of this Section;

p) Submit annual monitoring and evaluation reports on the utilization of public asset financing from all applicable sources to the Commission on Audit (COA);

q) Create additional plantilla positions and/or subordinate offices as may be necessary to perform the functions of the DRFIC, subject to the approval of the DBM;

r) Ensure guidelines, criteria, and relevant processes in relation to DRFIPA are standardized and non-redundant as far as practicable to cut bureaucratic red tape and ensure swift service delivery;

s) Perform such other functions and implement additional policies as may be necessary for the effective implementation of this Act.

SEC. 7. *National Public Asset Insurance Consortium.* — A National Public Asset Insurance Consortium is established, hereby referred to as the Consortium, composed of all insurance and reinsurance companies offering public asset insurance and shall be led by the Government Insurance System (GSIS).

The Consortium shall develop the country's domestic local disaster risk insurance strategy, and shall aid government-owned in the protection of public assets through the provision of collective public asset insurance, and shall ensure rapid claims processing and asset recovery.

SEC. 8. *Functions of the NPAIC.* — The Consortium shall:

a) Issue insurance policies specifically for public assets annually;

b) Ensure collective risk sharing among its members;

c) Evaluate and approve insurance claims made by the Government in a timely manner;

d) Oversee claims processing and subsequently release approved insurance claims to the Government; and

e) Submit data regarding insurance claims and payments to the Consortium.

SEC. 9. *National Disaster Response for Infrastructure Fund.* — The existing financing functions for infrastructure for repair, reconstruction, rehabilitation, or disaster mitigation under the National Disaster Risk Reduction Management Fund is hereby transferred to the National Disaster Response for Infrastructure Fund (NDRIF), hereby created under this Act.

The NDRIF shall be managed by the DBM, and its use shall be guided by the principles of the DRFI Framework.

Financing requests under the NDRIF shall be subject to the evaluation and approval of the DRFIC; *Provided*, That the DRFIC shall, to the greatest extent necessary, ensure that the NDRIF shall not be the sole funding source for repair, reconstruction, rehabilitation, or disaster mitigation.

SEC. 10. *Tax Incentive for Members of the Consortium.* — To spur investment into Disaster Risk Financing and Insurance, a reduction of five percent (5%) on the prevailing Corporate Income Tax on member companies of the Consortium shall be implemented for the first five (5) years after its effectivity. Thereafter, Congress shall review the tax incentive policy for remedial legislation.

SEC. 11. *Appropriations.* — For the purposes of this Act:

a) National Disaster Response for Infrastructure Fund — an initial and minimum fund of Twenty Billion Pesos (Php 20,000,000,000.00) shall be allocated for NDRIF for the first year of its implementation. Thereafter, regular appropriations for this purpose shall be included in the annual General Appropriations Act.

b) Premiums for Insurance — the initial fund for the payment of insurance premiums shall be included in the annual appropriations of the Government as determined by the insurance policy approved by the DRFIC; *Provided*, That premium payments for GOCCs and LGUs shall likewise be included in the annual General Appropriations as national government subsidies.

All other appropriations necessary for the implementation of this Act shall be determined by the Department of Budget and Management, and shall be included in the annual General Appropriations.

SEC. 12. *Congressional Oversight Committee.* — There is hereby created a Congressional Oversight Committee to monitor and oversee the implementation of the

provisions of this Act. The Committee shall be composed of six (6) members from the Senate and six (6) members from the House of Representatives, with the Chairpersons of the Committee on Climate Change of the Senate and the Committee on Disaster Resilience of the House of Representatives as joint Chairpersons of this Committee. The five (5) other members from each Chamber are to be designated by the Senate President and the Speaker of the House of Representatives, respectively. The minority shall be entitled to at least two (2) representatives from each Chamber.

SEC. 13. *Annual Report.* — The DRFIC shall submit to the Office of the President, the House of Representatives and the Senate an annual report relating to the progress and status of the implementation of this Act not later than the last day of November of every fiscal year.

SEC. 14. *Sunset Review.* — Within five (5) years after the effectivity of this Act, or as the need arises, the Congressional Oversight Committee shall conduct a sunset review. For purposes of this Act, the term “sunset review” shall mean a systematic evaluation by the Congressional Oversight Committee of the accomplishments and impact of this Act, as well as the performance and organizational structure of its implementing agencies, for purposes of determining remedial legislation.

SEC. 15. *Implementing Rules and Regulations.* — The DRFIC shall issue the necessary rules and regulations for the implementation of this Act ninety (90) days after the approval of this Act, in consultation with the Consortium as well as other key stakeholders.

SEC. 16. *Separability Clause.* — If any provision or part of this Act is held invalid or unconstitutional, the remaining parts or provisions of the following laws are amended accordingly:

- a) RA No. 656, as amended by PD No. 245, otherwise known as the “*Property Insurance Law*”; and
- b) RA No. 10121, otherwise known as the “*Philippine Disaster Risk Reduction and Management Act of 2010*”.

SEC. 17. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation

Approved,