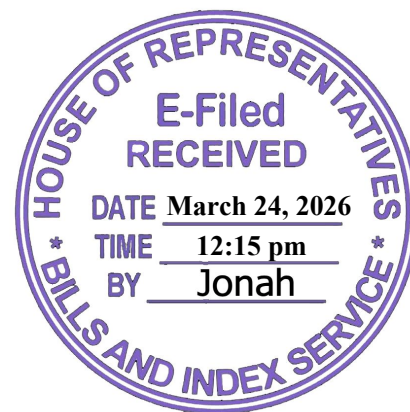


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8739**



Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCAO**

EXPLANATORY NOTE

Agriculture remains the backbone of our economy, providing food on the table of every Filipino household and livelihood for millions of farmers and fisherfolk. Yet, the sector is also the most vulnerable to forces beyond human control. Each year, typhoons, floods, droughts, pest infestations, and plant and fish diseases wipe out the labor and hopes of small farmers and fisherfolk, leaving them in debt and uncertainty.

To address these recurring losses, Presidential Decree No. 1467 created the Philippine Crop Insurance Corporation (PCIC) in 1978. Over the years, the PCIC has extended protection to farmers and fisherfolk, but the increasing frequency of natural calamities and the expanding demands of food security require a stronger, more responsive, and more inclusive crop insurance system.

This proposed measure strengthens the Philippine Crop Insurance Corporation by revising its charter and expanding its powers and coverage. It ensures that not only palay and corn but also high-value commercial crops, livestock, fisheries, aquaculture, agroforestry, and even non-crop agricultural assets such as machinery and infrastructure are covered by insurance. It also introduces weather index-based insurance, reinsurance, and provisions for catastrophic loss funds.

The bill likewise provides for a realistic capitalization framework and sustainable premium-sharing arrangements. It recognizes the role of government in subsidizing the premium payments of subsistence farmers and fisherfolk while ensuring that lending institutions and private entities share in the responsibility of risk protection. By doing so, the measure prevents farmers from sinking deeper into debt and strengthens their credit standing.

Moreover, this Act introduces safeguards against fraudulent claims, clearer settlement procedures, and “no-claim benefits” for responsible farmers and fisherfolk who sustain good practices over time. It also requires inter-agency cooperation, recognizing that crop insurance is not the work of one corporation alone but the collective responsibility of government, lending institutions, and private stakeholders.

This legislation reaffirms the government’s duty to protect the agricultural sector, not only to safeguard the livelihood of farmers and fisherfolk but to secure the nation’s food supply. A strengthened PCIC will give our food producers the confidence to recover from loss, reinvest in

production, and contribute to the country's food security and economic stability.

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

A handwritten signature in black ink, appearing to read 'N. Oducado', with a small blue circular stamp or mark at the end of the signature.

REP. NATHANIEL "ATTY. NAT" M. ODUCADO
1 Tahanan Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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HOUSE BILL NO. **8739**

Introduced by **REP. NATHANIEL “ATTY. NAT” M. ODUCAO**

AN ACT STRENGTHENING THE PHILIPPINE CROP INSURANCE CORPORATION, REPEALING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1467, AS AMENDED, ENTITLED “CREATING THE PHILIPPINE CROP INSURANCE CORPORATION” PRESCRIBING ITS POWERS AND ACTIVITIES, PROVIDING FOR ITS CAPITALIZATION AND FOR THE REQUIRED GOVERNMENT PREMIUM SUBSIDY, AND FOR OTHER PURPOSES

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Revised Charter of the*
2 *Philippine Crop Insurance Corporation*”.

3 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to provide
4 comprehensive support to agriculture through adequate financial, production, marketing, and other
5 necessary support services. In pursuit of this policy, the State shall ensure food security by
6 intensifying food production, promoting access to agricultural credit, and broadening the coverage
7 of mandatory crop insurance, particularly in light of the recurring disasters and calamities, whether
8 natural or otherwise, such as floods, typhoons, heavy rains, and droughts, which continue to cause
9 widespread destruction of crops, especially palay and other grains and food-security-critical
10 commodities.

11 The State shall likewise alleviate the financial burden borne by farmers and fisherfolk due
12 to uncompensated losses resulting from such disasters and calamities by keeping them away from
13 excessive indebtedness, enhancing their credit standing, and providing additional government
14 support to enable them to sustain and increase agricultural production. Further, the State shall assist
15 banks and financial institutions by strengthening their capacity to extend credit and financial
16 services to the agricultural sector. Finally, the State shall strengthen the organizational capability
17 and expand the coverage of the Philippine Crop Insurance Corporation (PCIC) in order to provide
18 effective insurance protection to farmers and fisherfolk against losses arising from natural
19 calamities, fortuitous events, plant and fish diseases, and pest infestations.

20

1 **SEC. 3. *Expanded Purposes and Coverage of the PCIC.*** – The Philippine Crop Insurance
2 Corporation (PCIC), a government-owned corporation established pursuant to Presidential Decree
3 No. 1467, with its principal place of business in Metro Manila, shall insure qualified farmers and
4 fisherfolk against losses arising from natural calamities, fortuitous events, plant and fish diseases,
5 and pest infestations.

6 The PCIC shall provide insurance coverage for palay and corn crops, high-value
7 commercial crops, livestock, aquaculture and fishery products, agroforestry crops and forest
8 plantations; non-crop agricultural assets such as machineries, equipment, transport facilities, and
9 other related infrastructure; and life and accident term insurance coverage for farmers and
10 fisherfolk. Such crop insurance shall cover, in every case, the cost of production inputs, the value
11 of the labor of the farmer or fisherfolk, and members of their households including the value of the
12 labor of hired workers, and a portion of the projected value of the crops. Such insurance protection,
13 however, shall exclude losses arising from avoidable risks emanating from or due to the negligence,
14 malfeasance, or fraud committed, by any member of the immediate farm household or employee,
15 or the failure of the insured to follow proven farm practices.

16 The PCIC shall also insure properties and facilities which are owned or used by government
17 agencies involved in agri-fishery-forestry projects or activities and government-financed agri-
18 fishery-forestry projects. It shall also provide reinsurance coverage to agri-fishery-forestry
19 properties and facilities underwritten by private and government insurance companies, and weather
20 index-based insurance (WIBI) and reinsurance for palay and corn crops, high-value commercial
21 crops, livestock, aquaculture and fishery products, agroforestry crops, and forest plantation.

22 **SEC. 4. *Powers.*** – The PCIC shall continue to exercise the following powers and functions:

- 23 a) To prescribe, repeal, and amend its own by laws;
- 24 b) To adopt and use a corporate seal;
- 25 c) To sue and be sued;
- 26 d) To have continuous succession until dissolved by law;
- 27 e) To determine its operating policies and to issue such rules and regulations as may
28 be necessary to implement the crop insurance scheme;
- 29 f) To insure the crops of farmers and fishpond, seaweed, oyster, or mussel farms of
30 fisherfolk against losses, damages and destruction caused by rodents, vermin,
31 diseases, insects, and other pests and natural calamities such as typhoons, floods,
32 droughts, earthquakes, volcanic eruptions; and to carry on any business necessary,
33 related to and expedient for the above purpose;
- 34 g) To insure in the Philippines or abroad, all or any risk of the PCIC;
- 35 h) To purchase or otherwise acquire ownership and manage any and all parts of the
36 business, property, and liabilities of any person or company carrying on any
37 business which the PCIC is authorized to carry on or possess;
- 38 i) To acquire by purchase or otherwise acquire ownership of and to invest in, hold,
39 sell, or otherwise dispose of stocks or bonds or any interest in either, or any
40 obligation or evidence of indebtedness of any person, firm or corporation; and as
41 owner of such stocks, bonds or interest therein, or other obligations or evidence of
42 indebtedness, to exercise the rights, powers and privileges of ownership, including

the right to vote thereon or consent in respect thereto for any and all lawful purposes;

- j) To purchase or otherwise acquire, sell, lease, convey, mortgage, encumber, or otherwise deal with any property, real or personal, or any interest therein; extend credit on the security of real estate or movable property; exercise easement right or privilege over or in respect to any property, real or personal, as may be permitted by law and as may be reasonable or necessary to carry out the purposes for which the PCIC is formed or as may or hereafter be permitted by law;
- k) To establish branches whenever it may be expedient and necessary; and
- l) To generate internal funds by floating bonds, expanding the PCIC's insurance lines to include agricultural guarantee loans, and extending coverage to other areas of agriculture, such as livestock, aquaculture, fishery, agroforestry and 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 PCIC as are incidental or conducive to the attainment of the objectives of the PCIC.

SEC. 5. *Who shall be Insured.* – It shall be compulsory for farmers to take out insurance for palay and other crops essential for food security, as determined by the Department of Agriculture (DA).

For other crops, insurance coverage shall be compulsory upon all farmers obtaining production loans under the supervised credit program of the government and optional on the part of self-financed farmers: Provided, That they agree to place themselves under the supervision of agricultural production technicians.

As used in this Act, the term supervised credit program refers to the production credit program wherein the farmer who obtains production loans agrees in writing to apply proven farm practices necessary to conserve the land, improve its fertility and increase its production, and abide by the approved farm plan and budget jointly prepared by such farmer and the duly accredited supervised credit supervision of agricultural production technician refers to the supervision, pursuant to Presidential Decree No. 409, dated March 11, 1974, undertaken by agricultural production technicians who are duly accredited by the appropriate government agencies concerned, as required under the supervised credit program of the government.

SEC. 6. *Rate of Premium, Sharing, and Amount of Indemnity.* – The rate of premium, as well as the allocated sharing thereof of farmers, fisherfolk lending institutions, the government of the Republic of the Philippines, hereinafter referred to as the Government, and other parties, shall be determined by the Board of Directors of the PCIC, hereinafter referred to as the Board: Provided, That the share of the Government in the premium cost in the form of premium subsidy shall be limited to subsistence farmers and fisherfolk: Provided, however, That each of these subsistence farmers is cultivating not more than seven (7) hectares of farmland and each fisherfolk is cultivating not more than (5) hectares of fishpond, seaweed, oyster, or mussel farm by themselves or with the help of the labor of the members of their households or hired labor, the premium rate and sharing to be determined by the Board: Provided, further, That the premium share of the subsistence farmer or fisherfolk shall be reasonably affordable: Provided, furthermore, That the Government shall

share in the premium cost only in insurance coverage against unforeseen and unavoidable risks such as typhoons, droughts, rainfall, or outbreaks of pests or diseases; Provided, finally, That premium subsidy or insurance benefits shall, upon the accumulation of surplus funds, be increased to such amount as may be determined by the Board.

The amount of indemnity shall be determined by the Board, which shall take into account the value of the potential harvest of crops at the ripening stage, actual cost of production inputs already applied at the time of loss per farm plan and budget subject to limits stipulated in the policy contract, pro-rated cost of the harvested crops, the salvage value, if any, and the percentage of yield loss.

SEC. 7. Premium Subsidy. – This section prescribes the mechanisms for the funding, allocation, and administration of premium subsidies for the Crop Insurance Program, as follows:

- a) The required government premium subsidy, as determined by the Board and approved by the President of the Philippines, shall be deemed appropriated from the funds of the National Treasury not otherwise appropriated, and shall be drawn, on a month-to-month or other periodic bases, depending upon the actual amount of insurance underwritten by the PCIC. For this purpose, the PCIC shall bill the Government the sum of money corresponding to the computed amount of subsidy;
- b) Yearly projections of the premium subsidy shall be submitted by the PCIC to the President of the Philippines, and upon approval, shall be included in the government's budgetary appropriation;
- c) Calamity funds earmarked by the government shall include a certain percentage for crop insurance and shall be released to and administered by the PCIC;
- d) Ten percent (10%) of the net earnings of the Philippine Charity Sweepstakes Office (PCSO) from its lotto operation shall be earmarked for the Crop Insurance Program and said amount shall be directly remitted in pesos to the PCIC every six (6) months until the amount of government subscription is fully paid.

SEC. 8. Capital Stock. – Prescribes the capitalization structure of the PCIC, including the composition, subscription, and features of its capital stock, as follows:

- a) The authorized capital stock of the PCIC is Ten billion (P10,000,000,000.00) pesos, divided into Seventy-five Million Pesos (Php 75,000,000.00) common shares with par value of One Hundred Pesos (Php 100.00) per share, which shall be fully subscribed by the government, and Twenty-five Million Pesos (Php 25,000,000.00) preferred shares with a par value of One Hundred Pesos (Php 100.00) per share;
- b) The common capital stock of One Billion Five Hundred Million Pesos (Php 1,500,000,000.00) to be subscribed by the government shall be appropriated annually by Congress.
- c) The preferred shares shall be given priority over common shares in the declaration of dividends and in the distribution of assets in the event of liquidation of the PCIC. Preferred shares shall have the following specific features:
 - i. As to dividends, they shall be entitled to a minimum interest rate of one and half percent (1.5%) or the prevailing 360-day Treasury bill rate at the time of declaration of dividend, whichever is higher;

- ii. They shall be cumulative, non-participating, and non-voting;
- iii. The dividend thereon shall be exempt from income tax;
- iv. They shall be redeemable at the option of the PCIC at the prevailing book value but in no case less than par after five (5) years from issuance thereof; and
- v. They shall be transferrable.

d) At least Five Hundred Million Pesos (Php 500,000,000.00) of preferred shares shall be subscribed and paid for by the Land Bank of the Philippines (LANDBANK). The balance of the preferred shares may be available for sale or subscription by the general public.

SEC. 9. Reserve Fund for Catastrophic Losses. – A State Reserve Fund, herein referred to as the Fund, for catastrophic losses in the amount of Five Hundred Million Pesos (Php 500,000,000.00) shall be created exclusively to answer for the proportion of all losses in excess of risk or pure premium under the PCIC's Crop Insurance Program for small farmers and fisherfolk. The Fund may be increased, subject to the approval of the President of the Philippines. The Fund shall be administered by the government financial institution to be designated by the PCIC's Board.

Such sum as may be necessary for the purpose shall be funded by the government through the annual General Appropriations Act. The mechanics of claims against the Fund and to what extent the Fund shall be liable shall be determined jointly with the financial institution administering the Fund, subject to the approval of the President of the Philippines.

SEC. 10. Reinsurance. – In order to spread the risk of the PCIC, it is hereby authorized to seek reinsurance protection whenever it may be available.

SEC. 11. Board of Directors. – The powers of the PCIC shall be vested in and exercised by its Board of Directors, composed of seven (7) members as follows:

- a) President of the LANDBANK;
- b) President of the PCIC;
- c) Secretary of Department of Agriculture (DA);
- d) Representative from the private insurance industry to be nominated by the Secretary of Finance; and
- e) Three (3) representatives from the subsistence farmers' sector, preferably representing agrarian reform beneficiaries, cooperatives.

The respective nominees of the private insurance industry and the farmers' sector shall be submitted to and appointed by the President of the Philippines. The Chairperson of the board shall be appointed by the President of the Philippines from among the members of the Board. The President of the PCIC shall also be appointed by the President of the Philippines and shall be the ex officio Vice Chairperson who shall assist and act as Chairperson in case of the latter's absence or incapacity.

In case of absence or incapacity of both the Chairperson and Vice Chairperson, the Board shall designate a temporary Chair from among its members. Except for the President of the LANDBANK and the Secretary of the DA, all members of the Board, including the President of

1 the PCIC, shall be appointed by the President of the Philippines within a reasonable period of time
2 after the approval of this Act.

3 The members of the Board may designate their respective alternates who shall attend the
4 meetings in their absence or incapacity. The Board shall meet regularly at least twice a month or
5 as often as the exigencies of the PCIC's affairs demand. The presence of at least five (5) members
6 shall constitute a quorum which shall be necessary for the transaction of any business.

7 In the absence of the Chairperson, the Vice Chairperson shall preside over the meeting of
8 the Board. The Chairperson and the members of the Board shall each receive per diem pursuant to
9 existing law for each meeting of the Board actually attended: Provided, That in the case of the
10 representatives of the subsistence farmers' sector, the Board is authorized to provide funds to defray
11 the cost of reasonable travel expenses and, if necessary, subsistence expenses in addition to per
12 diem.

13 **SEC. 12. Powers and Functions of the Board of Directors.** – The Board shall have the
14 following powers and functions:

- 15 a) Implement the provisions and purpose of this Act;
- 16 b) Determine the rate of premium, as well as the allocated sharing thereof of farmers,
17 fisherfolk, lending institutions, the Government, and other parties;
- 18 c) Formulate and adopt policies and plans, and promulgate rules and regulations for
19 the management, operation and conduct of the affairs and business of the PCIC and,
20 for this purpose, may limit or refuse insurance in any area or on any farmer because
21 of the risk involved or may expand the subject of insurance coverage to crops other
22 than palay and other crops essential food security: Provided, That such coverage on
23 other crops shall be approved by the President of the Philippines;
- 24 d) Borrow funds from local and international financing sources or institutions and
25 issue bonds up to five (5) times the value of its authorized capital stock for the
26 purpose of financing the programs and projects deemed vital for the attainment of
27 the PCIC's goals and objectives;
- 28 e) Enter into, make, and execute contracts of any kind or nature as may be necessary
29 or incidental to the accomplishment of the purposes of the PCIC;
- 30 f) Approve the budget of the PCIC and fix the reasonable compensation of its
31 personnel: Provided, That the Board shall have exclusive and final authority to
32 promote, transfer, assign or reassign personnel of the PCIC: Provided further. That
33 these personnel actions are deemed made in the interest of the service and not
34 disciplinary in nature or purpose;
- 35 g) Establish the policies and guidelines for the employment of personnel on the basis
36 of merit, technical competence and moral character, and approve a staffing pattern
37 of personnel defining their powers and duties; and
- 38 h) Exercise the general powers mentioned in Republic Act No. 11232, otherwise
39 known as the "Revised Corporation Code of the Philippines", insofar as these are
40 not inconsistent or incompatible with the provisions of this Act.

41 **SEC. 13. Management.** – The management of the PCIC shall be vested in its President,
42 who shall be a person of known integrity and technical and managerial competence. There shall

1 also be Vice Presidents as the Board may decide, to be appointed by the Board. The president of
2 the PCIC shall have the following powers and duties:

- 3 a) Execute and administer the policies, plans and rules and regulations approved and
4 promulgated by the Board;
- 5 b) Submit for the consideration of the Board such policies, plans and programs
6 deemed necessary to carry out the provisions and purposes of this Act;
- 7 c) Direct and supervise the operations and internal administration of the PCIC and for
8 this purpose, to delegate some or any power and duty to subordinate officials;
- 9 d) Recommend to the Board the appointment, promotion, transfer, assignment,
10 reassignment, demotion, dismissal, and compensation of personnel; and
- 11 e) To exercise such other powers and perform such other duties as may be directed by
12 the Board.

13 **SEC. 14. *Settlement of Claims.*** – The following are the procedures for the filing,
14 reconsideration, appeal, and automatic approval of claims with the PCIC.

- 15 a) Claims for indemnity against the PCIC shall be settled by the PCIC's regional
16 manager concerned or the appropriate officer to whom the function is delegated.
17 However, if in the opinion of the regional manager the claim is novel, difficult, or
18 controversial, the matter may be elevated by the regional manager to the President
19 of the PCIC for decision;
- 20 b) The claimant aggrieved by the decision of the regional manager may, within thirty
21 (30) days from receipt of the decision, request for reconsideration thereof, and if
22 not satisfied therewith, elevate the matter to the President of the PCIC;
- 23 c) Any party aggrieved by a decision, order, or ruling of the President of the PCIC
24 may appeal said decision, order, or ruling to the Board;
- 25 d) Any claim not acted upon within sixty (60) days from submission of complete
26 claims documents to the PCIC shall be considered approved.

27 **SEC. 15. *No Claim Benefits.*** – Any insured farmer or fisherfolk who has not filed any
28 claims during the immediately preceding three (3) crop seasons, or any insured fishpond or fish
29 cage operator who has not filed any claim during the immediately preceding three (3) harvest
30 seasons shall be entitled to a no-claim benefit of at least ten percent (10%) of premium share paid
31 for said crop seasons, to be deposited in a trust fund to be managed by the PCIC. Such trust fund
32 may be used to finance premium rebate or premium credit applicable to the immediately following
33 crop seasons as determined by the Board.

34 **SEC. 16. *Commission on Audit.*** – The Chairperson of the Commission on Audit shall be
35 the ex officio auditor of the PCIC.

36 **SEC. 17. *Legal Counsel.*** – The PCIC shall have its own Legal Department, the head and
37 members of which shall be appointed by the Board.

38 **SEC. 18. *Interagency Linkages.*** – The interagency linkages of the PCIC shall be as
39 follows:

- 1 a) To support and promote the objectives of the PCIC, all government departments,
2 bureaus, offices, agencies and instrumentalities, national or local, all lending
3 institutions, government or private, now or hereafter engaged in the supervised
4 credit program to farmers and fisherfolk and such other public or private entities as
5 may be called upon by the PCIC, shall act as its cooperating agencies and, for this
6 purpose, are hereby directed to harmonize their policies, programs, rules, and
7 regulations with the objectives of the PCIC.
- 8 b) All lending institutions granting production loans for palay, corn, and other crops
9 under the supervised credit program of the government shall automatically act as
10 underwriting for and on behalf of the PCIC. As such, they shall receive and process
11 applications for insurance coverage, approve those found in order and collect
12 premiums therefor. Premiums so collected, together with the premiums payable by
13 the lending institution itself, shall be remitted in the manner and within such period
14 as the PCIC may prescribe.

15 **SEC. 19. *Utilization of Profit.*** – The profits of the PCIC shall be determined on a calendar-
16 year basis and the manner of its distribution shall be determined by law.

17 **SEC. 20. *Tax Subsidy.*** – The PCIC may avail of the Tax Expenditure subsidy administered
18 by the Fiscal Incentives Review Board (FIRS), subject to the provisions of Title XIII (Tax
19 Incentives) of the National Internal Revenue Code of 1997, as amended. Executive Order No. 93,
20 as amended and the annual General Appropriations Act: Provided, That persons or other entities
21 transacting business with the PCIC shall pay the applicable taxes.

22 **SEC. 21. *Penal Provisions.*** – The penal provisions for violations of this Act shall be as
23 follows:

- 24 a) The claimant or any person who, through malfeasance or misfeasance or non
25 feasance, allows a spurious claim to be paid, including that of the claimant, shall
26 upon final conviction be punished by imprisonment of not less than three (3) years
27 but not more than eight (8) years or a fine of not less than One Hundred Thousand
28 Pesos (Php 100,000.00) but not more than Six Hundred Thousand Pesos (Php
29 600,000.00), or both imprisonment and fine, at the discretion of the Court. The
30 PCIC's personnel who allowed the commission of the offense shall, in addition, be
31 dismissed from office and forfeit all privileges and benefits which may accrue to
32 such personnel;
- 33 b) Any person or entity granting production loan for palay under the supervised credit
34 program of the government without requiring crop insurance therefor or having
35 collected premiums from farmers, would fail to remit the same within the time and
36 place specified in the rules and regulations of the PCIC shall, upon conviction, be
37 punished by a fine not exceeding Ten Thousand Pesos (Php 10,000.00) or
38 imprisonment not exceeding six (6) months or both, at the discretion of the Court;
- 39 c) Any person who shall violate any provision of this Act or any rule or regulation
40 issued for its implementation, for which no penalty is provided, shall be deemed
41 guilty of a penal offense and, upon conviction, be punished by a fine not exceeding

1 Five Thousand Pesos (Php 5,000.00) or imprisonment of two (2) months, or both,
2 at the discretion of the court.

3 Whenever any violation of the provisions of this section is committed by a corporation
4 or association, or by a government office or entity, the executive officer or officers of
5 said corporation, association, or government office or entity who shall have knowingly
6 permitted or failed to prevent said violation shall be liable as principal.

7 **SEC. 22. *Applicability of Presidential Decree (PD) No. 612, as Amended.*** – The
8 provisions of Presidential Decree No. 612, as amended, otherwise known as the “The Insurance
9 Code”, insofar as they are not in conflict or inconsistent with or repugnant to the provisions of this
10 Act, shall apply to the PCIC.

11 **SEC. 23. *Term of Existence and Periodic Review.*** – The PCIC’s term of legal existence,
12 which was set to last for fifty (50) years starting from the date of approval of Presidential Decree
13 No. 1467 on June 11, 1978, shall continue and is hereby affirmed. To ensure the PCIC’s activities
14 remain responsive to the needs of the agricultural sector, the PCIC shall submit to both Houses of
15 Congress, at least once a year, a report, at least once a year, a report which shall include a
16 recommendation for improving its services to the target sectors and the financial viability of the
17 PCC.

18 **SEC. 24. *Transitory Provisions.*** – The members of the Board representing the private
19 insurance industry and the three (3) representatives from the farmers sector shall, in an interim
20 capacity, continue to exercise their powers and functions as part of the Board and carry out the
21 provisions of this Act without need to be issued new appointments until a new Board is constituted
22 and organized.

23 To prevent disruption in the delivery of services, the PCIC shall, pending the full
24 implementation of this Act, continue to operate and provide services to its clients and all its officials
25 and employees shall continue to perform their duties and functions and receive their corresponding
26 salaries and benefits.

27 The approval of this Act shall not cause any demotion in rank or diminution of salary,
28 benefits, and other privileges of the incumbent personnel of the PCIC: Provided, That qualified
29 officers and employees may voluntarily elect for retirement or separation from service and shall be
30 entitled to benefits under existing laws.

31 **SEC. 25. *Separability Clause.*** – If any provision or part thereof is held repealed, all other
32 laws, executive orders, and other issuances or parts thereof inconsistent with this Act are hereby
33 repealed or modified accordingly.

34 **SEC. 26. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in
35 the *Official Gazette* or in a newspaper of general circulation.

36 *Approved,*