

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10851



Introduced by Representative ANTOLIN “LENLEN” A. ORETA III

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

EXPLANATORY NOTE

In the Philippines, disasters are not rare events, they are a constant reality. Typhoons, floods, earthquakes, and volcanic eruptions strike with such frequency that they have become part of the daily lives of our people. Each storm that destroys homes, each tremor that shakes our land, is a reminder that our nation sits at the center of one of the most dangerous regions in the world.

The 2025 World Risk Index confirms a difficult reality: the Philippines remains the most disaster-prone country in the world, holding this position for four consecutive years. This is not just a number on a report—it reflects the daily struggles of millions of Filipinos who live under constant threat from typhoons, earthquakes, floods, and other natural hazards that place lives, livelihoods, and communities at risk.

This ranking is a reminder of the urgent need to strengthen disaster preparedness, improve infrastructure, and invest in climate resilience. At the same time, it highlights the courage and resilience of the Filipino people, who continue to rebuild and rise after each calamity. Their strength must be matched by decisive action from government, civil society, and international partners to protect communities, uphold dignity, and secure a safer future for generations to come.

The Climate Change Commission estimates that disasters cost our economy around 200 billion pesos annually. Since 1990, more than 565 natural disasters have struck the Philippines, claiming nearly 70,000 lives and causing damages worth \$23 billion. These numbers show the heavy burden disasters place on our people and our economy.

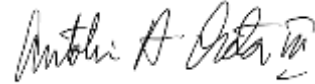
Republic Act No. 10121, or the Philippine Disaster Risk Reduction and Management Act of 2010, marked a significant advancement in national policy. It redefined disaster management from a reactive framework to a proactive system centered on preparedness and risk reduction. Nevertheless, despite these institutional reforms, the economic consequences of disasters remain substantial and continue to challenge financial resilience.

This proposed measure seeks to strengthen our resilience by creating a Disaster Risk Financing and Insurance Council. The Council will develop a framework to ensure quick, reliable, and well-coordinated financing for disaster-related repair, reconstruction, and rehabilitation of government-owned infrastructure. It will use both insurance and non-insurance mechanisms to guarantee that funds are available when urgently needed.

The bill also establishes a National Public Asset Insurance Consortium, led by the Government Service Insurance System (GSIS) and composed of insurance and reinsurance companies offering public asset coverage. This Consortium will craft a national disaster risk insurance strategy, ensure faster claims processing, and support rapid recovery of damaged public assets.

By protecting critical infrastructure and ensuring timely financial support, this measure will help communities recover faster, reduce economic losses, and limit the long-term impact of disasters on our people. It is a step toward building a stronger, safer, and more resilient Philippines.

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



ANTOLIN “LENLEN” A. ORETA III

Lone District of Malabon City

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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.* - For the purposes of this Act, the following terms shall be used as follows:

- (a) ***"Asset Management"*** - defined under ISO 55000:2024 as 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 Asset Management System include the 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"*** - 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 exposure to a hazard; conditions of vulnerability that are present; and 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.
- (c) ***"Disaster Risk"*** - 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.

SEC. 4. *Coverage and Scope.* - This Act shall apply to all public infrastructure assets owned by the Government, including those owned under Republic Act 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, and 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 the Interior and Local Government (DILG);
- d) Secretary of the Department of National Defense (DND);
- e) Secretary of the Department of Public Works and Highways (DPWH);

The Vice Chairpersons and Member-Cabinet Secretaries may designate permanent representatives to the DRFIC with a rank of not lower than Assistant Secretary.

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) Conduct relevant valuation, analysis, risk modeling, and forecasting of public asset-related data to identify, develop, and enhance DRFI policies;
- (d) Ensure the data integrity of the NARS;
- (e) Manage and ensure the insurance of Government public assets;
- (f) Review and approve the proposed insurance policies to be entered by the Government with the Consortium;
- (g) Develop and establish insurance claim guidelines in coordination with the Consortium;
- (h) Ensure competitive practice within the Consortium;
- (i) Exercise general oversight and regularly monitor and evaluate compliance and performance of the Consortium;
- (j) Develop and maintain an integrated, centralized, and interoperable digital claims management module which shall track, facilitate, and record:
 - 1. Public asset insurance transactions such as claims and claims payments between the Government and the Consortium;
 - 2. Financing requests and payments charged under the National Disaster Infrastructure Response Fund (NDRIF); and
 - 3. 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 (1) of this subsection, and shall be accessible and integrated

into the insurance claims mechanism of the Consortium.

- (k) Manage, under a separate and special account the National Disaster Response for Infrastructure Fund (NDRIF);
- (l) 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; m) Provide guidelines and criteria for funding under the Loss and Damage Fund with the Loss and Damage Fund Board, as provided by Republic Act No. 12019 or the Loss and Damage Fund Board Act, and all other international financing mechanism available with the respective managing bodies;
- (m) 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;
- (n) Submit annual monitoring and evaluation reports on the utilization of public asset financing from all applicable sources to the Commission on Audit (COA);
- (o) 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;
- (p) 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; and
- (q) 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 Service Insurance System (GSIS). 30 31 32 33 34 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) b) 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. 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 Environment, Natural Resources and 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 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, organizational structure of its implementing agencies, for purposes of determining remedial legislation.

SEC. 15. Implementing Rules and Regulations. - The DRFIC, in consultation with the Consortium and other key stakeholders, shall within ninety (90) days from the effectivity of this Act, promulgate the rules and regulations to effectively implement the provisions of this Act.

SEC. 16. Separability Clause. - If any portion of this Act is declared unconstitutional, the remainder or any provision not affected thereby shall remain in force and effect.

SEC. 17. Repealing Clause. - The relevant provisions of the following laws are amended accordingly: a) Republic Act No. 656, as amended by PD No. 245; and b) Republic Act No. 10121 or the Philippine Disaster Risk Reduction and Management Act of 2010. All other laws, decrees, ordinances, rules, regulations, other issuances, or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 18. Effectivity Clause. - This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in a newspaper of general circulation.

Approved,