

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

TWENTIETH CONGRESS
Second Regular Session

House Bill No. **11433**



**INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO,
JOCELYN P. TULFO, AND JEFFREY SORIANO**

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

The Philippines remains highly vulnerable to natural hazards and climate-related disasters including typhoons, earthquakes, volcanic eruptions, floods, and storm surges. These recurring calamities result in substantial loss of lives, destruction of public infrastructure, disruption of essential services, and significant economic setbacks. The increasing frequency and intensity of disasters underscore the urgent need to strengthen the country's disaster resilience and fiscal preparedness.

One of the persistent issues confronting the government is the absence of a comprehensive and institutionalized disaster risk financing mechanism for public infrastructure assets. At present, government agencies and local government units largely depend on post-disaster appropriations, calamity funds, and budget realignments to finance recovery and reconstruction. This reactive approach often leads to delays in the restoration of critical infrastructure such as roads, bridges, schools, hospitals, irrigation systems, and government buildings, thereby disrupting

the delivery of essential public services and slowing economic recovery in affected communities.

This proposed measure seeks to strengthen the system on Philippine Disaster Risk Financing by institutionalizing a Philippine Disaster Risk Financing and Insurance Strategy for public infrastructure assets. It aims to establish a sustainable, proactive, and responsive framework that will ensure adequate financial protection for government infrastructure against losses and damages caused by natural and human-induced disasters. Furthermore, the measure reinforces long-term financial resilience through pre-arranged financing and comprehensive risk strategy.

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



RALPH WENDEL P. TULFO
Representative
2nd District of Quezon City



JOCELYN P. TULFO
Representative
ACT-CIS Partylist



JEFFREY SORIANO
Representative
ACT-CIS Partylist

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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 “Public Infrastructure
2 Financing and Insurance Act”.

3
4 **SEC. 2. *Declaration of Policy.*** – The state shall ensure a diverse and multi-
5 layered financing strategy to safeguard its public infrastructure assets from
6 debilitating damage arising from natural or man-made disasters and ensure the
7 continuous and effective of goods and services.

8
9 To this end, the State shall coordinate all existing disaster response financing
10 in relation to the repair, reconstruction, rehabilitation, and mitigation of public
11 infrastructure assets, and shall develop and implement a similar disaster risk
12 financing and insurance (DRFI) strategy with the private sector.

1
2 The DRFI strategy shall follow up-to-date internationally-accepted disaster
3 risk financing principles and standards, shall be information and data-driven, and
4 shall be anchored on a robust public asset management system, The DRFI strategy
5 shall also integrate and utilize up-to-date technology, such as but not limited to
6 artificial intelligence, to advance and optimize current practices in its implementation.
7

8 **SEC. 3. *Definition of Terms.*** – For the purposes of this Act, the following terms
9 shall be used as follows:
10

- 11 a) “Asset Management” – defined under ISO 55000:2014 as a set of interrelated
12 and interacting elements of an organization, whose function is to establish the
13 asset management policy and asset management objectives, and the process
14 needed to achieve those objectives. Elements of the AMS include the policies,
15 plans, business processes, and information systems which are integrated to
16 give assurance that the asset management activities will be delivered in line
17 with organizational objectives.
- 18 b) “Disaster” – a serious disruption of the functioning of a community or a society
19 involving widespread human, material, economic, or environmental losses and
20 impacts, which exceeds the ability of the affected community or society to cope
21 using its own resources. Disasters are often described as a result of the
22 combination of: (i) the exposure to a hazard; (ii) the conditions of vulnerability
23 that are present; and (iii) insufficient capacity or measures to reduce or cope
24 with the potential negative consequences. Disaster impacts may include loss of
25 life, injury, disease, and other negative effects on human, physical, mental, and
26 social well-being, together with damage to property, destruction of assets, loss
27 of services, social and economic disruption, and environmental degradation.
- 28 c) “Disaster Risk” – the potential disaster losses in lives, health status, livelihood,
29 assets, and services which could occur to a particular community or a society
30 over some specified future time period.

1 d) "Government" - shall refer to the entire government structure and, as the
2 context may require, shall include local government units, national
3 government agencies, and government-owned and controlled corporations,
4 whether considered collectively or individually and separately.
5

6 **SEC. 4. Coverage and Scope.** - This Act shall apply to all public infrastructure
7 assets owned by the Government, including those owned under Republic Act No.
8 6957 or the Build-Operate-Transfer Law, as amended. Assets covered under this
9 Section shall include:
10

- 11 a) Buildings, including but not limited to, schools, hospitals, and government
12 offices;
- 13 b) Roads;
- 14 c) Bridges;
- 15 d) Airports;
- 16 e) Ports;
- 17 f) Railways;
- 18 g) Power generation and transmission structures;
- 19 h) Water resources management and supply structures; and
- 20 i) Other similar structures necessary for effective public service delivery.
21

22 Insurance and non-insurance financing shall cover repair, reconstruction, and
23 rehabilitation or other similar activities to be undertaken as a result of disasters,
24 natural or man-made in origin, to ensure asset recovery and continuity of public
25 service delivery.
26

27 **SEC. 5. Disaster Risk Financing and Insurance Council.** - A council which shall
28 be known as the Disaster Risk Financing and Insurance Council (DRFIC) is hereby
29 created, which shall be headed by the Secretary of the Department of Finance (DOF)
30 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;
- h) Chairperson of the Governance Commission for GOCCs (GCG); and
- i) Chairperson of the Philippines 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

- 1 mechanisms of which the Government of the Republic of the Philippines
2 is a party thereto, to ensure a multi-layered protection for public assets;
- 3 b) Promote policies which shall attract, develop and expand domestic and
4 overseas investment and capital for disaster risk-related financing;
- 5 c) Develop and maintain a digital, reliable, and secure asset management
6 system through a National Asset Registry System (NARS), covering all
7 public assets owned by the Government. All data collected by and
8 accessed through the NARS shall be comprehensive, accessible, risk-
9 reflective, and interoperable as necessary for the purposes of this Act;
- 10 d) Conduct relevant valuation, analysis, risk modeling, and forecasting of
11 public asset-related data to identify, develop, and enhance DRFI policies;
- 12 e) Ensure the data integrity of the NARS;
- 13 f) Manage and ensure the insurance of Government public assets;
- 14 g) Review and approve the proposed insurance policies to be entered by the
15 Government with the Consortium;
- 16 h) Develop and establish insurance claim guidelines in coordination with the
17 Consortium;
- 18 i) Ensure competitive practice within the Consortium
- 19 j) Exercise general oversight and regularly monitor and evaluate compliance
20 and performance of the Consortium;
- 21 k) Develop and maintain an integrated, centralized, and interoperable
22 digitals claims management module which shall track, facilitate, and
23 record:
- 24 1) Public asset insurance transactions such as claims payments between
25 the Government and the Consortium;
- 26 2) Financing request and payments charged under the National Disaster
27 Infrastructure Response Fund (NDIRF); and
- 28 3) Financing requests to the international financing instruments, such as
29 but not limited to the Loss and Damage Fund.

1 *Provided*, That the digital module shall have a separate sub-module for
2 insurance-related transactions falling under subparagraph (1) of this subsection, and
3 shall be accessible and integrated into the insurance claims mechanism of the
4 Consortium.

- 5 l) Manage, under a separate and special account the National Disaster
6 Response for Infrastructure Fund (NDRIF);
- 7 m) Provide guidelines and criteria for funding under the NDRIF; *Provided*,
8 that after evaluation and approval of the funding request, the DRFIC shall
9 authorize the release of funds from the same;
- 10 n) Provide guidelines and criteria for funding under the Loss and Damage
11 Fund with the Loss and Damage Fund Board, as provided by Republic Act
12 No. 12019 or the Loss and Damage Fund Board Act, and all other
13 international financing mechanisms available with the respective
14 managing bodies;
- 15 o) Provide guidelines for the monitoring, evaluation and auditing of the
16 utilization of public asset financing from all applicable sources as provided
17 under subsection (a) of this Section;
- 18 p) Submit annual monitoring and evaluation reports on the utilization of
19 public asset financing from applicable sources to the Commission on Audit
20 (COA);
- 21 q) Create additional plantilla positions and/or subordinate offices as may be
22 necessary to perform the functions of the DRFIC, subject to the approval
23 of the DBM;
- 24 r) Ensure guidelines, criteria and relevant processes in relation to DRFIPA
25 are standardized and non-redundant as far as practicable to cut
26 bureaucratic red tape and ensure swift service delivery;
- 27 s) Perform such other functions and implement additional policies as may be
28 necessary for the effective implementation of this Act.

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

5
6 The Consortium shall develop the country's domestic local disaster risk
7 insurance strategy and shall aid government-owned in the protection of public assets
8 through the provision of collective public asset insurance, and shall ensure rapid
9 claims processing and asset recovery.

10
11 **SEC. 8. *Function of the NPAIC.*** – The Consortium shall:

- 12
13 a) Issue insurance policies specially for the public assets annually;
14 b) Ensure collective risk sharing among its members;
15 c) Evaluate and approve insurance claims made by the Government in a timely
16 manner;
17 d) Oversee claims processing and subsequently release approved insurance
18 claims to the Government; and
19 e) Submit data regarding insurance claims and payments to the Consortium.

20
21 **SEC. 9. *National Disaster Response for Infrastructure Fund.*** – The existing
22 financing functions for infrastructure for repair, reconstruction, rehabilitation, or
23 disaster mitigation under the National Disaster Risk Reduction Management Fund is
24 hereby transferred to the National Disaster Response for Infrastructure Fund
25 (NDRIF), hereby created under this Act.

26
27 The NDRIF shall manage by the DBM, and its use shall be guided by the
28 principles of the DRFI Framework.

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

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

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

- 13
14 a) National Disaster Response for Infrastructure Fund (NDRIF) – an
15 initial and minimum fund of Twenty Billion Pesos
16 (Php 20,000,000,000,00) shall be allocated for NDRIF for the first year
17 of its implementation. Thereafter, regular appropriations for this
18 purpose shall be included in the annual General Appropriations Act.
- 19 b) Premiums for Insurance – the initial fund for the payment of insurance
20 premiums shall be included in the annual appropriations of the
21 Government as determined by the insurance policy approved by the
22 DRFIC; *Provided*, That premium payments for GOCCs and LGUs shall
23 likewise be included in the annual General Appropriations as national
24 government subsidies.

25
26 All other appropriations necessary for the implementation of this Act shall be
27 determined by the Department of Budget and Management, and shall be included in
28 the annual General Appropriations.

1 **SEC. 12. *Congressional Oversight Committee.*** – There is hereby created a
2 Congressional Oversight Committee to monitor and oversee the implementation of
3 the provisions of this Act. The Committee shall be composed of six (6) members from
4 the Senate and six (6) members from the House of Representatives, with the
5 Chairpersons of the Committee on Climate Change of the Senate and the Committee
6 on Disaster Resilience of the House of Representatives as joint Chairpersons of this
7 Committee. The five (5) other members from each Chamber are to be designated by
8 the Senate President and the Speaker of the House of Representatives, respectively.
9 The minority shall be entitled to at least two (2) representatives from each Chamber.
10

11 **SEC. 13. *Annual Report.*** – The DRFIC shall submit to the to the Office of the
12 President, the House of Representatives, and the Senate an annual report relating to
13 the progress and status of the implementation of this Act not later than the last day of
14 November of every fiscal year.
15

16 **SEC. 14. *Sunset Review.*** – Within Five (5) years after the effectivity of this Act,
17 or as the need arises, the Congressional Oversight Committee shall conduct a sunset
18 review, For purposes of this Act, the term “sunset review” shall mean a systematic
19 evaluation by the Congressional Oversight Committee of the accomplishments and
20 impact of this Act, as well as the performance, organizational structure of its
21 implementing agencies, for purposes of determining remedial legislation.
22

23 **SEC. 15. *Implementing Rules and Regulations.*** – The DRFIC shall issue the
24 necessary rules and regulations for the implementation of this Act ninety (90) days
25 after the approval of this Act, in consultation with the Consortium as well as other key
26 stakeholders.
27

28 **SEC. 16. *Separability Clause.*** – If any provision or part of this Act is held
29 invalid or unconstitutional, the remaining parts or previous not affected shall remain
30 in full force and effect.

1
2 **SEC. 17. *Repealing Clause.*** – The relevant provisions of the following laws are
3 amended accordingly:

4
5 (a) Republic Act No. 656, as amended by Presidential Decree No. 245; and

6 (b) Republic Act No. 10121 or the Philippine Disaster Risk Reduction and
7 Management Act of 2010.

8
9 All other laws, decrees, executive orders and rules and regulations contrary to
10 or inconsistent with the provisions of this Act are hereby repealed or amended
11 accordingly.

12
13 **SEC. 18. *Effectivity Clause.*** – This Act Shall take effect fifteen (15) days after its
14 complete publication in the Official Gazette or in a newspaper of general circulation.

15
16 *Approved,*