



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 14



**Introduced by Representatives Ferdinand Martin G. Romualdez,
Andrew Julian K. Romualdez and Jude A. Acidre**

EXPLANATORY NOTE

Agriculture remains the backbone of the Philippine economy, employing a significant portion of the population and ensuring national food security. However, agricultural production is inherently vulnerable to risks 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.

In this context, agricultural insurance is a critical policy tool for enhancing the resilience of farmers and encouraging increased credit access and market participation. Recognizing this, Presidential Decree No. 1467 created the Philippine Crop Insurance Corporation (PCIC) as the primary institution responsible for providing crop insurance to Filipino farmers. However, the scope of insurance under the original law has become insufficient to meet the modern and diversified needs of the agricultural sector.

This bill seeks to further amend Sections 1 and 3.11 of Presidential Decree No. 1467, as amended, to expand the services of the PCIC and allow greater participation from the private sector in delivering agricultural insurance. The fundamental goals of this amendatory measure are as follows:

1. Expand the insurance coverage of the 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;
2. Enable the PCIC to offer reinsurance services to agricultural cooperatives, farmers' associations, and private insurers, thereby fostering active private sector participation and encouraging innovation and competition in the agricultural insurance market; and
 3. Support the generation of internal funds by authorizing the PCIC to float bonds and expand into other insurance lines as necessary to fulfill its mandate and respond to the changing needs of the agriculture sector.

By clearly articulating the State's policy to support a comprehensive agricultural insurance program and encourage public-private collaboration, the bill also aims to lower barriers to agricultural lending, support the modernization of the agriculture sector, and build a more sustainable and risk-resilient rural economy.

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 immediate passage of this bill is earnestly sought.



FERDINAND MARTIN G. ROMUALDEZ



JUDE A. ACIDRE



ANDREW JULIAN K. ROMUALDEZ



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**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**

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

- 1 **SECTION 1.** It shall be the policy of the State to establish, strengthen, and
- 2 maintain a comprehensive and responsive agricultural insurance program as a
- 3 vital mechanism for managing the risks inherent in agricultural production. This
- 4 program shall aim to protect and stabilize the income of agricultural producers
- 5 from losses arising from natural calamities, plant and animal diseases, pest
- 6 infestations, or other unforeseen events affecting all types of agricultural
- 7 commodities, including crops, livestock, aquaculture, and related agricultural

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

9

10 **SEC. 2.** Section 1 of Presidential Decree No. 1467, as amended, is hereby
11 further amended, to read as follows:

12 “**SEC. 1. *Creation of the Philippine Crop Insurance***
13 ***Corporation.*** – There is hereby created a body corporate to be
14 known as the “Philippine Crop Insurance Corporation” (PCIC and
15 herein called the Corporation) which shall be attached to the
16 Department of Agriculture for budgetary purposes. The Corporation
17 shall insure [qualified] farmers against losses arising from natural
18 calamities, plant diseases, and pest infestations. [Initially,] [t]The
19 Corporation shall provide insurance coverage for **ALL**
20 **AGRICULTURAL COMMODITIES, INCLUDING** palay
21 crops, and [later on to] other crops, without prejudice to the
22 inclusion of other non-crop agricultural assets, such as [but not
23 limited to] **LIVESTOCK, AQUACULTURE AND FISHERY,**
24 **AGROFORESTRY, FOREST PLANTATIONS,** machineries,
25 equipment, transport facilities, and other related infrastructures, as
26 the Board of Directors of the Corporation may determine. Such
27 [crop] insurance shall cover, in every case, the cost of production
28 inputs, the value of the farmer’s own labor and those of the members
29 of his household, including the value of the labor of hired workers,

1 and a portion of the expected yield as the Board of Directors, in its
2 discretion, decide to insure. Such insurance protection, however,
3 shall exclude losses arising from avoidable risks emanating from or
4 due to the negligence, malfeasance or fraud committed by the
5 insured or any member of his immediate farm household or
6 employee [or the failure of the insured to follow proven farm
7 practices]. **THE CORPORATION SHALL ALSO OFFER**
8 **REINSURANCE SERVICES FOR ENTITIES WILLING TO**
9 **OFFER AGRICULTURAL INSURANCE.”**

10

11 **SEC. 3.** Subsection 3.11 of Section 3 of Presidential Decree No. 1467, as
12 amended, is hereby further amended to read as follows:

13 “3.11. To generate internal funds by floating bonds,
14 expansion to other insurance lines, **INCLUDING**
15 **REINSURANCE AGREEMENTS WITH AGRICULTURAL**
16 **COOPERATIVES, FARMERS' ASSOCIATIONS, AND**
17 **OTHER PRIVATE SECTOR PARTICIPANTS IN THE**
18 **AGRICULTURAL INSURANCE MARKET**, and extending
19 coverage to other areas of agriculture, **SUCH AS LIVESTOCK,**
20 **AQUACULTURE AND FISHERY, AGROFORESTRY, OR**
21 **FOREST PLANTATIONS**, in order to address **THE** insurance
22 needs of the target sector and to do and perform acts and things and
23 to exercise all the general powers conferred by law upon the
24 Corporation as are incidental or conducive to the attainment of the
25 objectives of the Corporation.”

26

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

1

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

Approved,