

REPUBLIC OF THE PHILIPPINES  
**HOUSE OF REPRESENTATIVES**  
Quezon City



**EIGHTEENTH CONGRESS**  
First Regular Session

3858  
HOUSE BILL NO. \_\_\_\_\_

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Introduced by Representative **TYRONE D AGABAS**

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**EXPLANATORY NOTE**

This bill which seeks to require the payment of insurance by Philippine Crop Insurance Corporation between the range of Eighty Percent (80%) to a Hundred Percent (100%) of the actual value of the projected harvest of farmers has already been approved by the House of Representatives on its 3<sup>rd</sup> and final reading in the 17<sup>th</sup> Congress. It is however essential to file this bill to protect the interest of farmers against losses brought about by natural calamities, crop infestations, and crop diseases.

Section 5, Article XIII of the 1987 Constitution mandates the State to provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services. To this end, the State recognizes its responsibility of protecting farmers' interests against natural calamities, crop infestations and other crop diseases, hence, the passage of the Revised Charter of the Philippine Crop Insurance Commission (PCIC) under Republic Act 8175 amending Presidential Decree No. 1467 which created the Philippine Crop Insurance Commission on June 11, 1978.

The Philippines is a tropical country. On the average, as further worsened by climate change, our country suffers the force of 20 typhoons each year. In every typhoon, our farmers suffer most as their return on the investment are equated least. Lending institutions most often prey on vulnerability of our farmers for lack of funds. Hence, the insurance benefit accorded by the PCIC to our farmers. However, the payment

coverage on damaged crops under the PCIC is even more unforgiving. Its stringent mode of payment is as intolerant as typhoons themselves. There is a need to provide a better payment scheme so as to give justice to the plight of farmers whose crops are often devastated by natural calamities, pest and other diseases.

Approval of this bill is earnestly sought.



ATTY. TYRONE D. AGABAS  
Representative  
6<sup>th</sup> District, Pangasinan

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. 3858

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Introduced by Representative **TYRONE D. AGABAS**

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AN ACT STRENGTHENING THE PHILIPPINE CROP INSURANCE CORPORATION (PCIC), REPEALING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1467, INTITLED "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," AS AMENDED BY PRESIDENTIAL DECREE NO. 1733 AND REPUBLIC ACT NO. 817

*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  
2           charter of the Philippine Crop Insurance Corporation”.

3           **Sec. 2. Declaration of Policy.** – It is hereby declared the policy of the  
4           State:

5           (a) To ensure food security, intensify food production,  
6           promote agricultural credit, and broaden the coverage of  
7           mandatory crop insurance amidst the recurrence of  
8           disasters and calamities, natural or otherwise, such as  
9           floods, typhoons, heavy rains, and drought that destroy  
10          crops, especially palay and other grains and crops necessary  
11          for food security.

12          (b) To alleviate the financial burden of the farmers due to  
13          uncompensated losses arising from destruction of crops  
14          wrought by disaster and calamities, keep farmers away from  
15          indebtedness, enhance farmers’ credit standing, and provide  
16          farmers additional government support to increase  
17          agricultural production.

18                   (c) To assist banks and financial institutions by enhancing  
19                   their capabilities to extend loans to farmers; and

20                   (d) To strengthen the organizational capability and to  
21                   expand the coverage of the Philippine Crop Insurance  
22                   Corporation (PCIC), a government-owned corporation  
23                   established pursuant to Presidential Decree No. 1467 to  
24                   provide insurance protection to farmers against losses  
25                   arising from natural calamities, fortuitous events, plant and  
26                   fish diseases, and pest infestations.

27                   **Sec. 3. Expanded Purposes and Coverage of the PCIC.** – The  
28                   PCIC, hereinafter referred to as the Corporation, shall insure  
29                   qualified farmers and fisher folks against losses arising from  
30                   natural calamities, fortuitous events, plant and fish diseases, and  
31                   pest infestations. It shall provide insurance coverage for palay and  
32                   corn crops, high-value commercial crops, livestock, aquaculture  
33                   and fishery product, agroforestry crops, and forest plantations;  
34                   non-crop agricultural assets such as machineries, equipment,  
35                   transport facilities and other related infrastructure; and life and  
36                   accident term insurance coverage for farmers and fisherfolk. Such  
37                   crop insurance shall cover, in every case, the cost of production  
38                   inputs, the value of the of the farmer's or fisherfolk's own labor  
39                   and members of the household including the value of the labor of  
40                   hired workers, and apportion of the projected value of the crops.  
41                   Such insurance protection, however, shall exclude losses arising  
42                   from avoidable risk emanating from or due to the negligence,  
43                   malfeasance or fraud committed by the insured or any member of  
44                   the immediate farm household or employee, or the failure of the  
45                   insured to follow proven farm practices.

46                   The corporation shall also insure properties and facilities  
47                   which are owned or used by government agencies involved in  
48                   agri-fishery-forestry projects or activities and government –  
49                   financed agri-fishery-forestry project. It shall also provide  
50                   reinsurance coverage to agri-fishery-forestry properties and  
51                   facilities underwritten by private and government insurance  
52                   companies, and weather index-based insurance (WIBI) and  
53                   reinsurance for palay and corn crops, high-value commercial  
54                   crops, livestock, aquaculture and fishery products, agroforestry  
55                   crops, and forest plantation.

56                   **Sec. 4. Powers.** – The Corporation shall continue to exercise  
57                   the following powers and functions:

58                   (a) To prescribe, repeal, and alter its own bylaws;

59                   (b) To adopt and use a corporate seal;

- 60                   **(c)** To sue and to be sued;
- 61                   **(d)** To have continuous succession until dissolved by law;
- 62                   **(e)** To determine its operating policies and to issue such  
63                   rules and regulations as may be necessary to implement the  
64                   crop insurance scheme;
- 65                   **(f)** To insure the crops of farmers and fishpond, seaweed,  
66                   oyster, or mussel farm of fisherfolks against loss, damage  
67                   and destruction caused by natural calamities such as  
68                   typhoons, floods, drought, earthquakes, volcanic eruption,  
69                   rodents, vermin diseases, insects, and other pests; and to  
70                   carry on any business necessary, related to and expedient  
71                   for the above purpose;
- 72                   **(g)** To insure in the Philippines or abroad all or any risks of  
73                   the Corporation;
- 74                   **(h)** To purchase or otherwise acquire ownership and manage  
75                   any and all parts of the business, property and liabilities of  
76                   any person or company carrying on any business which the  
77                   Corporation is authorized to carry on or possess;
- 78                   **(i)** To acquire by purchase or otherwise acquire ownership of  
79                   and to invest in, hold, sell, or otherwise dispose of stocks or  
80                   bonds or any interest in either, or any obligation or evidence  
81                   of indebtedness of any corporation, domestic or foreign, or  
82                   the bonds or other obligations or evidence of indebtedness,  
83                   of any person, firm or corporation; and as owner of such  
84                   stocks, bonds or interest therein, or other obligations or  
85                   evidence of indebtedness, to exercise the rights, powers and  
86                   privileges of ownership, including the right to vote thereon or  
87                   consent in respect thereto for any and all lawful purposes;
- 88                   **(j)** To purchase, or otherwise acquire, sell, lease, convey,  
89                   mortgage, encumber, and otherwise deal with any property,  
90                   real or personal, or any interest therein; extend credit on the  
91                   security of real estate or movable property; exercise  
92                   easement right or privilege over or in respect to any  
93                   property, real or personal, as may be permitted by law and  
94                   as may be reasonable/necessary to carry out the purposes  
95                   for which the Corporation is formed or as may or hereafter  
96                   be permitted by law;
- 97                   **(k)** To establish branches whenever it may be expedient and  
98                   necessary; and

99                             (1) To generate internal funds by floating bond, expanding  
100 the Corporation's insurance lines to include agricultural  
101 guarantee loans, and extending coverage to other areas of  
102 agriculture, such as livestock, aquaculture, fishery,  
103 agroforestry, and forest plantations, in order to address  
104 insurance needs of the target sector and to do and perform  
105 acts and things and to exercise all the general powers  
106 conferred by law upon the Corporation as are incidental or  
107 conducive to the attainment of the objectives of the  
108 Corporation.

109                             **Sec. 5. Who Shall Be Insured.** – Participation in the  
110 insurance for palay and other crops essential for food security, as  
111 determined by the Department of Agriculture (DA), shall be  
112 compulsory upon all farmers. For other crops, participation shall  
113 be compulsory upon all farmers obtaining production loans under  
114 the supervised credit program, and optional on the part of self-  
115 financed farmers provided they agree to place themselves under  
116 the supervision of agricultural production technicians.

117                             The term "supervised credit program" as used in this Act  
118 shall mean the production credit program wherein the farmer who  
119 obtained production loans agree in writing to apply proven farm  
120 practices necessary to conserve the land, improve its fertility and  
121 increase its production, and abide by the approve farm plan and  
122 budget jointly prepared by such farmer and the duly accredited  
123 supervised credit technician.

124                             The term "supervision of agricultural production technician"  
125 shall mean the supervision undertaken by agricultural production  
126 technicians who are duly accredited by the appropriate  
127 government agencies concerned, as required under the supervised  
128 credit system.

129                             **Sec. 6. Rate of Premium, Sharing, and Amount of Indemnity.** –  
130 The rate of premium, as well as the allocated sharing thereof of  
131 farmers, fisherfolks, lending institutions, the Government of the  
132 Republic of the Philippines (herein called the Government) and  
133 other parties, shall be determined by the Board of Directors of the  
134 Corporation: *Provided*, That the share of the Government in the  
135 premium cost in the form of premium subsidy shall be limited to  
136 subsistence farmers and fisherfolks; *Provided, however*, That each  
137 of these subsistence farmer is cultivating not more than seven (7)  
138 hectares of farmlands and each fishfolk is cultivating not more  
139 than five (5) hectares of fishpond, seaweed, oyster, or mussel farm  
140 by themselves or with the help of the labor of the members of their  
141 households or hired labor, the premium rate and sharing to be

142 determined by the Board of Directors: *Provided, further,* That the  
143 premium share of the subsistence farmer or fisherfolk shall be  
144 reasonably affordable: *Provided, furthermore,* That the Government  
145 shall share in the premium cost only in insurance coverage against  
146 unforeseen and unavoidable risk such as typhoons, droughts,  
147 rainfall, outbreaks of pest and diseases: *Provided, finally,* That  
148 premium subsidy or insurance benefits shall, upon the  
149 accumulation of surplus funds, be increase to such amount as  
150 may be determined by the Board of Directors, taking into  
151 consideration that the Corporation has been established not only  
152 for profit but mainly to help Filipino farmers and fisherfolk.

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

160 **Sec. 7. Premium Subsidy.** – (a) The required Government premium  
161 subsidy, as determined by the Board of Directors and approved by  
162 the President of the Philippines, shall be deemed appropriated  
163 from the funds of the National Treasury not otherwise  
164 appropriated, and shall be drawn, on a month-to-month or other  
165 periodic basis, depending upon the actual amount of insurance  
166 underwritten by the Corporation. For this purpose, the  
167 Corporation shall bill the Government the sum of money  
168 corresponding to the computed amount of subsidy.

169 (b) Yearly projection of the premium subsidy shall be  
170 submitted by the Corporation to the President of the Philippines,  
171 and upon approval shall be included in the Government's  
172 budgetary appropriations.

173 (c) Calamity funds earmarked by the Government shall  
174 include a certain percentage for crop insurance and shall be  
175 released to and administered by the Corporation.

176 (d) Ten percent (10%) of the net earnings of the Philippine  
177 Charity Sweepstakes Office (PCSO) from its lotto operation shall be  
178 earmarked for the Crop Insurance Program and said amount shall  
179 be directly remitted by the PCSO to the Corporation every six (6)  
180 months until the amount of government subscription is fully paid.

181 **Sec. 8. Capital Stock.** – (a) The authorized capital stock of  
182 the Corporation is ten billion pesos (P10,000,000,000.00) divided  
183 into seventy-five million (P75,000,000.00) common shares with par

184 value of one hundred pesos (P100.00) each share, which shall be  
185 fully subscribed by the Government and twenty-five million  
186 (P25,000,000.00) preferred shares with a par value of one hundred  
187 pesos (P100.00).

188 (b) The common capital stock of one billion five hundred  
189 million pesos (P1, 500,000,000.00) having been fully paid to the  
190 Corporation, the balance of six billion pesos (P6, 000,000,000.00)  
191 subscribed by the Government shall be appropriated annually by  
192 Congress unless otherwise provided by existing laws.

193 (c) The preferred shares shall be entitled to a preference over  
194 common shares in any declaration of dividends. They shall also be  
195 given priority in the distribution of assets in the event of the  
196 liquidation of the Corporation. They shall have the following  
197 specific features:

198 (1) Preferred as to dividends at a minimum of one and  
199 one-half percent (1.5%) or the prevailing three hundred sixty  
200 (360)-day Treasury bill rate at the time of declaration of  
201 dividends, whichever is higher;

202 (2) Cumulative;

203 (3) Nonparticipating;

204 (4) Nonvoting;

205 (5) Dividends thereon shall be exempt from income tax;

206 (6) Redeemable at the option of the Corporation at the  
207 prevailing book value but in no case less than par after five  
208 (5) years from issuance thereof; and

209 (7) Transferable.

210 (d) At least five hundred million pesos (P500,000,000.00) of  
211 preferred shares shall be subscribed and paid for by the Land  
212 Bank of the Philippines (LBP). The balance of the preferred shares  
213 may be available for sale or to subscription by the  
214 general public.

215 **Sec. 9. Reserve Fund for Catastrophic Losses.** – A state  
216 reserve fund for catastrophic losses in the amount of five hundred  
217 million pesos (P500, 000,000.00) shall be created exclusively to  
218 answer for the proportion of all losses in excess of risk (pure)  
219 premium under the Corporation's Crop Insurance Program for  
220 small farmers and fishfolks. The fund may be increased subject to  
221 the approval of the President of the Philippines. The fund shall be  
222 administered by the government financial institution to be

223 designated by the Corporation's Board of Directors. Such sum as  
224 may be necessary for the purpose shall be funded by the National  
225 Government through the annual General Appropriations Act. The  
226 mechanics of claims against the fund and to what extent the fun  
227 shall be liable shall be determined jointly with the financial  
228 institution administering the Fund, subject to the approval by the  
229 President of the Philippines.

230 **Sec. 10. Reinsurance.** – in order to spread the risk of the  
231 Corporation, the PCIC is hereby authorized to seek reinsurance  
232 protection whenever it may be available.

233 **Sec. 11. Board of Directors.** – (a) The powers of the  
234 Corporation shall be vested in and exercised by Board of Directors,  
235 hereinafter referred to as the Board, composed of seven (7)  
236 members and made up of the following: the President of the LBP,  
237 the President of the Corporation, the DA Secretary, a  
238 representative from the private insurance industry to be  
239 nominated by the Secretary of Finance and Three (3)  
240 representative from the subsistence farmers' sector, preferably  
241 representing agrarian reform beneficiaries/ cooperatives/  
242 associations coming from Luzon, Visayas and Mindanao, who shall  
243 be selected and nominated by the different farmers' organization or  
244 cooperatives. The respective nominees of the private insurance  
245 industry and the farmers' sector shall be submitted to and  
246 appointed by the President of the Philippines. The chairman of the  
247 Board shall be appointed by the President of the Philippines from  
248 among the members of the Board. The President of the  
249 Corporation shall also be appointed by the President of the  
250 Philippines and shall be *ex officio* Vice Chairman who shall assist  
251 the Chairman and act in his stead in case of absence or  
252 incapacity. In case of absence or incapacity of both the Chairman  
253 and the Vice Chairman, the Board shall designate a temporary  
254 chairman from among its members. Except for the President of the  
255 LBP and the DA Secretary, all members of the Board, including the  
256 President of the Corporation, shall be appointed by the President  
257 of the Philippines within a reasonable period of time after the  
258 approval of this Act.

259 (b) The members of the Board shall have their respective  
260 alternates who shall attend the meeting, and act as member of the  
261 Board in the absence or incapacity of the regular members.

262 (c) The Board shall meet regularly at least twice a month  
263 and as often as the exigencies of the Corporation's affairs demand.  
264 The presence of at least five (5) members shall constitute a quorum  
265 which shall be necessary for the transaction of any business. The

266 Board may be convened either by the Chairman or, in his absence,  
267 by the Vice Chairman.

268 (d) The Chairman and the members of the Board shall each  
269 receive *per diem* pursuant to existing law for each meeting of the  
270 Board personally attended: *Provided, however,* That in case of the  
271 representatives of subsistence farmers' sector, the Board is  
272 authorized to determine reasonable traveling and, if necessary,  
273 subsistence expenses in going to and returning from said Board  
274 meeting to be disbursed to them in addition to their *per diem*.

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

277 (a) To implement the provision and purpose of this Act;  
278 (b) To formulate and adopt policies and plans, and to  
279 promulgate rule and regulations for the management, operation  
280 and conduct of the affairs and business of the Corporation and, for  
281 this purpose, may limit or refuse insurance in any area or on any  
282 farmer because of the risk involved or may expand the subject of  
283 insurance coverage to crops other than palay: *Provided,* That such  
284 coverage on other crops shall be approved by the President of the  
285 Philippines;

286 (c) To borrow funds from local and international financing  
287 source or institution and issue bonds up to five (5) times the value  
288 of its authorized capital stock for the purpose of financing the  
289 programs and projects deemed vital for the attainment of the  
290 Corporation's goals and objectives;

291 (d) To enter into, make, and execute contract of any kind or  
292 nature as may be necessary, or incidental to the accomplishment  
293 of the purpose of the Corporation;

294 (e) To approve the budget of the Corporation and to fix the  
295 reasonable compensation of its personnel: *Provided,* That the  
296 Board shall have exclusive and final authority to promote,  
297 transfer, assign or reassign personnel of these Corporation and  
298 these personnel actions are deemed made in the interest of the  
299 service and not disciplinary, any provision of existing law to the  
300 contrary notwithstanding;

301 (f) To establish and guidelines for the employment on the  
302 basis of merit, technical competence and moral  
303 character, and approve a staffing pattern of defining  
304 their powers and duties; and

305                             (g) To exercise the general powers mentioned in the  
306 Corporation Law insofar as these are not inconsistent or  
307 incompatible with provisions of this Act.

308                             **SEC. 13. Management.** – The management of the Corporation shall  
309 be vested in the President of the Corporation who shall be a person  
310 of known integrity, competence in technical and executive fields  
311 related to the purposes of this Act. The president of the  
312 Corporation shall be appointed by the Board and shall not be  
313 removed except for cause. There shall also be Vice President of the  
314 Corporation shall have following powers and duties:

315                             (a) To execute and administer the policies, plans and  
316 programs and rules and regulations approved or promulgated by  
317 the Board;

318                             (b) To submit for the consideration of the Board such  
319 policies, plans and programs deemed necessary to carry out the  
320 provisions and purposes of this Act;

321                             (c) To direct and supervise the operations and internal  
322 administration of the Corporation and, for this purpose, to  
323 delegate some or any powers and duties to subordinate officials;

324                             (d) To recommend to the Board the appointment,  
325 promotions, transfer, assignment, reassignment, demotion,  
326 dismissal and compensation of personnel; and

327                             (e) To exercise such other powers and perform such other  
328 duties as may be directed by the Board.

329                             **SEC.14. Settlement of Claims.** – (a) Claims for indemnity against  
330 the corporation shall be settled by the Corporation's regional  
331 manager concerned or the appropriate officer to whom the function  
332 is delegated. However if in the opinion of the regional manager the  
333 claim is novel, difficult, or controversial, the matter may be  
334 elevated by the regional manager to the president of the  
335 Corporation for decision.

336                             (b) The claimant aggrieved by the decision of the regional  
337 manager may, within thirty (30) days from receipt of the  
338 decision, request for reconsideration thereof and if not satisfied  
339 therewith, may elevate the matter to the President of the  
340 Corporation.

341                             (c) Any party aggrieved by a decision, order or ruling of the  
342 President of the Corporation may appeal said decision, order or  
343 ruling to the Corporation's Board.

344                   (d) Any claim not acted upon within sixty (60) days from  
345 submission of complete claims documents to the Corporation shall  
346 be considered approved.

347                   **SEC. 15. No Claim Benefits.** – Any insured farmer or fisherfolk who  
348 has not filed any claims during the immediately preceding three (3)  
349 crop seasons, or any insured fishpond or fish cage operator who  
350 has not filed any claim during the immediately preceding three (3)  
351 harvest seasons shall be entitled to a no-claim benefits of least ten  
352 percent (10%) of premium share paid for said crop seasons to be  
353 deposited in a trust fund and to be managed by the Corporation.  
354 Such trust fund may be used to finance premium rebate or  
355 premium credit applicable to the immediately following crop  
356 seasons as determined by the Board of the Corporation.

357                   **SEC. 16. Commission on Audit.** – The commission on Audit shall  
358 be the *ex officio* auditor of the Corporation.

359                   **SEC. 17. Legal Counsel** - The Corporation shall have its own Legal  
360 Department, the Chief and members of which shall be appointed  
361 by the Board.

362                   **SEC. 18. Interagency Linkages.** – (a) To support and promote the  
363 operation of the Corporation, all government departments,  
364 bureaus offices, agencies and instrumentalities, national or local  
365 all lending institutions, government or private, now or hereafter  
366 engaged in the supervised credit program to farmers and fisherfolk  
367 and such other public or private entities as may be called upon by  
368 the Corporation, shall act as cooperating agencies to the  
369 corporation and, for this purpose, are hereby directed to design  
370 their policies, programs, rules and regulations so as attune and  
371 synchronize them with the objective of the Corporation.

372                   (b) All lending institutions granting production loans for  
373 palay, corn and other crops under supervised credit program of  
374 the government shall automatically act as underwriters for and on  
375 behalf of the Corporation. As such they shall receive and process  
376 applications for insurance coverage; approve those found in order  
377 and collect premiums therefor,                   premiums so collected,  
378 together with the premiums payable by the lending institution  
379 itself, shall be remitted to the Corporation in the manner and  
380 within such period as may be prescribed by the Corporation.

381                   **SEC. 19 Utilization of Profits** – the profits of the Corporation shall  
382 be determined on a calendar year basis and the manner of its  
383 distribution shall be determined by law.

384                   **SEC. 20. Exemption from taxes** – In furtherance of the effective  
385 achievement of the purposes of this Act, the Corporation shall

386 continue to be exempted to the extent allowed by national policy  
387 from all national, provincial municipal and city taxes and  
388 assessments now enforced: *Provided*, that said exemption shall  
389 apply only to such taxes and assessments for which the  
390 Corporation itself would otherwise be liable and shall not apply to  
391 taxes and assessments payable by persons or other entities doing  
392 business with the Corporation.

393 **SEC. 21. Penal provisions.** - (a) Any person who through  
394 malfeasance or misfeasance or nonfeasance allows a spurious  
395 claim to be paid, including the claimant himself, shall upon final  
396 conviction be punished by imprisonment of not less than three (3)  
397 years but not more than eight (8) years or a fine of not less than  
398 one hundred thousand pesos (P100,000.00) but not more than six  
399 hundred thousand pesos (600,000.00), or both imprisonment and  
400 fine at the discretion of the court. The PCIC personnel who allowed  
401 the commission of the offense shall, in addition, be dismissed from  
402 office, and forfeit all privileges and benefits which may accrue to  
403 such personnel.

404 (b) any person or entity granting production loan for palay  
405 under the supervised credit program of the Government without  
406 requiring crop insurance therefor or having collected premiums  
407 from farmers, would fail to remit the same within the time and  
408 place specified in the rules and regulations of the Corporation  
409 shall, upon conviction, be punished by a fine not exceeding ten  
410 thousand pesos (P10,000.00) or imprisonment of not exceeding six  
411 (6) months, or both, at the discretion of the court.

412 (c) Any person or entity who shall violate any provision of  
413 this Act or any rule or regulation issued for its implementation, for  
414 which no penalty is provided, shall be deemed guilty of a penal  
415 offense and, upon conviction, be punished by a fine not exceeding  
416 five thousand pesos (5,000.00) or imprisonment of two (2) months,  
417 or both at the discretion of the court.

418 Whenever any violation of the provisions of this section is  
419 committed by a corporation or association, or by a government  
420 office or entity, the executive officer or officers of said corporation,  
421 association, or government office or entity who shall have  
422 knowingly permitted or failed to prevent, said violation shall be  
423 held liable as principal.

424 **SEC. 22. Applicability of Presidential Decree No. 612, as Amended.**  
425 - The provisions of the Insurance Code insofar as they are not in  
426 conflict or inconsistent with or repugnant to the provisions of this  
427 Act shall apply to the Corporation.

428           **SEC. 23.** *Term of Existence and Periodic Review.* - The  
429           Corporation's term of legal existence, which was set to last for fifty  
430           (50) years starting from the date of approval of Presidential Decree  
431           No. 1467 on June 11, 1978, shall continue and is hereby affirmed.  
432           To ensure the Corporation's continuing relevance, the PCIC Board  
433           shall undertake periodic review of the Corporation's activities and  
434           shall submit to both House of Congress at least once a year a  
435           report which shall include, among others, a recommendation for  
436           improving services to the target sectors and the financial viability  
437           of the Corporation.

438           **SEC. 24.** *Separability Clause.* - If any provision or part hereof is  
439           held unconstitutional or invalid, the other provisions not affected  
440           shall remain in force and effect.

441           **SEC. 25.** *Repealing Clause.* - Presidential Decree No. 1467,  
442           Presidential Decree No. 1733, Republic Act No. 8175, and all other  
443           laws, executive orders, and other issuances or parts thereof  
444           inconsistent with this Act are hereby repealed or modified  
445           accordingly.

446           **SEC. 26.** *Effectivity.* -This Act shall take effect fifteen (15) days  
447           after its publication in the *Official Gazette* or in a newspaper of  
448           general circulation.  
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450           Approved,