

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
SEVENTEENTH CONGRESS
First Regular Session
House Bill No. **3534**

HOUSE OF REPRESENTATIVES	
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Introduced by **Hon. ROSANNA "RIA" V. VERGARA**

EXPLANATORY NOTE

The Philippine Crop Insurance Corporation (PCIC) is a government owned and controlled corporation created under PD 1467. It was later amended by PD 1733 and further amended by RA 8175. It is the implementing agency of the government's agricultural insurance program. PCIC is an attached agency of the Department of Agriculture and its principal mandate is to provide insurance protection to farmers against losses arising from natural calamities, plant diseases and pest infestations of their crops.

The problem with the PCIC is that it has continually failed to adequately protect our subsistence farmers from the rigors of calamities, often paying far less than what the actual value of the projected harvest is. This bill seeks to amend the PCIC Charter to require a payment between the range of eighty percent (80%) to a hundred percent (100%) of the actual value of the projected harvest of our farmers. It is only by properly compensating the farmers that will we fully protect their interest and those of their families. This is very much needed at present and in the years to come considering the devastation brought about by climate change which has led to stronger typhoons and more unpredictable weather patterns.

In light of the foregoing, the immediate passage of this bill is earnestly requested.


ROSANNA "RIA" V. VERGARA
Representative, 3rd District of Nueva Ecija

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1 AN ACT AMENDING PRESIDENTIAL DECREE NO. 1467,
2 AS AMENDED BY REPUBLIC ACT NO. 8175,
3 OTHERWISE KNOWN AS THE REVISED CHARTER OF
4 THE PHILIPPINE CROP INSURANCE CORPORATION ACT
5

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

6 SECTION 1. Section 5 of Presidential Decree No. 1467, as amended by Republic Act No.
7 8175, also known as the “Revised Charter of the Philippine Crop Insurance Corporation Act of
8 1995,” is hereby further amended to read as follows:

9 Sec. 5. Rate of Premium and [Its Sharing] AMOUNT OF INDEMNITY.
10 — The rate of premium, as well as the allocated sharing thereof by the farmers, the
11 lending institutions, the Government of the Republic of the Philippines (herein
12 called the Government) and other parties, shall be determined by the Board of
13 Directors of the Corporation: provided, that the share of the Government in the
14 premium cost, in the form of premium subsidy, shall be limited to subsistence
15 farmers: provided, however, that each of these subsistence farmers is cultivating not
16 more than seven (7) hectares by themselves or with the help of the labor of the
17 members of their households or hired labor, the premium rate and sharing to be
18 determined by the Board of Directors subject to approval by the President of the
19 Philippines: provided, further, that the premium share of the subsistence farmer
20 shall be reasonably affordable by him: provided, furthermore, that the Government
21 shall share in the premium cost only in insurance coverage against unforeseen and
22 unavoidable risks such as, but not limited to, typhoons, droughts, outbreaks or pests
23 and diseases: provided, finally, that premium subsidy and/or insurance benefits

1 shall, upon the accumulation of surplus funds, be increased to such amount as may
2 be determined by the Board, taking into consideration that the Corporation has been
3 established not only for profit but mainly to help the insured in their direst hours of
4 need.

5 THE AMOUNT OF INDEMNITY SHALL BE AT LEAST EIGHTY
6 PERCENT (80%) BUT NOT MORE THAN ONE HUNDRED PERCENT (100%)
7 OF THE ACTUAL VALUE OF THE POTENTIAL HARVEST OF THE CROPS,
8 SUBJECT TO THE APPROVAL OF THE PCIC BOARD. THE BOARD SHALL
9 TAKE INTO ACCOUNT THE ACTUAL COST OF PRODUCTION INPUTS
10 ALREADY APPLIED AT THE TIME OF LOSS PER FARM PLAN AND
11 BUDGET, SUBJECT TO LIMITS STIPULATED IN THE POLICY CONTRACT,
12 PRORATED COST OF THE HARVESTED CROPS, THE SALVAGE VALUE,
13 IF ANY, AND THE PERCENTAGE OF YIELD LOST."

14 SECTION 2. *Repealing Clause.* – Any law, presidential decree or issuance, executive
15 order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with,
16 the provisions of this Act is hereby repealed, modified, or amended accordingly.

17 SECTION 3. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
18 publication in at least two (2) newspapers of general circulation.

Approved,