



23 JAN 12 P 3:34

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

RECEIVED BY:

**SENATE**  
S.B. No. 1666

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Introduced by **SENATOR IMEE R. MARCOS**

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**AN ACT**  
**STRENGTHENING THE PHILIPPINE CROP INSURANCE CORPORATION**  
**(PCIC), REPEALING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1467,**  
**ENTITLED "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. 8175**

EXPLANATORY NOTE

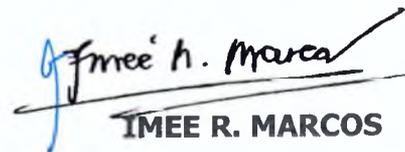
The Philippine Crop Insurance Corporation (PCIC) is a government-owned and controlled corporation created under Presidential Decree (PD) 1467. It was later amended by PD 1733 and further amended by Republic Act (RA) No. 8175. It is the implementing agency of the government's agricultural insurance program. PCIC is an attached agency of the Department of Agriculture (DA) 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.

Under RA No. 8175, crop insurance remains optional for self-financed farmers and is only mandatory upon farmers obtaining production loans for *palay* under the supervised credit program. Thus, with the current law, only financial institutions remained secure and a majority of the farmers, those who obtain loans outside the supervised credit programs or the so-called self-financed farmers, are unsecured. Moreover, other major problems have again resurfaced. Farmers are continuously affected by disasters resulting in diminishing agricultural production and posing a serious threat to the country's food security. For example, in the DA's 4 October 2022 Advisory, it was reported that Super Typhoon Karding's damage to the essential

agriculture sector has reached Php 3.12 billion. The Super Typhoon took a toll on the livelihood of some 108,594 farmers in the Cordillera, Ilocos, Cagayan Valley, Central Luzon, Calabarzon, Bicol and Western Visayas regions. The volume of production loss is pegged at 158,117 metric tons covering 170,762 hectares of land. The rice sector alone sustained Php 2.05 billion in damage, with the affected area of 163,162 hectares and the volume of production loss at 134,205 metric tons.

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 insurance payment that reflects the actual cost incurred and/or the 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 view of the foregoing reasons, the passage of this bill is earnestly sought.

  
**IMEE R. MARCOS**



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**AN ACT**

**STRENGTHENING THE PHILIPPINE CROP INSURANCE CORPORATION (PCIC), REPEALING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1467, ENTITLED "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. 8175**

*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 Charter of*  
2 *the Philippine Crop Insurance Corporation*”.

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

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

10       (b) To alleviate the financial burden of farmers due to uncompensated losses  
11       arising from destruction of crops wrought by disasters and calamities, keep  
12       farmers away from indebtedness, enhance farmers' credit standing, and

- 1 provide farmers additional government support to increase agricultural  
2 production;
- 3 (c) To assist banks and financial institutions enhancing their capabilities to  
4 extend loans to farmers; and
- 5 (d) To strengthen the organizational capability and to expand the coverage of  
6 the Philippine Crop Insurance Corporation (PCIC), a government-owned  
7 corporation established pursuant to presidential Decree No. 1476 to provide  
8 insurance protection to farmers against losses arising from natural calamities,  
9 fortuitous events, plant and fish diseases, and pest infections.

10

11 **SEC. 3. Expanded purposes and Coverage of the PCIC.** – The PCIC, hereinafter  
12 referred to as the “Corporation”, shall insure qualified farmers and fisherfolk against  
13 losses arising from natural calamities, fortuitous events, plant and fish diseases, and  
14 pest infections. It shall provide insurance coverage for *palay* and corn crops, high-value  
15 commercial crops, livestock, aquaculture and fishery products, agroforestry crops, and  
16 forest plantation; non-crop agricultural assets such as machineries, equipment,  
17 transport facilities and other related infrastructure; and life and accident term insurance  
18 coverage for farmers and fisherfolk. Such crop insurance shall cover, in every case, the  
19 cost of production inputs, the value of the farmer's or fisherfolk's own labor and  
20 members of the household including the value of the labor of hired workers, and a  
21 portion of the projected value of the crop. Such insurance protection, however, shall  
22 exclude losses arising from avoidable risks emanating from or due to the negligence,  
23 malfeasance or fraud committed by the insured or any member of the immediate farm  
24 household or employee, of the failure of the insured to follow proven farm practices.

25

26 The Corporation shall also insure properties and facilities which are owned or  
27 used by government agencies involved in agri-fishery-forestry projects or activities and  
28 government- financed agri-fishery-forestry projects. It shall also provide reinsurance  
29 coverage to agri-fishery- forestry properties and facilities underwritten by private and  
30 government insurance companies, and weather index-based insurance (WIBI) and  
31 reinsurance for *palay* and corn crops, high-value commercial crops, livestock,  
32 aquaculture and fishery products, agroforestry crops, and forest plantations.

33

34 **SEC. 4. Powers.** – The Corporation shall continue to exercise the following  
35 powers and functions:

- 36 (a) To prescribe, repeal, and alter its own by-laws;
- 37 (b) To adopt and use a corporate seal;

- 1 (c) To sue and to be sued;
- 2 (d) To have continuous succession until dissolved by law;
- 3 (e) To determine its operation policies and to issue such rules and regulations  
4 as may be necessary to implement the crop insurance scheme;
- 5 (f) To insure the crop of farmers and fishpond, seaweed, oyster or mussel farm  
6 or fisherfolk against loss, damage and destruction caused by natural  
7 calamities such as typhoons, flood, droughts, earthquakes, volcanic  
8 eruptions, rodents, vermin, diseases, insects and other pests; and to carry  
9 on any business necessary, related to and expedient for the above purpose;
- 10
- 11 (g) To insure in the Philippines or abroad all or any risks of the Corporation;
- 12
- 13 (h) To purchase or otherwise acquire ownership and manage any and all parts  
14 of the business, property and liabilities of any person or company carrying  
15 on any business which the Corporation is authorized to carry on or possess;
- 16
- 17 (i) To acquire by purchase or otherwise acquire ownership of and to invest in,  
18 hold, sell, or otherwise dispose of stocks or bonds or any interest in either,  
19 or any obligation or evidence of indebtedness of any corporation, domestic  
20 or foreign, or the bonds or other obligations or evidence of indebtedness, of  
21 any person, firm, or corporation; and as owner of such stocks, bonds or  
22 interest therein, other obligations or evidence of indebtedness, to exercise  
23 the rights, powers and privileges of ownership, including the right to vote  
24 thereon or consent in respect thereto for any and all lawful purposes;
- 25
- 26 (j) To purchase, or otherwise acquire, sell, lease, convey, mortgage, encumber,  
27 and otherwise deal with any property, real or personal, or any interest  
28 therein; extend credit on the security of real state or movable property;  
29 exercise easement right or privilege over or in respect to any property, real  
30 or personal, as may be permitted by law and as may be reasonable/necessary  
31 to carry out the purpose for which the Corporation is formed or as may or  
32 hereafter be permitted by law;
- 33
- 34 (k) To establish branches whenever it may be expedient and necessary; and
- 35
- 36 (l) To generate internal funds by floating bonds, expanding the Corporation's  
37 insurance line to include agricultural guarantee loans, and extending

1 coverage to other areas of agriculture, such as livestock, aquaculture,  
2 fishery, agroforestry, and forest plantation, in order to address insurance  
3 needs of the target sector and to do and perform acts and things and to  
4 exercise all the general powers conferred by law upon the Corporation as are  
5 incidental or conducive to the attainment of the objectives of the Corporation.

6  
7 **SEC. 5. *Who Shall Be Insured.*** – Participation in the insurance for palay and  
8 other crops essential for food security, as determined by the Department of Agriculture  
9 (DA), shall be compulsory upon all farmers. For other crops, participation shall be  
10 compulsory upon all farmers obtaining production loans under the supervised credit  
11 programs, and optional on the part of self- financed farmers provided they agree to  
12 place themselves under the supervision of agricultural production technicians.

13  
14 The term "supervised credit program" as used in this Act shall mean the  
15 production credit program wherein the farmer who obtained production loans agree in  
16 writing to apply proven farm practices necessary to conserve the land, improve its  
17 fertility and increase its production, and abide by the approved farm plan and budget  
18 jointly prepared by such farmer and the duly accredited supervised credit technician.

19  
20 The term "supervision of agricultural production technician" shall mean the  
21 supervision undertaken by agricultural production technicians who are duly accredited  
22 by the appropriate government agencies concerned, as required under the supervised  
23 credit system.

24  
25 **SEC. 6. *Rate of Premium, Sharing, and Amount of Indemnity.*** – The rate of  
26 premium, as well as the allocated sharing thereof of farmers, fisherfolk, lending  
27 institutions, the Government of the Republic of the Philippines (herein called the  
28 Government) and other parties, shall be determined by the Board of Directors of the  
29 Corporation: *Provided*, That the share of the Government in the premium cost in the  
30 form of premium subsidy shall be limited to subsistence farmers and fisherfolk:  
31 *Provided, however*, That each of these subsistence farmers is cultivating not more than  
32 seven (7) hectares of farmlands and each fisherfolk is cultivating not more than five  
33 (5) hectares of fishpond, seaweed, oyster, or mussel farm by themselves or with the  
34 help of the labor of the members of their households or hired labor, the premium rate  
35 and sharing to be determined by the Board of Directors: *Provided, further*, That the  
36 premium share of the subsistence farmer or fisherfolk shall be reasonably affordable:  
37 *Provided, furthermore*, That the Government shall share in the premium cost only in  
38 insurance coverage against unforeseen and unavoidable risks such as typhoons,

1 droughts, rainfall, outbreak of pests and diseases: *Provided, finally*, That the premium  
2 subsidy or insurance benefits shall, upon accumulation of surplus funds, be increased  
3 to such amount as may be determined by the Board of Directors, taking into  
4 consideration that the Corporation has been established not only for profit but mainly  
5 to help Filipino farmers and fisherfolk.

6  
7 The amount of indemnity shall be determined by the Board of Directors, which  
8 shall take into account the value of the potential harvest for crops at the ripening stage  
9 of growth; actual cost of production inputs already applied at the time of loss per farm  
10 plan and budget, subject to limits stipulated in the policy contract; pro-rated cost of  
11 the harvested crops; the salvage value; if any, and the percentage of yield loss.

12  
13 **SEC. 7. Premium Subsidy.** – (a) The required Government premium subsidy, as  
14 determined by the Board of Directors and approved by the President of the Philippines,  
15 shall be deemed appropriated from the funds of the National Treasury not otherwise  
16 appropriated, and shall be drawn, on a month-to-month or other periodic basis,  
17 depending upon the actual amount of insurance underwritten by the Corporation. For  
18 this purpose, the Corporation shall bill the Government the sum of money  
19 corresponding to the computed amount of subsidy.

20 (b) Yearly projections of the premium subsidy shall be submitted by the  
21 Corporation to the President of the Philippines, and upon approval shall be included in  
22 the Government's budgetary appropriation.

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

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

30  
31 **SEC. 8. Capital Stock.** – (a) The authorized capital stock of the Corporation is  
32 ten billion pesos (Php 10,000,000,000.00) divided into seventy-five million  
33 (75,000,000) common shares with a par value of one hundred pesos (Php 100.00) each  
34 share, which shall be fully subscribed by the Government and twenty-five million  
35 (25,000,000) preferred shares with a par value of one hundred pesos (Php 100.00)

36 (b) The common capital stock of one billion five hundred million pesos (Php  
37 1,500,000,000.00) having been fully paid to the Corporation, the balance of six billion

1 pesos (Php 6,000,000,000.00) subscribed by the Government shall be appropriated  
2 annually by Congress unless otherwise provided by existing laws.

3 (c) The preferred shares shall be entitled to a preference over common shares  
4 in any declaration of dividends. They shall also be given priority in the distribution of  
5 assets in the event of liquidation of the Corporation. They shall have the following  
6 specific features:

7 (1) Preferred as to dividends at a minimum of one and one-half percent  
8 (1.5%) or the prevailing three hundred sixty (360)-day Treasury bill rate  
9 at the time of declaration of dividends, whichever is higher;

10 (2) Cumulative;

11 (3) Nonparticipating;

12 (4) Nonvoting;

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

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

17 (7) Transferrable.

18 (d) At least five hundred million pesos (Php 500,000,000.00) of the preferred  
19 shares shall be subscribed and paid for by the Land Bank of the Philippines (LBP). The  
20 balance of the preferred shares may be available for sale or to subscription by the  
21 general public.

22  
23 **SEC. 9. *Reserved Fund for Catastrophic Losses.*** – A state reserve fund for  
24 catastrophic losses in the amount of five hundred million pesos (Php 500,000,000.00)  
25 shall be created exclusively to answer for the proportion of all losses in excess of risk  
26 (pure) premium under the Corporation's Crop Insurance Program for small farmers and  
27 fisherfolk. The Fund may be increased subject to the approval of the President of the  
28 Philippines. The Fund shall be administered by a government financial institution to be  
29 designated by the Corporation's Board of Directors. Such sum as may be necessary for  
30 the purpose shall be funded by the National Government through the annual General  
31 Appropriations Act. The mechanics of claims against the Fund and to what extent the  
32 Fund shall be liable shall be determined jointly with the financial institution  
33 administering the Fund, subject to the approval by the President of the Philippines.

34  
35 **SEC. 10. *Reinsurance.*** – In order to spread the risk of the Corporation, the PCIC  
36 is hereby authorized to seek reinsurance protection whenever it may be available.  
37

1           **SEC. 11. Board of Directors.** – (a) The powers of the Corporation shall be vested  
2 in and exercised by a Board of Directors, hereinafter referred to as the Board, composed  
3 of seven (7) members and made up of the following: the President of the LBP, the  
4 President of the Corporation, the DA Secretary, a representative from the private  
5 insurance industry to be nominated by the Secretary of Finance and three (3)  
6 representatives from the subsistence farmers' sector, preferably representing agrarian  
7 reform beneficiaries/cooperatives/associations coming from Luzon, Visayas, and  
8 Mindanao, who shall be selected and nominated by the different farmers' organizations  
9 or cooperatives. The respective nominees of the private insurance industry and the  
10 farmers' sector shall be submitted to and appointed by the President of the Philippines.  
11 The chairman of the Board shall be appointed by the President of the Philippines from  
12 among the members of the Board. The President of the Corporation shall also be  
13 appointed by the President of the Philippines and shall be ex officio Vice Chairman who  
14 shall assist the Chairman and act in his stead in case of absence or incapacity. In case  
15 of absence or incapacity of both the Chairman and the Vice Chairman, the Board shall  
16 designate a temporary chairman from among its members. Except for the President of  
17 the LBP and the DA Secretary, all members of the Board, including the President of the  
18 Corporation, shall be appointed by the President of the Philippines within a reasonable  
19 period of time after the approval of this Act.

20           (b) The members of the Board shall have their respective alternates who shall  
21 attend the meetings, and act as members of the Board in the absence or incapacity of  
22 the regular members.

23           (c) The Board shall meet regularly at least twice a month and as often as the  
24 exigencies of the Corporation's affairs demand. The presence of at least five (5)  
25 members shall constitute a quorum which shall be necessary for the transaction of any  
26 business. The Board may be convoked either by the Chairman or, in his absence, by  
27 the Vice Chairman.

28           (d) The Chairman and the members of the Board shall each receive per diem  
29 pursuant to existing law for each meeting of the Board personally attended: *Provided,*  
30 *however,* That in the case of the representatives of subsistence farmers' sector, the  
31 Board is authorized to determine reasonable traveling and, if necessary, subsistence  
32 expenses in going to and returning from said board meetings to be disbursed to them  
33 in addition to their *per diem*.

34  
35           **SEC. 12. Powers and Functions of the Board of Directors.** – The Board shall  
36 have the following powers and functions:

37           (a) To implement the provisions and purposes of this Act;

- 1 (b) To formulate and adopt policies and plans, and to promulgate rules and  
2 regulations for the management, operation and conduct of the affairs and  
3 business of the Corporation and, for this purpose, may limit or refuse  
4 insurance in any area or on any farmer because of the risk involved or may  
5 expand the subject of insurance coverage to crops other than palay:  
6 *Provided, That* such coverage on other crops shall be approved by the  
7 President of the Philippines;
- 8 (c) To borrow funds from local and international financing sources or institutions  
9 and issue bonds up to five (5) times the value of its authorized capital stock  
10 for the purpose of financing the programs and projects deemed vital for the  
11 attainment of the Corporation's goals and objectives;
- 12 (d) To enter into, make, and execute contracts of any kind or nature as may be  
13 necessary, or incidental to the accomplishment of the purposes of the  
14 Corporation;
- 15 (e) To approve the budget of the Corporation and to fix the reasonable  
16 compensation of its personnel: *Provided, That* the Board shall have exclusive  
17 and final authority to promote, transfer, assign or reassign personnel of the  
18 Corporation and these personnel actions are deemed made in the interest of  
19 the service and not disciplinary, any provision of existing law to the contrary  
20 notwithstanding;
- 21 (f) To establish policies and guidelines for employment on the basis of merit,  
22 technical competence and moral character, and approve a staffing pattern of  
23 personnel defining their powers and duties; and
- 24 (g) To exercise the general powers mentioned in the Corporation Law insofar as  
25 these are not inconsistent or incompatible with the provisions of this Act.

26 **SEC. 13. Management.** – The management of the Corporation shall be vested  
27 in the President of the Corporation who shall be a person of known integrity,  
28 competence in technical and executive fields related to the purposes of this Act. The  
29 President of the Corporation shall be appointed by the Board and shall not be removed  
30 except for cause. There shall also be Vice President(s) as the Board may decide, to be  
31 appointed by the latter. The President of the Corporation shall have the following  
32 powers and duties:

- 33 (a) To execute and administer the policies, plans and programs and the rules  
34 and regulations approved or promulgated by the Board;
- 35 (b) To submit for the consideration of the Board such policies, plans and  
36 programs deemed necessary to carry out the provisions and purposes of this  
37 Act;

- 1 (c) To direct and supervise the operations and internal administration of the  
2 Corporation and, for this purpose, to delegate some or any powers and duties  
3 to subordinate officials;
- 4 (d) To recommend to the Board the appointment, promotions, transfer,  
5 assignment, reassignment, demotion, dismissal and compensation of  
6 personnel; and
- 7 (e) To exercise such other powers and perform such other duties as may be  
8 directed by the Board.

9 **SEC. 14. *Settlement of Claims.*** – (a) Claims for indemnity against the  
10 Corporation shall be settled by the Corporation's regional manager concerned or the  
11 appropriate officer to whom the function is delegated. However, if in the opinion of the  
12 regional manager the claim is novel, difficult, or controversial, the matter may be  
13 elevated by the regional manager to the President of the Corporation for decision.

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

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

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

21  
22 **SEC. 15. *No Claim Benefits.*** – Any insured farmer or fisherfolk who has not  
23 filed any claim during the immediately preceding three (3) crop seasons, or any insured  
24 fishpond or fish cage operator who has not filed any claim during the immediately  
25 preceding three (3) harvest seasons shall be entitled to a no-claim benefit of at least  
26 ten percent (10%) of premium share paid for said crop seasons to be deposited in a  
27 trust fund and to be managed by the Corporation. Such trust fund may be used to  
28 finance premium rebate or premium credit applicable to the immediately following crop  
29 seasons as determined by the Board of the Corporation.

30  
31 **SEC. 16. *Commission on Audit.*** – The Commission on Audit shall be the ex-  
32 officio auditor of the Corporation.

33  
34 **SEC. 17. *Legal Counsel.*** – The Corporation shall have its own Legal  
35 Department, the Chief and members of which shall be appointed by the Board.

36  
37 **SEC. 18. *Interagency Linkages.*** – (a) To support and promote the operations  
38 of the Corporation, all government departments, bureaus, offices, agencies and

1 instrumentalities, national or local, all lending institutions, government or private, now  
2 or hereafter engaged in the supervised credit program to farmers and fisherfolk and  
3 such other public or private entities as may be called upon by the Corporation, shall act  
4 as cooperating agencies to the Corporation and, for this purpose, are hereby directed  
5 to design their policies, programs, rules and regulations so as to attune and synchronize  
6 them with the objectives of the Corporation.

7 (b) All lending institutions granting production loans for palay, com and other  
8 crops under the supervised credit program of the Government shall automatically act  
9 as underwriters for and on behalf of the Corporation. As such, they shall receive and  
10 process applications for insurance coverage; approve those found in order and collect  
11 premiums therefor. Premiums so collected, together with the premium payable by the  
12 lending institution itself, shall be remitted to the Corporation in the manner and within  
13 such period as may be prescribed by the Corporation.

14  
15 **SEC. 19. Utilization of Profits.** – The profits of the Corporation shall be  
16 determined on a calendar year basis and the manner of its distribution shall be  
17 determined by law.

18  
19 **SEC. 20. Exemption from Taxes.** – In furtherance of the effective achievement  
20 of the purposes of this Act, the Corporation shall continue to be exempted to the extent  
21 allowed by national policy from all national, provincial, municipal and city taxes and  
22 assessments now enforced: Provided, That said exemption shall apply only to such  
23 taxes and assessments for which the Corporation itself would otherwise be liable and  
24 shall not apply to taxes and assessments payable by persons or other entities doing  
25 business with the Corporation.

26  
27 **SEC. 21. Penal Provisions.** – (a) Any person who through malfeasance,  
28 misfeasance or nonfeasance allows a spurious claim to be paid, including the claimant  
29 himself, shall, upon final conviction, be punished by imprisonment of not less than three  
30 (3) years but not more than eight (8) years or a fine of not less than one hundred  
31 thousand pesos (Php 100,000.00) but not more than six hundred thousand pesos (Php  
32 600,000.00), or both imprisonment and fine at the discretion of the court. The PCIC  
33 personnel who allowed the commission of the offense shall, in addition, be dismissed  
34 from office, and forfeit all privileges and benefits which may accrue to such personnel.

35 (b) Any person or entity granting production loan for palay under the supervised  
36 credit program of the Government without requiring crop insurance therefor or having  
37 collected premiums from farmers, would fail to remit the same within the time and  
38 place specified in the rules and regulations of the Corporation shall, upon conviction,

1 be punished by a fine not exceeding ten thousand pesos (Php 10,000.00) or  
2 imprisonment of not exceeding six (6) months, or both, at the discretion of court.

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

8 Whenever any violation of the provisions of this section is committed by a  
9 corporation or association, or by a government office or entity, the executive officer or  
10 officers of said corporation, association, or government office or entity who shall have  
11 knowingly permitted, or failed to prevent, said violation shall be held liable as principal.  
12

13 **SEC. 22. *Applicability of Presidential Decree No. 612, as Amended.*** – The  
14 provisions of the Insurance Code, insofar as they are not in conflict or inconsistent with  
15 or repugnant to the provisions of this Act, shall apply to the Corporation.  
16

17 **SEC. 23. *Term of Existence and Periodic Review.*** – The Corporation's term of  
18 legal existence, which was set to last for fifty (50) years starting from the date of  
19 approval of Presidential Decree No. 1467 on June 11, 1978, shall continue and is hereby  
20 affirmed. To ensure the Corporation's continuing relevance, the PCTC Board shall  
21 undertake periodic review of the Corporation's activities and shall submit to both  
22 Houses of Congress at least once a year a report which shall include, among others, a  
23 recommendation for improving services to the target sectors and the financial viability  
24 of the Corporation.  
25

26 **SEC. 24. *Separability Clause.*** – If any provision or part hereof is held  
27 unconstitutional or invalid, the other provisions not affected shall remain in force and  
28 effect.  
29

30 **SEC. 25. *Repealing Clause.*** – Presidential Decree No. 1467, Presidential Decree  
31 No. 1733, Republic Act No. 8175, and all other laws, executive orders, and other  
32 issuances or parts thereof inconsistent with this Act are hereby repealed or modified  
33 accordingly.  
34

35 **SEC. 26. *Effectivity.*** - This Act shall take effect fifteen (15) days after its  
36 publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*