

RECORD OF THE SENATE

MONDAY, OCTOBER 3, 2005

ROLL CALL

OPENING OF THE SESSION

At 3:49 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

The President. The 26th session of the Senate in the Second Regular Session of the Thirteenth Congress is hereby called to order.

Sen. Rodolfo G. Biazon will lead the Chamber in prayer.

Everybody rose for the prayer.

PRAYER

Senator Biazon.

Omnipotent God, the ruler of all nations, look down with favor upon our country that Your people will once again feel the extent of Your love.

Grant Your chosen leaders of this nation Your divine wisdom that will unify their outlook and their understanding of what is their purpose as leaders.

Imbibe in them the spirit of humility to govern and extinguish all sense of hypocrisy and pride that could only lead to self-aggrandizement and arrogance.

Endow in them confidence that emanates out of Your goodness and provision, rather than fear which could drive them to govern with a false sense of security.

And finally, most Holy Father, cause Your people to develop a sense of community, inspired by trust for one another and always guided by the truth.

Amen.

The President. The Akap Bata Daycare Children will lead us in the singing of the Philippine National Anthem. After which, they will render a song entitled, *Awit ng mga Bata*.

NATIONAL ANTHEM

Everybody remained standing for the singing of the national anthem.

The President. We would like to thank Akap Bata Daycare Children for their beautiful song entitled, *Awit ng mga Bata*.

The Secretary will please call the roll.

The Secretary, reading:

Senator Edgardo J. Angara	*
Senator Joker P. Arroyo	Present
Senator Rodolfo G. Biazon	Present
Senator Compañera Pia S. Cayetano	Present
Senator Miriam Defensor Santiago	Present
Senator Jinggoy Ejercito Estrada	Present
Senator Luisa "Loi" P. Ejercito Estrada	Present
Senator Juan Ponce Enrile	Present
Senator Juan M. Flavies	Present
Senator Richard J. Gordon	Present
Senator Panfilo M. Lacson	*
Senator Manuel "Lito" M. Lapid	Present
Senator Alfredo S. Lim	Present
Senator M.A. Madrigal	Present
Senator Ramon B. Magsaysay Jr.	Present
Senator Sergio R. Osmeña III	Present
Senator Kiko Pangilinan	Present
Senator Aquilino Q. Pimentel Jr.	Present
Senator Ralph G. Recto	Present
Senator Ramon Bong Revilla Jr.	Present
Senator Mar Roxas	Present
Senator Manny Villar	*
The President	Present

The President. With 20 senators present, there is a quorum.

The Majority Leader is recognized.

THE JOURNAL

Senator Pangilinan. Mr. President, I move that we dispense with the reading of the *Journal* of the 25th session, September 28, 2005 and consider it approved.

The President. Is there any objection? [*Silence*] There being none, the motion is approved.

Senator Pangilinan. I move that we proceed to the Reference of Business.

The President. Is there any objection? [*Silence*] There being none, the motion is approved.

The Secretary will read the Reference of Business.

* On official mission

REFERENCE OF BUSINESS

RESOLUTION

The Secretary. Proposed Senate Resolution No. 344, entitled

RESOLUTION COMMENDING 2005 BINIBINING PILIPINAS-MISS INTERNATIONAL PRECIOUS LARA QUIGAMAN FOR WINNING THE 2005 MISS INTERNATIONAL BEAUTY TITLE AND FOR BRINGING HONOR AND PRESTIGE TO OUR COUNTRY

Introduced by Senator Roxas

The President. Referred to the Committee on Rules

ADDITIONAL REFERENCE OF BUSINESS

RESOLUTION

The Secretary. Proposed Senate Resolution No. 345, entitled

RESOLUTION CONGRATULATING BINIBINING PILIPINAS INTERNATIONAL TITLE HOLDER MISS PRECIOUS LARA QUIGAMAN FOR BEING CROWNED AS THE 2005 MISS INTERNATIONAL HELD IN TOKYO, JAPAN LAST SEPTEMBER 26, 2005, DEMONSTRATING TO THE WHOLE WORLD THE INTELLIGENCE, TALENT, BEAUTY AND COURAGE INNATE IN EVERY FILIPINO

Introduced by Senator Lapid

The President. Referred to the Committee on Rules

The Majority Leader is recognized.

SUSPENSION OF SESSION

Senator Pangilinan. Thank you, Mr. President.

Mr. President, I move that we suspend the session for one minute.

The President. Is there any objection? [Silence] There being none, the session is suspended for one minute.

It was 3:58 p.m.

RESUMPTION OF SESSION

At 3:58 p.m., the session was resumed.

The President. The session is resumed. The Majority Leader is recognized.

ACKNOWLEDGMENT OF THE OFFICIAL VISIT OF THE A.B. ECONOMICS STUDENTS FROM THE UNIVERSITY OF SANTO TOMAS

Senator Pangilinan. Mr. President, before we proceed, we would like to place on record that we have with us the A.B. Economics students from the University of Santo Tomas, headed by their professor, Miss Rita Galvido.

BILL ON THIRD READING

S. No. 1956 — Rental Reform Act of 2005

Mr. President, I move that we vote on Third Reading on Senate Bill No. 1956. Copies of the bill were distributed to the members on September 28, 2005.

The President. Is there any objection? [Silence] There being none, voting on Third Reading on Senate Bill No. 1956 is now in order.

The Secretary will please read only the title of the bill.

The Secretary. Senate Bill No. 1956, entitled

AN ACT ESTABLISHING REFORMS IN THE REGULATION OF RENT OF CERTAIN RESIDENTIAL UNITS, PROVIDING THE MECHANISMS THEREFOR AND FOR OTHER PURPOSES

The President. We shall now vote on the bill and the Secretary will call the roll.

The Secretary. Senators

Angara	
Arroyo	Yes
Biazon	Yes
Cayetano	Yes
Defensor Santiago	Yes
Estrada (J.)	Yes
Estrada (L.)	Yes
Enrile	Yes
Flavier	Yes
Gordon	Yes
Lacson	
Lapid	Yes
Lim	Yes

Madrigal	Yes
Magsaysay Jr.	Yes
Osmeña III	Yes
Pangilinan	Yes
Pimentel Jr.	Yes
Recto	Yes
Revilla Jr.	Yes
Roxas	
Villar	
The President	Yes

APPROVAL OF S. NO. 1956 ON THIRD READING

The President. With 19 affirmative votes, no negative votes, and no abstention, Senate Bill No. 1956 is approved on Third Reading.

The Majority Leader is recognized.

Senator Pangilinan. Mr. President, at this point, Sen. Juan Ponce Enrile has requested that he be allowed to take the Floor on a matter of personal and collective privilege. I ask that we recognize Senator Enrile.

The President. Sen. Juan Ponce Enrile is recognized.

PRIVILEGE SPEECH OF SENATOR ENRILE (On Insurance Buccaneers)

Senator Enrile. Mr. President, and ladies and gentlemen of the Senate.

We struggle every day with the pressing issues, which occupy this august Chamber's attention and rightly so. These past weeks alone have seen the Senate exercising more than ever its legislative oversight and vigilance over matters of grave importance involving our Constitution and the security and stability of the nation, including matters that challenge our revered democratic institutions and traditions.

Mr. President, while we must continue to do that as guardians of the commonweal, we must not, however, overlook equally important issues that slip "under the radar," so to speak, and which are of such magnitude or of such injurious effect on the lives of our citizens that they need nevertheless to be exposed and addressed in the halls of the Senate.

And this, Mr. President, brings me to the present state of the insurance industry. It may seem a prosaic subject in these tumultuous days compared to other more weighty subjects now occupying our countrymen's attention. But as the ensuing exposition will demonstrate, it is no less deserving of our legislative scrutiny, concern, and action.

Just recently, we were witnesses to the public outcry caused by the failure of the so-called pre-need companies to fulfill their financial obligations to hundreds of thousands of educational plan holders. Indeed, when the problems erupted, many of the people in and out of the pre-need industry—and even the concerned agencies of government—said that they saw them coming. Yet, it is evident that whatever regulatory actions were taken to protect the plan holders and to ensure the financial viability and reliability of the pre-need companies involved have fallen short of what had been expected.

This afternoon, I want to invite the attention of the Senate to the anomalous practices in the vehicle insurance system that have long victimized millions of helpless vehicle owners and have deprived the government of its rightful revenues. I refer in particular to the Compulsory Third Party Liability insurance for motor vehicles, popularly known as the CTPL.

Mr. President, the insurance premiums that ought to have been collected from car registrations would amount to at least P2.5 billion annually. The government tax due on those insurance premiums should have been more than P500 million every year. And yet, the latest available figures show that the entire insurance industry reported only P1.38 billion as collected premiums, on which only P90 million of tax was collected.

Where did the rest go? My brutally frank but nonetheless factual assessment, Mr. President, is this: That the non-life insurance industry of the country today has, over the years, deteriorated into one of the most corrupt sectors of business in the entire nation. The obvious reason for the incredible gap between the insurance premiums on CTPL that ought to have been collected and those that had been actually collected was the uncontrolled and inordinate proliferation of fake and spurious Compulsory Third Party Liability policies which, because of their patently nefarious character, could not be recognized and declared officially by the issuing non-life insurance companies.

Mr. President, the CTPL law has been in operation for more than 25 years now. Granting that the insurance premium receipts of the non-life insurance companies gradually grew up over the years, hand-in-hand with the yearly growth of the number of registered vehicles in the country, one could imagine the amount of tax revenues that ought to have accrued to the government over those years from this tax revenue source alone. Billions! Billions of pesos!

To add to the tragicomic situation, Mr. President, which made it even worse, the fake and spurious CTPL scam went on unchallenged by the government, year in and year out, to the detriment of the hapless victims of vehicular accidents, who never got paid for their legitimate losses and injuries, simply because the non-life