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SENATE
P.S. Res 290

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Introduced by Senator Poe

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EFFECTIVENESS OF MICROINSURANCE AS A STRATEGY IN INCREASING SOCIAL SECURITY COVERAGE AND PROTECTION AMONG THE UNEMPLOYED, UNDEREMPLOYED, INFORMALLY EMPLOYED, AND OTHERWISE LOW-INCOME FILIPINOS

WHEREAS, the following provisions of the 1987 Philippine Constitution is replete with provisions that affirm the State's commitment to attaining social justice and providing a humane and dignified life for all Filipinos:

- Article 2, Section 9: "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all";
- Article 2, Section 9: "The State shall promote social justice in all phases of national development";
- Article 2, Section 11: "The State values the dignity of every human person and guarantees full respect for human rights";
- Article 13, Section 1: "The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good";

WHEREAS, the right to social security is recognized and protected by international covenants such as the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights;

WHEREAS, social insurance, as a component of social safety nets, is an essential component of poverty reduction as it protects individuals from chronic and transient poverty, thereby providing a minimum degree of social security to all persons;

WHEREAS, only 28.3 percent of the economically active population are actually covered by either the Social Security System (SSS) or the Government Service Insurance System (GSIS), to the disadvantage of persons who are unemployed, underemployed, or employed in the informal sector¹;

WHEREAS, microinsurance is defined as insurance products geared towards low-income individuals and people who do not have access to the financial markets²; it has become an emerging strategy to increase coverage among those who are not formally employed;

WHEREAS, according to a report done as of by the end of September 2016, the total number of Filipinos covered by microinsurance products is at 26 million, comprising 25.4% of the population, up 3.2% from the last quarter;³

WHEREAS, according to a separate report⁴ by Insurance Commissioner Dennis B. Funa, more than half of the individuals or 15.6 million were supported by microinsurance-mutual benefit associations, also known as MBAs;

WHEREAS, Commissioner Funa also stated⁵ that “Microinsurance can help combat poverty by providing low-income sector of the society with access to risk protection products thereby protecting their lives, properties and livelihood”;

WHEREAS, a study⁶ showed that the SSS’ microinsurance, known as *AlkanSSSyA*, resulted in positive effects on its members, as those who availed of the program experienced a Php 17,843 increase in income compared to those who were not members;

NOW THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate of the Philippines, to direct the proper Senate Committees to conduct an inquiry, in aid of legislation, on the effectiveness of microinsurance as a strategy in increasing social security coverage and protection among the unemployed, underemployed, informally employed, and otherwise low-income Filipinos.

Adopted,


GRACE POE

¹ Casillo, R.C.J., Dago, C.M., et.al. *Pensions in the Philippines: Challenges and Ways Forward*. Friedrich Ebert Stiftung: Philippines, 2011

² “What is microinsurance?”, *ABS-CBN News*, 24 January 2017, <http://news.abs-cbn.com/business/01/24/17/what-is-microinsurance>

Ben O. de Vera, “Microfinance reach in PH rose in ‘16,” *The Philippine Daily Inquirer*, 25 January 2017, <https://business.inquirer.net/223418/microfinance-reach-ph-rose-16/>. Accessed 25 January 2017

⁴ Id.

⁵ Id.

⁶ Conchada, M.I.P. “Making Social Protection Work for the Informal Sector: The Case of PhilHealth and ALKANSSSYA Program for the Self-Employed in the Services Sector” Paper presented at the 2016 De La Salle University Research Congress. Retrieved from <http://www.dlsu.edu.ph/conferences/dlsu-research-congress-proceedings/2016/EBM/EBM-I-12.pdf>