

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



23 JAN -4 P12 :55

SENATE

RECEIVED BY: _____

S. No. 1635

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

**AN ACT
REQUIRING MANDATORY INSURANCE OF ALL BUILDINGS AND OTHER
PHYSICAL STRUCTURES OWNED BY LOCAL GOVERNMENT UNITS,
AMENDING FOR THIS PURPOSE, REPUBLIC ACT NO. 7160, OTHERWISE
KNOWN AS THE 'LOCAL GOVERNMENT CODE'**

EXPLANATORY NOTE

The Philippines sits at a boundary of the earth's major tectonic plates while a huge part of its territory straddle the world's notorious "typhoon belt" . As a result, fearsome typhoons, volcanic eruptions and strong earthquake are three of the common natural phenomena that are regularly experienced by the country. The Philippines is one of the most typhoon affected countries globally, with about 20 tropical cyclones traversing in the country's area of responsibility each year.

According to the Asian Centre for Flood Control (ACFC), 8 of the world's 10 most disaster-prone cities are in the Philippines. Just last October 2022, more than 4,000,000 people were affected by the severe tropical storm Paeng. Over 28,000 houses were damaged - 3,061 were fully damaged and 24,970 were partially damaged causing an estimated cost of infrastructure damage of PHP 4.174 billion. As a result of the strong winds and heavy rains, landslides and flooding incidents occurred. ¹

¹ IFRC DREF Application: Philippines Severe Tropical Storm Paeng 2022:
<file:///Users/admin/Downloads/MDRPH050do.pdf>

In addition, the Philippines form part of the so called "ring of fire", where many of Earth's volcanic eruptions and earthquakes occur. The country has more than 300 volcanos, of which 24 are active, according to Philvolcs. ²

It is in this light that this proposed legislation is pushed in order to mitigate the effects of these natural disasters, particularly to the properties of local government units, in cases of damages and other risk. This bill mandates that the LGUs insure its buildings and structures under its accountability and responsibility. Furthermore, it specifically mentioned the submission of the list of the all buildings and physical structure owned by the local government units for property insurance valuation.

In view of the foregoing, the swift passage of this bill is earnestly sought.



JOSEPH VICTOR G. EJERCITO

² Philippines: Why is it prone to typhoons(on top of earthquakes and volcanic eruptions):
<https://gulfnews.com/world/asia/philippines/philippines-why-is-it-prone-to-typhoons-on-top-of-earthquakes-and-volcanic-eruptions-1.1659616588644>

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AMENDING FOR THIS PURPOSE, REPUBLIC ACT NO. 7160, OTHERWISE
KNOWN AS THE 'LOCAL GOVERNMENT CODE'**

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

1 SECTION 1. Section 374 of Republic Act No. 7160, otherwise known as the
2 'Local Government Code of 1991', is hereby amended to read as follows:

3
4 "Section 374. *Establishment of an Archival System.* – Every local government
5 unit shall provide for the establishment of an archival system to ensure the
6 safety and protection of all government property, public documents or records
7 such as records of births, marriages, property inventory, land assessments,
8 land ownership, tax payments, tax accounts, and business permits, and such
9 other records of documents of public interest in the various departments and
10 offices of the provincial, city, or municipal government concerned. **PROVIDED,**
11 **THAT, THIRTY DAYS AFTER THE CERTIFICATION OF THE LOCAL**
12 **GOVERNMENT UNIT'S BALANCE SHEET, THE PROVINCIAL OR CITY**
13 **GENERAL SERVICES OFFICER, OR MUNICIPAL MAYOR, AS THE CASE**
14 **MAY BE, SHALL SUBMIT TO THE GSIS ACTUARIAL SERVICES A LIST**
15 **OF ALL BUILDINGS AND OTHER PHYSICAL STRUCTURES OWNED BY**

1 **THE LOCAL GOVERNMENT UNIT FOR PROPERTY INSURANCE**
2 **VALUATION.”**

3
4 Sec. 2. Section 375 of Republic Act No. 7160, otherwise known as the 'Local
5 Government Code of 1991', is hereby amended to read as follows:

6
7 "Section 375. *Primary and Secondary Accountability for Government Property.*

8 – (a) xxx

9 (b) xxx

10
11 (c) Buildings and other physical structures shall be under the accountability and
12 responsibility of the provincial or city general services officer of the municipal
13 mayor or punong barangay, as the case may be. **IN VIEW OF THIS, THE**
14 **PROVINCIAL OR CITY GENERAL SERVICES OFFICER, MUNICIPAL**
15 **MAYOR, AND PUNONG BARANGAY SHALL CAUSE TO INSURE ALL**
16 **BUILDINGS AND OTHER PHYSICAL STRUCTURES UNDER THEIR**
17 **ACCOUNTABILITY AND RESPONSIBILITY AGAINST ANY INSURABLE**
18 **RISK.**

19
20 (d) xxx. "

21
22 Sec. 3. Section 447 of Republic Act No. 7160 is hereby amended to read as
23 follows:

24
25 "Section 447. *Powers, Duties, Functions and Compensation* – (a) xxx

26 (1) xxx

27 (2) xxx

28 (v) Appropriate funds for the construction, **INSURANCE**, and
29 maintenance of the rental of buildings for the use of the municipality
30 and, upon the majority vote of all the members of the sangguniang
31 bayan, authorize the municipal mayor to lease to private parties such

1 public building held in a proprietary capacity, subject to existing laws,
2 rules and regulations;"

3
4 Sec. 4. Section 458, paragraph (a), (2), (v)

5
6 "Section 468. *Powers, Duties, Functions and Compensation* – (a)xxx

7 (1) xxx

8 (2) xxx

9 (v) Appropriate funds for the construction, **INSURANCE**, and
10 maintenance of the rental of buildings for the use of the city and, upon
11 the majority vote of all members of the sangguniang panglungsod,
12 authorize the city mayor to lease to private parties such public buildings
13 held in a proprietary capacity, subject to existing laws, rules and
14 regulations;"

15
16 Sec. 5. Section 468 of Republic Act No. 7160, is hereby amended to read as
17 follows:

18
19 "Section 468. *Powers, Duties, Functions and Compensation* – (a)xxx

20 (1) xxx

21 (2) xxx

22 (v) Appropriate funds for the construction, **INSURANCE**, and maintenance
23 of the rental of buildings for the use of the province and, upon the majority
24 vote of all the members of the sangguniang panlalawigan, authorize the
25 provincial governor to lease to private parties such public buildings held in
26 a proprietary capacity, subject to existing laws, rules and regulations;"

27
28 Sec. 6. Section 5 of Republic Act No. 656, otherwise known as the '*Property*
29 *Insurance Law*', is hereby amended to read as follows:

30
31 "Section 5. Every government [~~, except a municipal government below first~~
32 ~~class,~~] is hereby required to insure its properties, with the Fund against any insurable

1 risk herein provided and pay the premiums thereon, which, however, shall not exceed
2 the premiums charged by private insurance applied for: *Provided, further,* That such
3 property or part thereof as may not be insurable or acceptable for insurance may be
4 insured with any private insurance company. ~~【A municipal government below first
5 class may upon application insure its properties in the Fund under such rules and
6 regulations as the System may prescribe.】~~

7

8 *Sec. 7. Implementing Rules and Regulations.* – Within sixty (60) days from the
9 effectivity of this Act, the Department of Interior and Local Government, in
10 consultation with the Bureau of Local Government Finance, shall promulgate the rules
11 and regulations for the effective implementation of this Act. The IRR issued pursuant
12 to this section shall take effect thirty (30) days after its publication in a newspaper of
13 general circulation.

14

15 *Sec. 8. Separability Clause.* – If any provision of this Act is declared invalid or
16 unconstitutional, the provisions not affected thereby shall continue to be in full force
17 and effect.

18

19 *Sec. 9. Repealing Clause.* – All laws, decrees, orders, rules and regulations or
20 parts thereof which are contrary to or inconsistent with the provisions of this Act are
21 hereby amended, repealed or modified accordingly.

22

23 *Sec. 10. Effectivity.* – This Act shall take effect immediately after fifteen (15)
24 days from its publication in the Official Gazette or in a newspaper of general
25 circulation.

Approved,