

2018

ANNUAL REPORT



LEAD, EXCEL, ADVOCATE AND PROSPER

LEAP @ 45

April 12 & 13, 2019

Crowne Plaza Manila Galleria, Ortigas Avenue corner Asian Development Bank Avenue,
Ortigas Center, Quezon City 1100, Metro Manila



VISION

A globally competitive Cooperative Insurance System

MISSION

To build a society whose stakeholders are fully protected and empowered through a viable and sustainable cooperative insurance system

VALUES

COMMITMENT TO RELIABILITY

Promoting a dependable cooperative insurance system where members enjoy guaranteed protection for their financial and welfare needs.

UNDER-PROMISE, OVER DELIVER

Empowering cooperatives and their members by going the extra mile to produce outstanding results that favor the insured and deliver beyond expectations.

MUTUAL PROSPERITY

Creating a cooperative insurance system that perpetuates mutual prosperity and financial fairness and responsibility to all parties.

EXCELLENT SERVICE

Delivering excellent and uncompromised service to its host communities and member cooperatives.

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- Insurance Commissioner
- Chairman of Cooperative Development Authority (CDA)
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- CEO of International Cooperative and Mutual Insurance Federation (ICMIF)
- Chairman of Asia and Oceania Association (AOA)
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- President of Oriental Life Insurance Seminar (OLIS)
- Chairman of 1CISP

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MALACAÑAN PALACE
MANILA



MESSAGE

My warmest greetings to the **1Cooperative Insurance System of the Philippines Life and General Insurance** as it holds its **45th Annual General Assembly**.

I commend your organization for leading the charge in ensuring that every Filipino will lead more prosperous and financially stable lives. May this gathering strengthen your commitment in rendering excellent and effective service for the improved welfare of your members.

I hope that you will continue to be our steadfast partner in nation-building by supporting a strong cooperative movement in the country. In solidarity, let us pave the way towards a more dynamic and equitable future for all.

I wish you a productive and insightful activity.

A handwritten signature in black ink, reading "Rodrigo Roa Duterte".

RODRIGO ROA DUTERTE

MANILA
12 April 2019



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



45TH ANNUAL GENERAL ASSEMBLY OF 1COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE

“LEAP @45: LEAD, EXCEL, ADVOCATE AND PROSPER”

Congratulatory Message

Longevity is rare in the insurance industry nowadays. Competition has grown tighter as ever, but only because everyone has gotten so much better. Standards have upgraded tremendously from what we had known ten, twenty years ago. Some implemented, revised and developed rules and requirements may have become stricter for the betterment of the industry.

This is why we are celebrating 1CISP's milestone today. Standing strong and overcoming challenges that had been thrown its way through the years, you have leaped above boundaries for forty-five (45) years.

It takes real dedication and sincere concern for the insuring public to be able to trample obstacles and attain success in the insurance industry, and I believe that this is what keeps 1CISP strong and sustainable.

On this note, I would like to extend my warmest congratulations to 1CISP, and the noble men and women behind it, for their unwarranted services to the insuring public. May every one of you continue to sustain the reliability and dignity of the insurance industry.

May 1CISP celebrate more years of success and greatness in the coming years!



DENNIS B. FUNA
Insurance Commissioner





Office of the President of the Philippines
COOPERATIVE DEVELOPMENT AUTHORITY

<http://www.cda.gov.ph> chairman@cda.gov.ph [Philippine Cooperators Page](#)

Central Office

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines



Warm Cooperative Greetings!

My heartfelt congratulations to 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) on your 45th Annual General Assembly with this year's theme: ***"Leap @45: Lead, Excel, Advocate and Prosper."***

It is really heartwarming to note that through the years, the 1CISP is purposely driven to look after the insurance, financial needs and welfare of the people in need particularly farmers, fisherfolks, labor unions, coop-groups, cooperative organizations and other ordinary individuals. I highly commend your advocacy of insuring mostly the underprivileged in the country, making them feel safe amidst various challenges and tribulations. This truly affirms that the spirit of Cooperativism is alive in you... and this is indeed an inspiration.

Cooperativism has come of age, not only as vehicle of development but as a tool of empowerment. It is a liberating force whose time has come and has proven to be the way in advancing social justice and economic development, being membersowned, value-based and sustainable.

With you, the Cooperative Development Authority (CDA) with 16 Regional Offices, is more inspired and committed to deliver our strong commitment to give voice to the cooperative sector, especially the ordinary workers and the community, whether they be in private sector or in the government, by providing a model of services and social enterprise that adhere to the universally accepted principles of Cooperativism.

Together, we will be catalyst of empowering people towards achieving sustainable and inclusive growth and social justice. We must now rectify a social wrong committed against the Filipino people. With our unity, we can truly advance Cooperativism for **people, planet, prosperity and peace**.

Mabuhay ang kooperatiba! Mabuhay ang 1 Cooperative Insurance System of the Philippines Life and General Insurance!

ORLANDO R. RAVANERA
Chairman



PIRA

Philippine Insurers
And Reinsurers
Association

M E S S A G E

On behalf of the Board of Trustees of the Philippine Insurers and Reinsurers Association (PIRA), allow me to extend my warmest congratulations and best wishes to the 1Cooperative Insurance System of the Philippines on its 45th General Assembly.

As the largest cooperative insurance organization in the country and one of the fastest-growing insurance cooperatives in the world, 1CISP is positioned to make a positive impact on the lives of millions of Filipinos, especially those most vulnerable to natural calamities such as farmers, fisherfolk and the underprivileged. Our countrymen in these sectors need insurance protection more than ever for the risks they face. It is reassuring to know that 1CISP, for four and a half decades now, remains to be a source of stability and security for them.

There is indeed great potential and promise in serving the most vulnerable. The phenomenal growth of your cooperative's assets in recent years is testament to this. I laud you for your admirable commitment to serve Filipinos at the grassroots level and trust that you will continue catering to them who are most often underserved.

May 1CISP prosper in the coming years and continue to be a trusted partner to many.

ALLAN R. SANTOS

Chairman
Philippine Insurers and Reinsurers
Association





Message for 1CISP 2018 Annual Report

The Philippine Life Insurance Association, Inc. (PLIA) congratulates the 1Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) on the occasion of its 45th Annual General Assembly on April 12-13, 2019.

PLIA salutes 1CISP for its four and a half decades of dedicated service to the Filipino people through the life and non-life insurance products it offers as instruments for sound financial planning and risk management, which it efficiently delivers through the cooperative distribution system.

The fact that 1CISP has been around for this long is a testimonial to the company's financial capacity, enduring relationship with its policyholders and the favorable view it continues to enjoy from the cooperative marketplace as an organization that can be trusted to fulfill its promises.

On behalf of the PLIA Board of Directors, I wish 1CISP more years of success and continued partnership with PLIA!

DR. OLAF KLIESOW
President





Congratulations to 1CISP for another fantastic year of delivering outstanding service to its cooperative members. There are not many insurers that double their premium income over a four year period and treble their assets in just two years.

This marvelous financial performance can only be achieved with the right leadership and team and in Roy Miclat you have an exceptional CEO whose vision is encapsulated in the LEAP@45 (Lead Excel, Advocate and Prosper) initiative. It is not just an acronym but it is a culture that is passionately delivered by all those I meet at 1CISP.

The support Roy gives to the ICMIF Young Leaders network is reflected in his own senior leadership team and the opportunities given to young leaders at 1CISP. If the growth and change in the last 5 years is anything to go by at 1CISP they will be a formidable organisation when they get to 50 years old.

Cooperatively yours,

Shaun Tarbuck
CEO, ICMIF

MESSAGE



As Chair of the Asia-Oceania Association (AOA) of the International Cooperative and Mutual Insurance Federation (ICMIF), it is my pleasure to congratulate the Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) on the occasion of its 45th Annual General Assembly.

Under the circumstances of global climate change and accompanying natural disasters in recent years, the existence of cooperative and mutual insurance organizations is indispensable for people to be independent and enjoy relieved lives. Therefore the role of the 1CISP in the Philippines is very important.

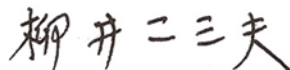
The 1CISP has provided its members with programs and services for protection and mitigation from various risks through insurance business, and has supported its members to improve the standard of living for many years. In addition, the 1CISP is a desired model and a leader of the AOA members due to the fact that prominent innovation has been carried out in recent years, as well as innovative management methods such as promotion of young staff to the management level.

This year, AOA celebrates 35th anniversary from the establishment in 1984. In the meantime, AOA has provided opportunities for strengthening partnership and sharing various experiences among members in Asia and Oceania region to support them for developing business in their markets. The 1CISP has always been an important partner who understands our purposes and activities since our establishment, while contributing to the development of cooperatives and cooperative insurance in Asia and Oceania region.

As a leader in the cooperative insurance market in the Philippines, we wish the 1CISP will continue to enjoy sustainable growth in the future, as well as many opportunities to celebrate its contribution to the growth of the cooperative sector and its members' happiness.

Once again, I would like to congratulate the 1CISP on its 45th Annual General Assembly.

Fumio Yanai
Chair

A handwritten signature in black ink, consisting of stylized Japanese characters: 柳井二三夫 (Yanai Fumio).

Asia and Oceania Association of the ICMIF



On behalf of the ICMIF Young Leaders Forum, I am pleased that 1CISP will be conducting a Young Leaders Program at the 2019 Annual General Assembly.

Developing and engaging young professionals is an important issue for all of the 200 cooperative and mutual insurance companies around the world that are part of ICMIF's membership. As an ICMIF member, we are delighted to hear of this initiative from 1CISP and hope it will help to develop the next generation of leaders within the cooperative sector in the Philippines.

The ICMIF Young Leaders Forum is a network of young professionals at ICMIF member companies and focuses on the professional and personal development of those that have been identified as future leaders within their organisations. The Forum allow young leaders to network, learn from and collaborate with peers from other cooperative organisations around the world, in order to help them develop their professional and leadership skills.

We are honoured that your colleague, Jackelyn P. Ballena, represents 1CISP as a member of the Young Leaders Forum. We hope her leadership will inspire other young professionals at 1CISP and other young co-operators in the Philippines.



Ben Telfer

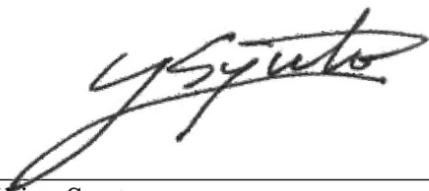
Co-ordinator of ICMIF Young Leaders
Vice-President, Business Intelligence, International Cooperative and Mutual Insurance Federations (ICMIF)



I have learned of the 45th Annual General Assembly of ICISP and salute your continuous effort and contribution to improve the quality of lives of people in the Philippines as well as the economic growth of the country.

Anywhere in the world now, insurance industries are undergoing significant changes thanks to regulatory changes, new wave of innovation driven by FinTech/InsurTech, or customer behavior changes, to name a few. As any insurance companies have so much on their plate, it is so important to evaluate each issue and find directions. With your company's 45 years of experiences and hard work, I am confident that you will find the right path to grow stronger and provide better services to the members and individuals insured by ICISP.

Once again, I congratulate you and all the members and employees of ICISP on this occasion. I hope your deliberations will bring the further advancement to the insurance industry in the Philippines for the years to come.



Yoshihiro Syuto

President

Oriental Life Insurance Cultural Development Center

Chairman's Message

Dear Shareholders,

As we celebrate 1CISP's 45 years of existence, we aim to inspire our member-owners through this year's General Assembly theme "LEAP: Lead, Excel, Advocate and Prosper". We, as a family, have successfully accomplished numerous feats through your continuous support and confidence in us. Determinedly, we will continue to strive as we *lead* in this exciting journey of reaching *excellence* as a globally competitive cooperative. We will *advocate* in providing the best insurance system to improve our services for 1CISP's cooperative members. All of this is solely directed towards our desired goal of having a cooperatively *prosperous* Philippines.

1 Cooperative Insurance System of the Philippines has conquered numerous trials. Going through uncertain phases in the past, we were able to recalibrate and stand even stronger. Through the improvement of its human resources program, the business has transcended expectations. The achievements of the cooperative proved the reliability and resiliency of its governing structure providing strong leadership principles and supported by a dedicated management group.

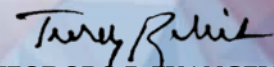
The year 2018 serves as 1CISP's year of breaking performance. Having a total asset of P 1.553 Billion in 2017, it now stands at P 2.565 Billion or a 65.2% increase. We produced a net surplus of 216.1 Million against last year's 160.5 Million or a 34.6% increase. 1CISP's paid-up capital increased to P1.263 Billion compared to last year's P951 Million for a 32.8% improvement. These are the results of your high trust and confidence in 1CISP.

Aside from our financial achievements, the Insurance Commission has approved 1CISP as a composite insurance provider. As a globally competitive cooperative, we were ranked as the 8th fastest-growing member under the life insurance category as recognized by the International Cooperative and Mutual Insurance Federation (ICMIF), the worldwide organization of insurance coops and mutuals. In similar fashion, we were ranked 17th in the fastest-growing ICMIF members for the emerging markets category.

The future plans of 1CISP are set and we are ready. As part of our continuous growth, we are now in the process of expanding our cooperative to help and reach more. Now, we are in the midst of adding talents to cater to the growing business. To provide reliability and more efficient service, we will continue to add 1CISP branches and satellite offices all over the Philippines. As part of 1CISP's plans, we aim to give assistance and share valuable knowledge through our social and educational programs. We want to set a "win-win" mentality amongst cooperatives. It will benefit, not only the cooperatives involved, but the whole movement.

We, 1CISP, will continue to deliver. We will continue to prosper, with focus on good governance, people management and sustainability. We can and we will conquer the future. Through your solid trust and commitment, we are on our way towards a prosperous Philippines.

Nasa Kooperatiba ang pag-asa. Sa patuloy na suporta at tiwala natin sa bawat isa, mananatili tayong positibo patungo sa masaganang kinabukasan. Mabuhay ang Kilusang Kooperatiba. Mabuhay ang 1CISP!



BGEN. TEODORO P. EVANGELISTA (Ret)
Chairman



1 MINUTES OF MEETING OF THE FORTY-FOURTH (44TH) ANNUAL GENERAL
2 ASSEMBLY/SHAREHOLDERS MEETING OF 1 COOPERATIVE INSURANCE SYSTEM OF THE
3 PHILIPPINES LIFE AND GENERAL INSURANCE (1CISP) HELD ON APRIL 14, 2018, AT ROYCE HOTEL
4 AND CASINO, CLARK, PAMPANGA

5
6 *Attendees*

- 7
8 1. Board of Directors
9 2. Members of the Election Committee
10 3. Members of the Audit Committee
11 4. Members of the Mediation & Conciliation Committee
12 5. Members of the Ethics Committee
13 6. Member-Cooperatives
14 7. 1CISP Officers, Staff and Marketing Agents
15 8. External Auditors
16 9. Guests
17

18 **PART I - REGISTRATION**

- 19
20 A. Registration of delegates and guests started at 8:00 a.m.
21 B. iMCoop Presentation by Ms. Lydia Canalija.
22

23 **PART II - OPENING PROGRAM**

- 24
25 A. Opening Prayer led by Mr. Edwin Buena.
26 B. National Anthem (music-guided)
27 C. Cooperative Pledge led by Ms. Nena Linda Magdasang of Avon Independent Managers MPC.
28 D. Singing of 1CISP Hymn
29 E. Audio Visual Presentation of the highlights of activities on April 13, 2018.
30 F. Acknowledgement of 1CISP member-shareholders, board of directors, top management and
31 guests by emcee Ms. Jacqueline Macabenlar.
32 G. Welcome Remarks

33 1CISP President, Mr. Roy S. Micalat, delivered the welcome remarks. On behalf of the Board of
34 Directors and management, he thanked all the delegates in coming all the way to Clark, Pampanga
35 to participate in the 44th Annual General Assembly. He said that everyone are not only proud
36 Filipinos but proud to be 1CISP as everybody were wearing the 1CISP G.A. shirt. This shows that
37 general assembly believed to be the great third path highlighting that a prosperous Philippines is
38 a Cooperative Philippines.
39

40 **PART III - BUSINESS PROPER**

41
42 **I. CALL TO ORDER**

43
44 Chairman BGen. Teodoro P. Evangelista (Ret), called the meeting to order at 09:54 a.m.
45

46 **II. PROOF OF DUE NOTICE**

47
48 As proof of due notice, Atty. Lyman Manzanares informed the general assembly that the member-
49 shareholders were duly notified on March 1, 2018 through the following modes: 1) announcement of
50 the holding of 44th Annual G.A. in the 1CISP website; 2) electronic announcement/emails and 3)
51 publication in the Philippine Star. All of these method satisfied the requirement of Sec. IV Art VI of the
52 1CISP By-laws which require that the "members entitled to vote must be duly notified of the holding
53 of a general assembly not later than 20 days thereof."
54
55

56 **III. DETERMINATION OF QUORUM**

57
58 Atty. Manzanares certified that there were 4,763,523 total number of shares which is equivalent to
59 77.46% of the 6,149,378 total capital shares of 1CISP being represented by 155 coop-members entitled
60 to vote who were present on the general assembly. Accordingly, a quorum was present to hold the 44th
61 Annual General Assembly.
62

63 **IV. APPROVAL OF THE AGENDA FOR THE 44TH ANNUAL GENERAL ASSEMBLY/
64 SHAREHOLDERS MEETING**

65
66 No other comments or questions was raised therein, Mr. Ramon L. Follosco of Sangguniang
67 Panlungsod MPC moved for the approval of the agenda and duly seconded by Mr. Danilo Tagalog of
68 Davao City Water District Employees MPC. Thus, the following Resolution was adopted, to wit:
69

70 **G.A. RESOLUTION NO. 01 S. 2018**

71
72 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED** that the agenda matters of
73 today's 44th Annual General Assembly/Shareholders Meeting of 1 Cooperative
74 Insurance System of the Philippines Life and General Insurance (1CISP), as
75 presented,
76

77 **BE, AS IT IS HEREBY, APPROVED.**
78

79 **V. CONSIDERATION/APPROVAL OF THE MINUTES OF THE 43RD ANNUAL GENERAL
80 ASSEMBLY/SHAREHOLDERS MEETING**

81
82 Considering that the Minutes of the 43rd Annual General Assembly were sent in advance to the
83 member-shareholders, Mr. Edwin Quisido of Iligan Cement MPC moved to dispense the reading of
84 the same. Likewise, Ms. Sally V. Vitug of Masisit Dacal Livelihood Cooperative moved for the approval
85 of the minutes of the 43rd Annual General Assembly held on April 8, 2017 and severally seconded.
86 Thus, the following Resolution was approved, to wit:
87

88 **G.A. RESOLUTION NO. 02 S. 2018**

89
90 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the member-
91 shareholders approved the minutes of the 43rd Annual General
92 Assembly/Shareholders Meeting of 1 Cooperative Insurance System of the
93 Philippines Life and General Insurance (1CISP) held on April 8, 2017, as presented,
94

95 **BE, AS IT IS HEREBY, APPROVED.**
96

97 **VI. MATTERS ARISING FROM THE MINUTES**

98
99 None was taken up.
100

101 **VII. CONFIRMATION OF THE BOARD RESOLUTIONS FOR THE YEAR 2017**

102
103 Atty. Manzanares informed the general assembly that there are one hundred forty-two (142) Board
104 Resolutions for the year 2017 wherein eight (8) resolutions pertain to insurance business, thirty-five
105 (35) resolutions pertain to cooperative business, twenty-three (23) resolutions pertain to board policies,
106 twelve (12) resolutions pertain to housekeeping and thirty-eight (38) resolutions pertain to human
107 resources and other related acts. The summary of all Board Resolutions for Calendar Year 2017 was
108 printed in the annual report. Accordingly, Mr. Gil Gilot of PERA MPC moved for their confirmation
109 by the general assembly duly seconded by Mr. Mario F. Jaraula of Amoros Farmers MPC. Thus, the
110 following Resolution was approved, to wit:
111

G.A. RESOLUTION NO. 03 S. 2018

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that all Resolutions adopted and/or approved by the Board of Directors for Calendar Year 2017, be confirmed and ratified,

BE, AS THEY ARE HEREBY, APPROVED.

VIII. CONSIDERATION/APPROVAL OF ANNUAL REPORTS

A. JOINT REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE YEAR 2017

With the aid of audio visual presentation, the joint report was presented to the general assembly. Its full text was printed in the Annual Report, highlights of which, are as follows:

- Assets Growth, Asset Quality, and Liquidity** - The remarkable growth of 1CISP resources in the last five years from 2013 to 2017, the highest annual growth was registered in 2014, at 73%, and the same growth rate happened in 2016. With a bigger base in 2016, our 2017 asset increase was at a lower clip of almost 49%, but is still way above the industry average growth rate.

Year	Total Assets (in mil)	Liquid Assets (in mil)
2017	1552.59	1399.31
2016	1040.30	963.66
2015	559.05	489.76
2014	400.76	343.67
2013	231.24	168.88

- Profitability** - From a net loss of P1.38 million in 2013, the net surplus increased to a robust P160.46 million in 2017. The ratio of admin costs, which consists of the salaries and benefits and other expenses versus the gross revenue, has improved substantially from 31% in 2013 to 12% in 2017. This proves the efficiency of the board of directors and management in managing the business, our business.

Item	In Million				
	2017	2016	2015	2014	2013
Gross Revenue	534.95	427.33	333.00	300.65	205.98
Cost and Expenses	374.49	311.32	244.19	238.63	207.36
Net Surplus	160.46	116.01	88.81	62.02	-1.38

From a negative bottom line in 2013, 1CISP made a huge turn-around in 2014. It continued posting remarkable bottom lines in the next three years as well, the highest of which was in the recent year, 2017, with a 31% profitability. With the remarkable performance of 1CISP in the last 4 years, prompted our shareholders to increase their capital contribution in 2017 which resulted to the decrease of our dividend rate and patronage/experience refund rate from 14% and 10.52% in 2016 to 12% and 9.39% in 2017.

Item	2017	2016	2015	2014
Profitability Rate	31%	27.2%	26.7%	20.6%
Dividend Rate	12%	14%	13.75%	13%
Patronage/Experience Refund Rate	9.39%	10.52%	8.86%	7.26%

149 3. **Expense distribution** – On the average, claims paid accounted for 46% of the total cost and
 150 expenses of 1CISP. Please note the increasing proportion of claims paid to total expenses, from
 151 43% in 2014 to 46% in 2015, to 50% in 2016 while it decreased to 45% in 2017.
 152

<u>Item</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Claims Paid	45%	50%	46%	43%
Salaries	10%	8%	8%	7%
Service Fee	22%	19%	20%	20%
Increase in Capital	14%	16%	19%	18%
Other Expenses	8%	7%	7%	12%

153
 154 4. **Stability** – RA No. 10607, otherwise known as the Amended Insurance Code of the Philippines,
 155 requires insurance companies to increase their net worth to P550 million by 2016, to P900 million
 156 by 2019 and P 1.3 billion by 2022. As of the end of 2017, the net worth of 1CISP is at P1.069 billion
 157 which is compliant to the required net worth as of the end of 2019. As a cooperative, 1CISP is
 158 considered compliant if its net worth amounted to 50% to what is set by law, or at P 450 million in
 159 2019 and P 650 million in 2022. As of the end of 2017, 1CISP already met the net worth requirement
 160 set for 2019 pursuant to RA No. 10607 even without the 50% set for cooperative insurance.
 161

<u>Item</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Worth	1069.27	698.9	318.28	250.46	64.52
Paid-up Capital	951.03	599.63	244.81	202.78	176.48

162
 163 5. **Membership Growth** – In 2013, there were 8 member-cooperatives that withdrew their
 164 membership from 1CISP. At that time, there were also member-cooperatives that ceased patronage
 165 and support. In 2014, 1CISP was able to recruit 48 new cooperatives that saw the opportunity in
 166 supporting our direction of “Renewing Itself through Efficiency and Good Governance”. In 2015,
 167 with the theme of “Sustaining Growth and Stability through Service Quality”, 1CISP attracted 51
 168 new member-cooperatives. And by 2016, with 1CISP embracing the theme of “Securing Lives...
 169 Securing Future,” 1CISP generated 82 new members. By 2017, 116 more cooperatives were invited
 170 in as new members, and, we are confident that with our aggressive campaign this year, there will
 171 be more coops coming in, in the next few months as we embrace our theme for this year’s general
 172 assembly, “Leadership and Innovation: Sustaining Growth, Empowering Communities”.
 173

174 As of December 31, 2017, 1CISP is owned and being patronized by a total of 2,821 member-
 175 cooperatives catering to a total of 922,157 individual members.
 176

177 6. **Human Resource Development** – In its continuous pursuit of excellence in Human Resource and
 178 in preparation for its expansion, 1CISP implemented a comprehensive and holistic program that is
 179 expected to enhance and build the capacity and capability of its personnel. A total of 49 seminars,
 180 workshops, and conferences, both domestic and international, were attended by the board of
 181 directors, department managers, supervisors, marketing personnel, and rank and file personnel to
 182 update and upgrade their knowledge and skills in their respective areas of operation.
 183

184 7. **Cooperative Social Responsibility (CSR)** – 1CISP strongly values community involvement, and
 185 therefore advocates programs that aim to improve the lives of individuals and the environment.
 186 The following are the various CSR activities conducted by 1CISP in 2017:
 187

- Group CSRs have been organized, wherein the employees of 1CISP have been divided into four groups with different CSR activities.
 - On October 12-13, 2017, one of the groups has visited an Aeta Community in Nabuklod, Pampanga. The team has arranged a feeding program and a seminar on maternity health and child mortality. Furthermore, medicines and school supplies have also been donated to the participants.

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- A medical mission has also been conducted on November 2 and 3, 2017 and the participants of this event were from Brgy. Tumana, Sta. Maria, Bulacan. The mission included a talk on health and sanitation, and disaster risk preparedness, as well as free check-ups, tooth extractions, and medicines for those who were present.
 - A Leadership Training workshop has been given by one of the groups to the senior high school students of Perez National High School in Perez, Quezon City on November 28 and 29, 2017. Ms. Jackelyn Ballena, the HR/OD Head of 1CISP, was the speaker for the workshop.
 - An HIV seminar has been conducted among 80 students of Krus na Ligas High School students on December 1, 2017. The topics included the prevention of HIV and how it's acquired. In addition, the CSR team has also donated food and supplies to the HIV patients of Hospicio de San Juan.
- A tree planting activity has been organized last September 23, 2017 in Tanay, Rizal, wherein the employees have planted a total of 700 seedlings.
 - 1CISP has also given a donation to Caritas Manila, Inc., an organization that helps send underprivileged youth to collage. This donation has enabled 1CISP to sponsor 12 students in 2017.
 - Finally, 1CISP has donated to Handog ng Pagmamahal Association Inc., Children's Joy Foundation, and Alay sa may mga Kapansanan Association, in three separate Christmas Caroling events on December 15, 19 and 20, wherein groups of kids and teenagers have sung Christmas Carols as a way of giving thanks to the company.
8. **Linkages and Network Building** – 1CISP continues to participate in the seminars/workshops being sponsored by The Foundation for the Advancement of Life and Insurance Around the world (FALIA) in Yokohama, Oriental Life Insurance Cultural Development Center, the Institute of Actuaries of Japan, International Cooperative and Mutual Insurance Federation (ICMIF) and International Cooperative Alliance (ICA). These exchanges of Directors, Officers and Personnel enabled us to learn from the experiences of participating countries and eventually gave us a better outlook in formulating the strategic course of 1CISP. Our partnership with Model Cooperative Network (MCN) in Mindanao expanded our reach and increased our network. MCN provided a total of 21 seminars/trainings/workshops to our member-cooperatives in Mindanao. The enhancement in the capacity and capability of the board of directors and employees of our member-cooperatives will assure the financial viability and sustainability and ensure continued service to their individual members. Our patronizing members get full subsidy while non-patronizing members get 50% subsidy. 1CISP has allocated the amount of P4 million to support the training program for 2017-2018. Lastly, 1CISP is an active member of the Philippine Life Insurance Association (PLIA), Home Office Life Underwriters Association of the Philippines (HOLUAP), People Management Association of the Philippines (PMAP), and Life Insurance Claims Association of the Philippines (LICAP). We actively participate in the various activities of these associations to learn the best practices in the insurance industry.
9. **Cooperative Health Management Federation (CHMF)** – The CHMF or “1 Coop Health” sustained its growth and expanded its reach as individual members’ enrollment increased to 23,843 coming from 81 member-coops in 2017 compared to 6,711 of 34 member coops in 2016. Barely three years in operation, but already made a remarkable growth of almost 6 times the no. of enrollment from its first year of operation. This resulted from our active support in marketing the products and services offered by 1 Coop Health. In 2017, 1CISP generated a total of P2.44 million as gross premium from the life and accident coverage of their 23,843 individual member-subscribers. We continuously assist 1 Coop Health in promoting its products and services as part of our commitment to provide affordable and quality risk protection and mitigation schemes for cooperatives.

250 10. **Non-life Insurance** – Merger of R&B Insurance Corporation with 1CISP is now in process pending
251 the release of the Insurance Commission of our license to operate as a composite insurance. We are
252 now strongly marketing non-life insurance products such as motor vehicle, fire, surety bonds, and
253 personal accident, including the hot-selling “Home Protect” – a personal accident cover that will
254 provide assistance in the event that the insured experienced fire and other calamities (e.g. flood,
255 earthquake). We were able to generate non-life premium of P51.96 million in 2017 from P20.14
256 million in 2016, from which 1CISP earned a service fee of P1.1 million. Part of the target of our
257 marketing team for 2018 is to generate non-life production of at least 20%.

258
259 11. **2017 Theme** – Last year’s theme, “People, Purpose, and Passion: Key to Continuous Growth and
260 Success”, recognized and appreciated the tireless effort and unparalleled drive of the Board of
261 Directors, Committees and Management to continuously improve and exceed expectations in
262 achieving organizational goals. The theme for 2018 is, “Leadership and Innovation: Sustaining
263 Growth and Empowering Communities”, highlights the two critical factors that will ensure the
264 continued growth and increase its impact on the communities where our member-cooperatives are
265 present. It is with conviction that 1CISP will always strive for excellence and continue to touch the
266 lives of Filipino cooperators.

267
268 **12. Other initiatives:**

- 269 • 1CISP together with the other big 3 coops in the country, FICCO, ACDI, and SDCC provided
270 financial assistance to support the operations of Philippine Cooperative Central Fund (PCF), a
271 federation based in Cebu City.
- 272 • 1CISP is also extending financial assistance through loans with minimal interest rate as our way
273 of support to coop members.
- 274 • 1CISP signed a Memorandum of Agreement with PCF in the compliance of RA 9510 also known
275 as the Credit Information System Act (CISA) of 2008 with the end goal of assisting our coop
276 members to comply with the mandate of the law.
- 277 • 1CISP purchased a 523.70sq.m. Lot in Quezon City where a 6-storey green building will be
278 constructed which will house our main office soon.
- 279 • 1CISP opened its first branch in Cagayan de Oro last quarter of 2017 although we are still
280 currently holding office in our existing field office, we will be transferring to our recently bought
281 building within this year. The branch will handle the operations in Regions 9, 10, and CARAGA.
- 282 • Merger of 1CISP with FICCO MBA was consummated in 2017 and we are in the process of
283 finalizing the merger of 1CISP with R&BIC. We are now waiting for the issuance by the Insurance
284 Commission on the license for 1CISP to operate as a composite insurance.
- 285 • Exploratory talks on merger has been revived with the top management of 1CISP and CLIMBS
286 on our dream of having only one coop insurance that will service the insurance needs of the
287 cooperative sector in the country. With our proven track record in the last four years, coupled
288 with our aggressive marketing campaign, we are confident that we can really bring 1CISP to
289 greater heights in the years to come and contribute in the achievement of our goal - “A
290 prosperous Philippines is a Cooperative Philippines”. Let us be one in achieving this ultimate
291 goal as our contribution in poverty reduction, wealth redistribution, and nation-building for our
292 country.

293
294 Consequently, Mr. Mario F. Jaraula of Amoros Farmers MPC moved for the approval of the joint report
295 duly seconded by Mr. Bartolome Barredo Sr. of Malaybalay City Employees MPC. Thus, the following
296 Resolution was approved, to wit:

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G.A. RESOLUTION NO. 04 S. 2018

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Joint Report of the Board of Directors and Management detailing the results of 1CISP operation for the Year 2017, as presented and discussed,

BE, AS IT IS HEREBY, APPROVED.

B. APPROVAL OF THE 2017 AUDITED FINANCIAL STATEMENTS

EVP/COO Ms. Cecilia M. Laguna, presented the 2017 Audited Financial Statements, printed in pages 45 to 87 of the Annual Report. She read the unqualified opinion of the independent auditor Reyes Tacandong & Co., presented the Balance Sheet, Statement of Operation, Changes in Equity and the cash flow. The highlights of the 2017 AFS are as follows:

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and Cash Equivalents	P 704,016,339	P 738,363,848
Short-term Investments	333,477,637	66,390,666
Insurance Receivables	13,241,718	42,501,854
Reinsurance Assets	19,653,111	12,732,185
Financial assets at cost	51,861,549	28,758,069
Fin. assets at fv through profit or loss	11,070,824	10,691,106
Loans and Receivables	22,913,362	4,848,806
<u>Other current assets</u>	<u>1,260,479</u>	<u>1,239,860</u>
Total Current Assets	1,157,495,019	905,526,394
Noncurrent Assets		
Loans Receivable	P 52,000,000	P -
Financial assets at cost	26,881,501	9,462,053
Financial Assets at amortized cost	258,759,083	109,989,453
Property and Equipment:		
At revalued amounts	38,946,133	9,150,000
At cost	18,504,879	6,175,088
<u>Total Noncurrent Assets</u>	<u>395,091,596</u>	<u>134,776,594</u>
TOTAL ASSETS	P 1,552,586,615	P 1,040,302,988
LIABILITIES		
Current Liabilities		
Insurance Contract Liabilities	P 279,171,020	P 215,055,995
Dividend and Patronage Refund Payable	159,625,907	105,944,535
Due to reinsurers	12,251,844	7,696,415
<u>Other Current Liabilities</u>	<u>27,202,391</u>	<u>10,097,834</u>
Total Current Liabilities	478,251,162	338,794,77
Noncurrent Liability		
<u>Net Retirement Liability</u>	<u>5,066,291</u>	<u>2,608,370</u>
TOTAL LIABILITIES	483,317,453	341,403,149
EQUITY		
Capital Stock	P 951,029,200	P 599,631,400
Contributed Surplus	85,298	85,298
Revaluation Surplus	6,150,000	6,755,702
Cum. unrealized gain on financial assets	-	858,151
Cum. remeasurement loss on ret. Liability	-	(6,234,760)

360	Statutory funds:		
361	General Reserve Fund	60,254,212	50,424,812
362	Optional Fund	27,537,282	22,723,521
363	Cooperative Educ. and Training Fund	12,361,449	17,006,807
364	Community Development Fund	11,851,721	7,648,908
365	Total Equity	1,069,269,162	698,899,839
366	TOTAL LIABILITIES AND MEMBER'S EQUITY	P 1,552,586,615	P 1,040,302,988
367			
368	REVENUE	2017	2016
369	Gross Premiums on Insurance Contracts	P 553,264,813	P 442,456,324
370	Reinsurer's share on of GP on ins. Contracts	(35,894,823)	(26,443,378)
371	Net Insurance Premiums	517,369,990	416,012,946
372	Interest Income	15,283,600	9,789,517
373	Other Income	2,295,748	1,532,170
374	TOTAL REVENUES	534,949,338	427,334,633
375	BENEFITS, CLAIMS AND EXPENSES		
376	Benefits and claims on insurance contracts	169,331,311	156,173,448
377	Increase in legal policy reserves	53,000,000	49,000,000
378	Salaries and benefits	37,469,229	26,323,092
379	Collection cost	51,988,873	35,524,172
380	Commission Expense	32,242,079	22,815,375
381	General and administrative expenses	27,175,770	19,174,999
382	Depreciation	3,283,367	2,309,515
383	Total Benefits, Claims and Expenses	374,490,629	311,320,601
384	NET SURPLUS	P 160,458,709	P 116,014,032
385			
386	ALLOCATION OF NET SURPLUS		
387	Dividend and patronage refund payable	131,243,029	87,553,064
388	General reserve fund	16,780,130	11,601,403
389	Optional Fund	4,813,761	5,258,162
390	Cooperative education and training fund	2,808,028	8,120,982
391	Community development fund	4,813,761	3,480,421
392		160,458,709	116,014,032
393			

394 Consequently, Ms. Marites M. Bartolome of Mariveles Public Market Development Cooperative moved
395 for the approval of the 2017 Audited Financial Statements, duly seconded by Mr. Vicente Rana of
396 Memorial Services Cooperative Federation. Thus, the assembly unanimously approved the 2017 AFS,
397 to wit:

398 **G.A. RESOLUTION NO. 05 S. 2018**

399
400 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the Audited Financial
401 Statements of 1 Cooperative Insurance System of the Philippines Life and General
402 Insurance (1CISP) for Calendar Year ended December 31, 2017, as presented to,
403 and discussed by, the General Assembly,

404
405 **BE, AS IT IS HEREBY, APPROVED.**

406
407 **C. APPROVAL OF THE AUDIT COMMITTEE REPORT FOR THE YEAR 2017**

408
409 Ms. Wilma L. Gidaya, Chairperson of the Audit Committee, presented the report of the committee
410 under page 88 of the Annual Report. The extent of their audit covered 1CISP's operations for year
411 2017, which includes but was not limited to audit of cash receipts, cash counts, and minutes of
412 meetings of the Board of Directors. She said that the Audit Committee had also discussed its audit
413 findings and recommendations to management which the latter already acted upon.

414 No objection or question was raised therein, hence, Mr. Vicente Rana of Memorial Services
 415 Cooperative Federation moved for the approval of the report of Audit Committee, duly seconded
 416 by Mr. Samson Cabrillos of Allied Services MPC. Thus, the following Resolution was approved, to
 417 wit:

418 **G.A. RESOLUTION NO. 06 S. 2018**

419 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the report of the Audit
 420 Committee on the financial and operations performances of the 1CISP for
 421 Calendar Year 2017, as presented and discussed,
 422

423 **BE, AS IT IS HEREBY ACCEPTED AND APPROVED.**

424 **D. PROPOSED BUDGET FOR THE YEAR 2018**

425 EVP/COO Laguna presented the Proposed Budget for Year 2018, as follows:
 426

	BUDGET 2017	ACTUAL 2017	VARIANCE	PROPOSED BUDGET 2018
<u>REVENUES</u>				
Gross Prem. on Ins. Contracts	505,000,000	553,264,813	48,264,813	719,300,000
Reinsurer's share of gross prem.	(22,000,000)	(35,894,823)	(13,894,823)	(46,700,000)
Net Insurance premiums	483,000,000	517,369,990	34,369,990	672,600,000
Investment Income	12,000,000	15,283,600	3,283,600	25,300,000
Other Income	2,000,000	2,295,748	295,748	1,100,000
	497,000,000	534,949,338	37,949,338	699,000,000
<u>BENEFITS AND EXPENSES</u>				
Increase (decrease) in LPR	50,000,000	53,000,000	3,000,000	67,300,000
Gross benefits and claims paid	172,000,000	169,331,311	(2,668,689)	220,200,000
Net Ins. benefits and claims	222,000,000	222,331,311	331,311	287,500,000
Commission	67,700,000	84,230,952	16,530,952	107,600,000
Compensation and Benefits	44,700,000	42,856,838	(1,843,162)	66,600,000
Utilities	4,800,000	3,156,005	(1,643,995)	4,700,000
Depreciation	3,300,000	3,283,367	(16,633)	9,000,000
Postage, Telephone & Telegram	2,300,000	1,802,005	(497,995)	2,500,000
Travelling Expenses	2,900,000	2,714,654	(185,346)	3,500,000
Prof. , Legal & Audit Fee	3,000,000	2,141,279	(858,721)	3,000,000
Printing, Stationery & Supplies	1,500,000	1,022,558	(477,442)	1,600,000
Officers Hon. and Allowance	1,200,000	1,937,225	737,225	2,500,000
Conference and Sales Meeting	2,900,000	2,586,111	(313,889)	2,800,000
Rep. and Entertainment	2,000,000	1,489,220	(510,780)	2,100,000
Mem. and Association Dues	1,000,000	410,837	(589,163)	1,000,000
Board Meeting Expenses	1,300,000	1,418,526	118,526	2,300,000
General Assembly Expenses	1,200,000	1,180,240	(19,760)	3,500,000
Provisions	1,200,000	-	(1,200,000)	1,000,000
Advertising/Donation Exp.	1,700,000	1,330,908	(369,092)	1,800,000
General and admin expenses	1,300,000	609,593	(690,407)	800,000
	366,000,000	374,501,629	8,501,629	503,800,000
<u>NET SURPLUS (LOSS)</u>	131,000,000	160,447,709	29,447,709	195,200,000

430 Mr. Cesar Usigan of Countryside Builders MPC raised his observation specifying that in the budget for
 431 2017 vs. 2018, there was an increase in the budget for the general assembly from P1.2 million to P3.5
 432 million. Chairman Evangelista explained that as 1CISP will now be conducting a two-day activity in
 433 celebrating its annual general assembly, it really demands additional cost depending on the venue and
 434

435 the resource speakers to be invited. The board and management treat this activity as an investment and
436 that the general assembly deserve the best and a good venue considering the result of its profitability.
437

438 Mr. Fred A. Picar of Xavier University Community Credit Cooperative also asked the basis for the
439 proposed budget. Chairman Evangelista replied that the proposed budget are projections. The board
440 and management spent a lot of time in discussing the budget for year 2018. Doing so, the budget will
441 normally and proportionally increase with respect to the revenues, additional manpower and its
442 strategic plan.
443

444 Ms. Nena Linda Magdasang of Avon Independent Managers MPC inquired the reason of exceeding
445 the budget for benefits and expenses for year 2017 from P366,000,000 with actual expenses of
446 P374,501,629. EVP/COO Laguna explained to the assembly that the major item that causes the increase
447 on the actual performance of 2017 versus the budget is the commission. She also added that as the
448 actual revenue exceeded beyond the target, the commission expense follows.
449

450 Mr. Frederico Blanco of San Francisco Government Workers MPC also asked if R&B Insurance
451 Corporation was included in the presented financial updates of 1CISP for year 2017. EVP/COO Laguna
452 clarified that it is not yet included in the financial data because the merger with R&B Insurance
453 Corporation is not yet consummated and still finalizing all the documentary requirements. With regard
454 to its performance for year 2017, the result of the operation is good and profitable.
455

456 Consequently, Mr. Mario F. Jaraula of Amoros Farmers MPC moved for the approval of the proposed
457 budget for year 2018 which was severally seconded. With that, the general assembly unanimously
458 approved the proposed budget. Thus, the following Resolution was adopted, to wit:
459

460 **G.A. RESOLUTION NO. 07 S. 2018**

461 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the proposed Budget for
462 Calendar Year 2018 as presented to, and deliberated on, by the General Assembly
463 of 1 Cooperative Insurance System of the Philippines Life and General Insurance
464 (1CISP),
465

466 **BE, AS IT IS HEREBY, APPROVED.**
467

468 **IX. APPROVAL OF DISTRIBUTION OF NET SURPLUS FOR THE YEAR 2017**
469

470 President Miclat presented the following allocation of net surplus for Calendar Year 2017:
471

472	NET SURPLUS		160,458,708.51	
473	General Reserve Fund	16,780,129.90		10.46%
474	Reserve for Education & Training	2,808,027.40		1.75%
475	Community Development Fund	4,813,761.26		3.00%
476	Optional Fund	4,813,761.26	<u>29,215,679.81</u>	3.00%
477	DISTRIBUTABLE SURPLUS		131,243,028.70	81.79%
478	APPROPRIATIONS:			
479	Patronage Refund		13,124,302.87	10.00%
480	Experience Refund		<u>35,435,617.75</u>	27.00%
481	Amount Available for Dividend		82,683,108.08	63.00%
482	For Preferred Shares	160,023,358.87	9,290,732.23	4% & 6%
483	For Common Shares	611,602,978.12	73,392,375.84	12.00%
484				
485				
486				
487				
488				

489 No question or comment was raised on the proposed allocation of net surplus, thus, Mr. Danilo Tagalog
490 of Davao City Water District Employees MPC moved for the approval of the aforesaid appropriations
491 as presented and discussed, which was severally seconded, thus, the following Resolution was
492 adopted, to wit:

493 **G.A. RESOLUTION NO. 08 S. 2018**

494
495 **WHEREAS**, as a result of the remarkable performance of 1 Cooperative Insurance
496 System of the Philippines Life and General Insurance (1CISP) on its operation for
497 Calendar Year 2017, its Audited Financial Statements recorded a net surplus of
498 **Php 160,458,708.51;**

499
500 **WHEREAS**, the Board of Directors in its financial report to the General Assembly
501 recommended for the approval of the Member-Shareholders the allocation of net
502 surplus which include statutory/mandatory reserves, land acquisition and
503 building improvement and/or construction, patronage refund, experience refund
504 and dividend for preferred and common shares,

505
506 **WHEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED,**
507 **AS IT IS HEREBY RESOLVED**, that 1CISP General Assembly approved the
508 abovementioned distribution of net surplus as presented and discussed and the
509 following appropriations for dividend, patronage refund, and experience refund
510 for the year ended December 31, 2017, to wit:

511
512 **RESOLVED FURTHER**, that the distribution of cash dividend to 1CISP member-
513 shareholders shall take effect immediately upon approval by the Insurance
514 Commission of the allocation of net surplus.

515
516 **BE, AS IT IS HEREBY, APPROVED.**

517
518 **X. APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2018**

519
520 On the recommendation of the Board and Management, Mr. Mario F. Jaraula of Amoros Farmers MPC
521 moved for the approval to retain the audit services of Reyes Tacandong & Co. as 1CISP's external
522 auditor for Calendar Year 2018, duly seconded by Mr. Vicente Rana of Memorial Services Cooperative
523 Federation, thus, the following Resolution was adopted, to wit:

524
525 **G.A. RESOLUTION NO. 09 S. 2018**

526
527 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that 1 Cooperative Insurance
528 System of the Philippines Life and General Insurance (1CISP), re-engage the audit
529 services of Reyes Tacandong & Co. as 1CISP Independent Auditors for Calendar
530 Year 2018,

531
532 **BE, AS IT IS HEREBY, APPROVED.**

533
534 **XI. APPROVAL OF FIVE-YEAR STRATEGIC PLAN (2018-2022)**

535
536 The Five-Year Strategic Plan for 2018 to 2022 was presented in a form of audio video presentation and
537 its texts were printed on pages 92 to 94 in the Annual Report. Chairman Evangelista explained that it
538 has been the practice of the board and management to review the strategic plans yearly and revised
539 the strategies based on the operating environment of 1CISP and how it will pursue the goals set therein.

540
541 Thereafter, Mr. Ramon L. Folloso of Sangguniang Panlungsod MPC moved for the approval of the
542 Five-Year Strategic Plan, duly seconded by Ms. Marciana Foryasen of Diffun Saranay Development
543 Cooperative.

544 With no further questions, the Assembly unanimously approved the Five-Year Strategic Plan for 2018
545 to 2022, thus, the following Resolution was adopted, to wit:
546

547 **G.A. RESOLUTION NO. 10 S. 2018**
548

549 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the Five Year Strategic
550 Plan for year 2018 to 2022 of 1 Cooperative Insurance System of the Philippines
551 Life and General Insurance (1CISP), as presented and discussed,
552

553 **BE, AS IT IS HEREBY, APPROVED.**
554

555 **G.A. RESOLUTION NO. 11 S. 2018**
556

557 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that 1CISP will establish a
558 new Head Office building, as presented and discussed,
559

560 **BE, AS IT IS HEREBY, APPROVED.**
561

562 **G.A. RESOLUTION NO. 12 S. 2018**
563

564 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that 1CISP will establish a
565 branch office in Cagayan de Oro, as presented and discussed,
566

567 **BE, AS IT IS HEREBY, APPROVED.**
568

569 **G.A. RESOLUTION NO. 13 S. 2018**
570

571 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that 1CISP will establish
572 branch offices in North Luzon, as presented and discussed,
573

574 **BE, AS IT IS HEREBY, APPROVED.**
575

576 **G.A. RESOLUTION NO. 14 S. 2018**
577

578 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that 1CISP will establish a
579 branch office in Davao City, as presented and discussed,
580

581 **BE, AS IT IS HEREBY, APPROVED.**
582

583 **G.A. RESOLUTION NO. 15 S. 2018**
584

585 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that 1CISP will establish a
586 branch office in Cebu City, as presented and discussed,
587

588 **BE, AS IT IS HEREBY, APPROVED.**
589

590 **G.A. RESOLUTION NO. 16 S. 2018**
591

592 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that 1CISP will establish
593 branch office in South Luzon, as presented and discussed,
594

595 **BE, AS IT IS HEREBY, APPROVED.**
596
597
598
599

600 **XII. PRESENTATION OF ELECTION GUIDELINES**

601

602 Mr. Danilo M. Capili, Chairperson of the Election Committee (ELECOM), informed the general
603 assembly that copies of the Election Guidelines for the 44th Annual General Assembly together with
604 the invitation and other pertinent documents were sent through electronic communications and
605 courier. Thus, Mr. Capili sought for a motion to dispense the reading of the election guidelines.

606 Accordingly, Mr. Reynaldo Garcia of Coops for Christ-Batangas MPC moved to dispense the reading
607 of the election guidelines, which was severally seconded. No question or objection was raised therein,
608 thus, the assembly unanimously adopted the following Resolution, to wit:

609

610

G.A. RESOLUTION NO. 17 S. 2018

611

612

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that 1CISP member-
613 shareholders approved the proposed Election Guidelines for the 44th Annual
614 General Assembly/Election of Officers, as presented,

615

616

BE, AS IT IS HEREBY, APPROVED.

617

618 **XIII. ELECTION OF BOARD OF DIRECTORS AND COMMITTEE MEMBERS**

619

620 Mr. Capili announced the election for the following vacant positions:

621

- 4 Regular Members of the Board of Directors
- 1 Independent Member of the Board of Directors
- 3 Members of the Audit and Inventory Committee
- 3 Members of the Election Committee

622

623

624

625

626 As part of good governance, the general assembly appointed three members as independent observers
627 for the election, namely: Ms. Hyasmin Ruth June C. Azarcon of DMPI Employees Agrarian Reform
628 Beneficiaries Cooperative, Ms. Jarelyn G. Tolosa of City Hall Employees MPC and Mr. Noel Altamirano
629 of UPLB Credit and Development Cooperative. The independent observers will check the electronic
630 voting system and computers that will be used during the election to ensure that they are free from
631 error and human intervention, as well as the voting results.

632

633 Mr. Capili inhibited his position as Chairperson of the ELECOM for he was a candidate and running
634 for the position of new set of members of the ELECOM. He turned over the floor to Mr. Frederico
635 Blanco, also a member of the committee, to be the Acting Chairperson of the ELECOM.

636 Then, Mr. Blanco requested the presence of the remaining member of the ELECOM, Ms. Karen Ann
637 Balbuena. Thereafter, Mr. Blanco convened the ELECOM and announced the qualified candidates:

638

639 For Regular Members of the Board of Directors:

640

Name	Cooperative/Organization Represented
1. Bacani, Senen C.	Peace and Equity Foundation
2. Evangelista, Teodoro P.	ACDI Multipurpose Cooperative
3. Magabilen, Imelda S.	USPD Savings and Credit Cooperative/USPD MPC
4. Sayo, Antonio L.	Philippine Chamber of Commerce and Industry
5. Que, Benjamin T.	First Community Cooperative

641

642 For Members of the Election Committee:

Name	Cooperative/Organization Represented
1. Allaga, Alfred T.	Agdao Multipurpose Cooperative
2. Capili, Danilo M.	Parole and Probation Administration MPC
3. Manlangit, Roger R.	Barangka Credit Cooperative

643

644

645 For Members of the Audit and Inventory Committee:

Name	Cooperative/Organization Represented
1. Canuel, Joel L.	Kampilan MPC
2. Gidaya, Wilma L.	Immaculate Conception Parish Development Cooperative

646
647 Mr. Blanco informed the general assembly that there must be three (3) candidates to complete the Audit
648 and Inventory Committee but there were only two (2) who filed their candidacy which resulted to one
649 vacant position. Under the By-Laws, when there is a vacancy, the Board of Directors will appoint a
650 member of the particular committee.

651
652 Mr. Blanco also stated that there is one (1) who filed a candidacy for the position of Independent
653 Director. But after careful scrutiny of his/her candidacy, it has been disqualified due to lacking of
654 eligibility requirements. In this case, he declared vacancy for the said position.

655
656 Before the election, the candidates gave a brief overview about themselves stating their purpose for
657 running for their desired position to the general assembly. On the other hand, one of the candidate,
658 Mr. Antonio L. Sayo announced and overturned his candidacy to the general assembly for the reason
659 that he has been very busy working with the Philippine Chamber of Commerce and Industry and still
660 have a lot of work to do. He said that he was not yet ready to serve for 1CISP for the meantime but
661 hoping to have an opportunity to work with 1CISP in the near future.

662
663 Prior to the conduct of the election, the independent observers checked first the voting system and the
664 computers to be used. Thereafter, the election of Board of Directors and Committees took place.

665
666 **XIV. ANNOUNCEMENT OF ELECTION RESULT BY THE ELECOM**

667
668 After an hour, the ELECOM announced and the result of the election, as follows:

669
670 **Regular Members of the Board of Directors**

671 1. BGen. Teodoro P. Evangelista (Ret)	1,837,321
672 2. Imelda S. Magabilen	1,179,808
673 3. Senen C. Bacani	1,065,745
674 4. Benjamin T. Que	998,475
675 5. Antonio L. Sayo	34,867

676
677 **Regular Members of the Election Committee**

678 1. Alfred T. Allaga	1,746,236
679 2. Danilo M. Capili	1,720,021
680 3. Roger R. Manlangit	1,649,959

681
682 **Regular Members of the Audit & Inventory**

683 1. Wilma L. Gidaya	2,605,359
684 2. Joel L. Canuel	2,510,857

685
686 Therefore, based on the foregoing the following are hereby declared winners and will assume their
687 post as **REGULAR MEMBERS OF THE BOARD OF DIRECTORS** for a period of two (2) years, to
688 wit:

- 689 **1. Teodoro P. Evangelista (Ret)**
690 **2. Imelda S. Magabilen**
691 **3. Senen C. Bacani**
692 **4. Benjamin T. Que**

693
694
695

696 Therefore, based on the foregoing the following are hereby declared winners and will assume their
697 post as **REGULAR MEMBERS OF THE ELECTION COMMITTEE**, to wit:

- 698 1. **Alfred T. Allaga**
- 699 2. **Danilo M. Capili**
- 700 3. **Roger R. Manlangit**

701
702 Therefore, based on the foregoing the following are hereby declared winners and will assume their
703 post as **REGULAR MEMBERS OF THE AUDIT & INVENTORY**, to wit:

- 704 1. **Wilma L. Gidaya**
- 705 2. **Joel L. Canuel**

706
707 After the proclamation of winners, Mr. Blanco turned over the floor to Chairman Evangelista.
708

709 **XV. NEW BUSINESS**

710 Chairman Evangelista asked Atty. Manzanares if there are unfinished or new business.

711
712
713 Atty. Manzanares replied that there is only one new business and called the attention of Mr. Harold P.
714 Cortez of Sta. Cruz Savings and Development Cooperative to raise his concern to the general assembly.
715

716 Mr. Cortez first expressed his gratitude for being part of the 44th Annual General Assembly of 1CISP.
717 He emphasized and highlighted the role of youth as the source of sustainability and threshold of
718 competitive advantage. Thus, he proposed to have a congress involving the youth in the governance
719 for them to meet and gear up towards leadership and innovation with the theme sustaining growth
720 and empowering communities.
721

722 Thereafter, Chairman Evangelista acknowledged the proposal of Mr. Cortez and believed that the
723 youth can be the source of sustaining the operation. He even stated that the activity for the 44th Annual
724 General Assembly was intended for the young leaders of the cooperatives and as part of the succession
725 planning. He said that anything that will help 1CISP towards the goal of sustaining the business
726 including the proposal of Mr. Cortez will be discussed and considered it as one of the program for this
727 coming year.
728

729 **XVI. ADJOURNMENT**

730 With no other matters to be discussed, the assembly meeting was adjourned at 2:00 p.m.
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Certified True and Correct:


ATTY. LYMAN A. MANZANARES
Co-operative Secretary

741 Attested:

742
743
744 
745
746 **BGEN. TEODORO P. EVANGELISTA (RET)**
747 Chairman

**1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP)
Summary of Approved Board Resolutions for Calendar Year 2018**

Date	Board Resolution No.	Particulars
05 Jan 2018	001	Approval of agenda.
	002	Approval of opening of bank account for the branch in Cagayan de Oro.
26 Jan 2018	003	Approval of the Audited Financial Statements of 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) for the year 2017.
	004	Approval of the allocation of distributable net surplus for the year 2017.
	005	Approval to include all the members of the committees in granting a productivity incentive.
	006	Approval of agenda.
	007	Approval of minutes of meeting held on December 8, 2017 and January 5, 2018.
	008	Approval of budget of 1CISP for the year 2018.
	009	Approval of Election Guidelines for 1CISP 44 th Annual General Assembly.
	010	Approval of report of Investment and Credit Committee.
	011	Approval of recommendation of the Personnel and Remuneration Committee.
	012	Approval of updating of official signatories and change of name to 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) to all its depository accounts.
	013	Approval of updating of official signatories and change of name to 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) to Bureau of Internal Revenue (BIR).
	014	Approval of withdrawal of share capital of PNP Lakas Tulungan MPC with 1 CISP.
	015	Approval of creation of Gender and Development Committee.
	016	Approval of investment of 1CISP to 1 Coop Health Service Metro Cagayan Coop Federation.
	017	Approval of additional investment of 1CISP to ACDI MPC in the amount of P100 Million.
22 Feb 2018	018	Approval of agenda.
	019	Approval of minutes of meeting held on January 26, 2018.
	020	Acceptance of President's Report.
	021	Approval of 1CISP Five-Year Financial Projection.
	022	Approval of management's action plan on the report of External Auditor.
	023	Approval of Annual Report design.
	024	Approval of additional investment of 1CISP to Philippine Cooperative Central Fund Federation (PCF) in the amount of P10 Million.
	025	Approval of additional investment of 1CISP to ACDI MPC in the amount of P50 Million.
	026	Approval of 2018 international trainings and participants.
	027	Approval of salary for EVP/COO and VPs.
	028	Approval of establishment of 1CISP satellite office in Palawan and appointment of Mr. Roy S. Miclat as the authorized representative.
	029	Approval of the appointment of the following employees in compliance to

		the data privacy act: Ms. Sarah Mae C. Buksh as Data Privacy Officer and Mr. Michael R. Navarette as Personal Information Controller & Personal Information Processor.
	030	Appointment of Dir. Nestor D. Ortigoza as the official representative in the General Assembly of Cooperative Bank of Palawan on March 17, 2018.
	031	Appointment of Dir. Armen A. Cuenca as the official representative in the General Assembly of Banco Cooperativa de Zamboanga on April 9, 2018.
	032	Approval of designation of Customer Service Associates (CSAs) to represent 1CISP in the administrative process of change of name from CISP to 1CISP.
21 Mar 2018	033	Approval of agenda.
	034	Approval of minutes of meeting held on February 22, 2018 and acceptance of President's Report.
	035	Approval of individual share for all employees, officers and committees who will be joining the team building.
	036	Approval of 1CISP's transfer of coop bank accounts from savings to time deposit.
	037	Appointment of 1CISP official representatives in attending the general assembly of various cooperatives: March 24, 2018 Metro Manila Savings Cooperative (MMSA) in Quezon City attended by the management; April 7, 2018 Consolidated Cooperative Bank (CCB) in Digos City represented by Dir. Raymond Joseph L. Salvador; May 19, 2018 Cooperative Bank of Negros Oriental (CBNO) in Dumaguete City represented by Dir. Raymond Joseph L. Salvador; May 5, 2018 Philippine Cooperative Central Fund Federation (PCF) in Cebu City represented by Dir. Rolan F. Literatus.
	038	Approval of P20 Million placement as equity investment with Mr. Melvin Rivera.
	039	Approval of Annual Merit Increase for 1CISP Employees.
	040	Approval of participation of the 1CISP Officers in the East Asian Insurance Congress on May 6-9, 2018: BGen. Teodoro P. Evangelista (Ret), Dir. Benjamin T. Que, Dir. Rolan F. Literatus, Roy S. Miclat and Armando Gutierrez Jr.
	12 Apr 2018	041
042		Designation of Ms. Gelizabeth Cabuhat as the alternate cooperative secretary for the GA Proper.
043		Granting of productivity incentive upon reaching the net income target for the year.
044		Appointment of Dir. Salvador and Dir. Literatus to attend the PCF Regular Board Meeting on April 20, 2018 in Bacolod City.
14 Apr 2018	045	Appointment of the following directors as Chairperson and Vice-Chairperson of the Board, respectively: Dir. BGen. Teodoro P. Evangelista (Ret) as Chairperson and Dir. Imelda S. Magabilen as Vice-Chairperson.
	046	Appointment the following officers, to wit: Atty. Lyman A. Manzanares as Co-operative Secretary and Ms. Leonila R. Medina as Treasurer.
	047	Re-appointment of Mr. Roy S. Miclat as President & CEO and Cecilia M.

		Laguna as EVP & COO.
	048	Appointment of Chairman Teodoro P. Evangelista (Ret) as the official representative in the General Assembly of Cooperative Health Management Federation on May 17, 2018 in Cebu City.
27 Apr 2018	049	Approval of agenda.
	050	Approval of minutes of meeting held on March 21, 2018.
	051	Approval of new Board Committee Membership.
	052	Appointment of official representatives in attending the PCF Board Workshop and Special Board Meeting and General Assembly on May 4-5, 2018 in Cebu City, to wit: Chairman Teodoro P. Evangelista (Ret), Dir. Rolan F. Literatus and Mr. Roy S. Miclat.
	053	Appointment of official representatives in attending the CODIS Federation of Co-operatives and NCM Advocacy Co-operative Workshop "A Reflection on the Fundamentals and Ideals of Co-operatives" on May 7-8, 2018 in Tagaytay City, to wit: Dir. Raymond Joseph L. Salvador, Dir. Nestor D. Ortigoza and Dir. Armen A. Cuenca. Approval of P100,000.00 donation to CODIS Federation of Co-operatives in support to the said activity.
	054	Appointment of Ms. Leonila R. Medina as official representative in attending the PHILAC Service Cooperative 22 nd General Assembly on May 25, 2018 in Quezon City.
	055	Appointment of official representatives in attending the Network Consolidated Cooperative Bank (NCCB) 4 th General Assembly on June 2, 2018 in Roxas City, to wit: Dir. Nestor D. Ortigoza and Mr. Roy S. Miclat.
	056	Appointment of Chairman Teodoro P. Evangelista (Ret) as official representative and run for the position of Board of Directors in the Philippine Cooperative Center (PCC) 20 th General Assembly on June 27-29, 2018 in Iloilo City.
	057	Appointment of official representatives in attending the 14 th National Cooperative Summit on October 3-5, 2018 in Davao City, to wit: Chairman Teodoro P. Evangelista (Ret), Dir. Benjamin T. Que, Dir. Senen C. Bacani, Dir. Rolan F. Literatus, Dir. Raymond Joseph L. Salvador, Mr. Roy S. Miclat and Ms. Cecilia M. Laguna. Approval of Platinum Sponsorship Package amounting to P500,000.00 in support to the said activity.
	058	Appointment of Mr. Roy S. Miclat, President, to be the official representative and Mr. Cipriano O. Maan, Financial Advisor as alternate representative to the General Assembly of Metro South Cooperative Bank (MSCB) on May 12, 2018 in Mandaluyong City.
	059	Approval of withdrawal of capital of CB Nueva Vizcaya with 1CISP.
25 May 2018	060	Approval of agenda.
	061	Approval of minutes of meeting held on April 12, 2018; April 14, 2018 and April 27, 2018.
	062	Approval of the increase in 1CISP's credit card limit from P300,000 to P500,000.
	063	Appointment of Dir. Nestor D. Ortigoza to check for necessary

		requirements in relation to acquisition of the Davao property and make an initial negotiation with the owner.
	064	Approval of updating of signatories to BDO Unibank Inc. – Trust and Investments Group and BDO Private Bank, Inc. – Wealth Advisory & Trust Group.
	065	Approval of additional share capital of 1CISP to the following, to wit: 1. Cooperative Health Management Federation (CHMF) – P4 Million 2. Metrosouth Cooperative Bank (MSCB) – P498,777.44 3. Ilocos Consolidated Cooperative Bank (Ilocos CCB) – P1 Million 4. Banco Cooperativa de Zamboanga (BCDZA) – P1 Million
	066	Approval of expenditures to be shouldered by 1CISP for Dir. Nestor D. Ortigoza and Dir. Armen A. Cuenca in attending a board meeting to CB Palawan and Banco Cooperativa de Zamboanga.
	067	Appointment of President Roy S. Miclat to be the official representative of 1CISP in the signing of the memorandum of understanding of UnionBank and 1CISP Tech up Movement.
26 Jun 2018	068	Approval of agenda.
	069	Approval of minutes of meeting held on May 25, 2018
	070	Designation of Dir. Armen A. Cuenca as the Chairman of the Bidding Committee, Dir. Benjamin T. Que and Dir. Rolan F. Literatus as members.
	071	Approval to authorize Vice-Chairperson Imelda S. Magabilen and Dir. Nestor D. Ortigoza to negotiate on the acquisition of the Davao Property.
	072	Approval of budget amounting to P147 Million for the construction of 1CISP green building.
	073	Appointment of Iwahori Multi-Purpose Cooperative to be part and one of the Independent Directors of 1CISP with a term of two years.
	074	Appointment of AMLA Compliance Officers: Ms. Cecilia M. Laguna as principal compliance officer and Ms. Sarah Mae C. Buksh as alternate compliance officer.
	075	Approval of loan application of Medical Mission Group Puerto Princesa amounting to P60 Million.
	076	Approval of additional share capital of 1CISP to Bataan Cooperative Bank amounting to P5 Million.
	077	Approval of withdrawal of share capital of NIA Saug Employees & Irrigators MPC.
	078	Approval of legal action to an employee.
	079	Approval of legal action to an agent.
080	Approval of hiring of Ms. Sylvia R. Quinesio as VP for Marketing.	
26 Jul 2018	081	Approval of agenda.
	082	Approval of minutes of meeting held on June 26, 2018
	083	Approval of application of 1CISP to act as a surety to government transactions.
	084	Acceptance of President’s Report.
	085	Approval for RonMark Construction as contractor of the new 1CISP Building.
	086	Approval of business partnership of 1CISP to MySolid Group Tech (MyPhone).
	087	Approval of acquisition of the Davao Property amounting to P27 Million net.
	088	Approval of change of name from Cooperative Insurance System of the Philippines to 1 Cooperative Insurance System of the Philippines Life and

		General Insurance (1CISP) and update of signatories to BDO Retirement Fund.																		
		Approval of proposed investments of 1CISP to various institutions:																		
	089	<table border="1"> <thead> <tr> <th><u>Institution's Name</u></th> <th><u>Particulars</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>Eastwest Bank</td> <td>TD</td> <td>P20 Million</td> </tr> <tr> <td>Eastwest Bank</td> <td>Super Saver-Savings</td> <td>P10 Million</td> </tr> <tr> <td>Chinabank Savings</td> <td>TD</td> <td>P20 Million</td> </tr> <tr> <td>Amalgated</td> <td>Fixed-rate bond</td> <td>P10 Million</td> </tr> <tr> <td>BDO Credit Card</td> <td>--</td> <td>P300,000.00</td> </tr> </tbody> </table>	<u>Institution's Name</u>	<u>Particulars</u>	<u>Amount</u>	Eastwest Bank	TD	P20 Million	Eastwest Bank	Super Saver-Savings	P10 Million	Chinabank Savings	TD	P20 Million	Amalgated	Fixed-rate bond	P10 Million	BDO Credit Card	--	P300,000.00
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BDO Credit Card	--	P300,000.00																		
	090	Approval of loan application of Adventurers MPC amounting to P150 Million.																		
	091	Approval of additional loan application of Capiz Provincial MPC amounting to P2 Million.																		
	092	Approval of additional investment to Philippine Cooperative Central Fund (PCF) amounting to P75 Million.																		
	093	Approval of additional share capital of 1CISP to Cooperative Bank of Palawan amounting to P23 Million.																		
	094	Approval of amendments on the Credit Assistance Policy.																		
	095	Approval of continuous partnership with Geiser Maclang with a cost amounting to P3 Million covering a one-year program for 1CISP.																		
	096	Approval of revised organizational structure of 1CISP.																		
	097	Approval of purchase of 1CISP new service vehicle.																		
30 Aug 2018	098	Approval of agenda.																		
	099	Approval of minutes of meeting held on July 26, 2018.																		
	100	Acceptance of President's Report.																		
	101	Approval of awarding of bids to PARV Engineering Services with a cost of P16,777,051.99.																		
	102	Approval of application of the 1CISP before the Philippine Supreme Court for accreditation and authority to transact business involving surety bonds for criminal and civil cases.																		
	103	Approval of accreditation of 1CISP as partner insurance provider of Toyota Commonwealth.																		
	104	Approval of donation of 1CISP to CHMF in the amount of P3 Million for the purchasing a 3 units of mobile clinic to be installed in Cebu and Cagayan de Oro.																		
	105	Approval of Directors and Officers Liability Insurance to be provided by the Malayan Insurance.																		
	106	Designation of Ms. Sarah Mae C. Buksh as authorized representative and Mr. Anton Gerald Castillo as alternate representative in all government transactions.																		
	107	Approval of the proposed amendments to Articles of Cooperation and By-Laws.																		
	108	Approval to support Ms. Ballena wherein 1CISP will shoulder 50% of her airfare and the other 50% will be shouldered by AOA as she attends the meeting on November 2018 in Finland.																		
	109	Approval of participation of the following 1CISP Officers in the upcoming AOA Seminar in Hongkong on December 6-7, 2018: Chairman BGen. Teodoro P. Evangelista (Ret), Dir. Imelda S. Magabilen, Dir. Marilou R. Almario, Mr. Roy S. Miclat and Ms. Jackelyn P. Ballena.																		
	110	Approval of living wage salary adjustment.																		

28 Sep 2018	111	Approval of agenda.																		
	112	Approval to amend the donation to Cooperative Health Management Federation (CHMF) from P3 Million to P6 Million for the purchase of two (2) mobile clinics and will be charged to Community Development Fund (CDF).																		
	113	Approval of minutes of meeting held on August 30, 2018.																		
	114	Acceptance of President's Report.																		
	115	Approval of authorization to President, Mr. Roy S. Miclat to lead the development of 1KoopMart concept and that 1CISP can give a maximum capitalization of 20%.																		
	116	Approval of cancellation of acquisition of the Davao Property.																		
	117	Approval of proposed investments of 1CISP to various institutions: Time Deposit- Union Bank P10 Million Account Opening - Union Bank P10 Million Credit Card - Security Bank P300,000.00																		
	118	Approval of loan application of Ms. Rose Martinez, Agency Manager of CARAGA Region amounting to P2.2 Million payable in 5 years.																		
	119	Approval of additional investment of 1CISP for Banco Cooperativa de Zamboanga in the amount of P5 Million share capital.																		
	120	Approval of proposed Birthday Leave for regular employees.																		
	121	Approval of proposed allowance for Marketing Agents.																		
	122	Approval of 1CISP and RBIC Audit Proposal from Reyes Tacandong & Co wherein a service fee of P750,000.00 for 1CISP and P250,000.00 for RBIC.																		
	25 Oct 2018	123	Approval of agenda.																	
124		Approval of minutes of meeting held on September 28, 2018.																		
125		Approval to continue accepting shares and will be placed under deposit for future subscription.																		
126		Approval of Her Design Studio to be the Interior Designer for the new 1CISP building with a total contract price of P1,275,000.00.																		
127		Approval of proposed investments of 1CISP to: <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">COOPERATIVE</th> <th style="text-align: left;">NATURE</th> <th style="text-align: left;">AMOUNT</th> </tr> </thead> <tbody> <tr> <td>National Teachers & Employees CB</td> <td>Time Deposit</td> <td>P10 Million</td> </tr> <tr> <td>National Teachers & Employees CB</td> <td>Share Capital</td> <td>P1 Million</td> </tr> <tr> <td>National Teachers & Employees CB</td> <td>Opening of Account</td> <td>---</td> </tr> <tr> <td>Watchlife Workers MPC</td> <td>Time Deposit</td> <td>P10 Million</td> </tr> <tr> <td>BDO-Anonas</td> <td>Savings/Checking</td> <td>---</td> </tr> </tbody> </table>	COOPERATIVE	NATURE	AMOUNT	National Teachers & Employees CB	Time Deposit	P10 Million	National Teachers & Employees CB	Share Capital	P1 Million	National Teachers & Employees CB	Opening of Account	---	Watchlife Workers MPC	Time Deposit	P10 Million	BDO-Anonas	Savings/Checking	---
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BDO-Anonas	Savings/Checking	---																		
128	Approval of proposed concept for the 45 th Annual General Assembly to be held on April 12-13, 2019 in Metro Manila with a theme: LEAP @45 Lead, Excel, Advocate and Prosper.																			
129	Approval of withdrawal of preferred shares of Himamaug Agra Credit Organization.																			
09 Nov 2018	130	Approval of agenda.																		
	131	Approval of the interior design for the new 1CISP building.																		
	132	Approval of loan application of 1CISP to CCB amounting to P125 Million																		
	133	Approval of proposed preparations, activities, venue, budget, designs and updates for the 45 th annual general assembly except for the annual report design.																		
	134	Approval of cash gift for the management, members of the Board,																		

		Treasurer, Coop Secretary, marketing personnel and committee members.												
	135	Approval of scholarship program for 1CISP employees and the granting of scholarship to Sarah Mae C. Buksh.												
	136	Approval of new marketing structure.												
11 Dec 2018	137	Approval of agenda.												
	138	Approval of minutes of meeting held on October 25, 2018.												
	139	Approval of minutes of meeting held on November 9, 2018.												
	140	Approval of establishment of satellite office in Bacolod City.												
	141	Approval of proposed investments of 1CISP to the cooperatives and institution: <table border="0"> <thead> <tr> <th style="text-align: left;">Cooperative</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>1. Leyte Area MPC</td> <td style="text-align: right;">P2 Million</td> </tr> <tr> <td>2. Camsur Multi-Purpose Cooperative</td> <td style="text-align: right;">P2.4 Million</td> </tr> <tr> <td>3. PNP Rainbow MPC</td> <td style="text-align: right;">P5 Million</td> </tr> <tr> <td>4. Dumalag Public School Teachers & EMPC</td> <td style="text-align: right;">P3 Million</td> </tr> <tr> <td>5. Cooperative of Agrarian Reform Employees of Surigao (CARES)</td> <td style="text-align: right;">P500,000.00</td> </tr> </tbody> </table>	Cooperative	Amount	1. Leyte Area MPC	P2 Million	2. Camsur Multi-Purpose Cooperative	P2.4 Million	3. PNP Rainbow MPC	P5 Million	4. Dumalag Public School Teachers & EMPC	P3 Million	5. Cooperative of Agrarian Reform Employees of Surigao (CARES)	P500,000.00
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	5. Cooperative of Agrarian Reform Employees of Surigao (CARES)	P500,000.00												
	142	Approval of proposed portfolio mix.												
	143	Acceptance of President's Report.												
	144	Approval of guidelines for Community Development Fund (CDF).												
	145	Approval of guidelines for Cooperative Education and Training Fund (CETF).												
146	Approval of Marketing Code of Conduct.													
147	Approval of layout for the annual report.													
148	Approval of proposed budget for year 2019.													
149	Approval of partnership with the third party in terms of designing the KIN franchise model.													
150	Designation of Ms. Sarah Mae C. Buksh as authorized representative and Mr. Anton Gerardo Castillo as alternate representative in processing the fire service tax.													
151	Designation of Ms. Sarah Mae C. Buksh as authorized representative and Mr. Anton Gerardo Castillo as alternate representative in processing the documentation and dissolution of R&B Insurance Corp in SEC.													

Certified true and correct:


ATTY. LYMAN A. MANZANARES
 Co-operative Secretary

Attested:


BGEN. TEODORO P. EVANGELISTA (Ret)
 Chairman

JOINT REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT

Dear 1CISP Shareholders,

Our sincere congratulations to all of you, our supportive member-cooperatives/shareholders, as we celebrate another momentous milestone with flying colors - 1CISP's 45th year of existence!

2018 is a landmark year for 1CISP as we experience the highest Net Surplus of P216 million and the highest increase in share capital contribution of almost P600 million in the entire life of our federation.

This year's theme, "**LEAP @45:**

Lead, Excel, Advocate and Prosper" is very appropriate and timely as we experience the highest **Net Surplus of P216 million** and the highest increase in share capital contribution of almost **P600 million** in the entire life of our federation which resulted in the exhaustion of our authorized share capital. This remarkable growth clearly signifies the continued trust and confidence of all our members/shareholders and partners in the Cooperative Movement and in 1CISP. The Board of Directors and management are greatly honored for the full support you have continuously extended. We are proud that our initiatives, spearheaded by 1CISP, have placed the federation in the limelight not only in the cooperative sector but in the insurance industry as well.

The Insurance Commission issued 1CISP a composite license enabling us to offer both life and non-life insurance products and services.

We are proud to report to this General Assembly that the Insurance Commission has issued a **Composite License** to 1CISP last July 2018 approving the merger of R&B Insurance Corporation (RBIC) and 1CISP. The federation being a

composite insurance is now providing both life and non-life insurance products to its member-cooperatives. 1CISP adopted all the non-life products previously offered by RBIC and has been issued a license on its new product on judicial bonds. This will enable us to fully serve the non-life insurance needs of our member cooperatives.

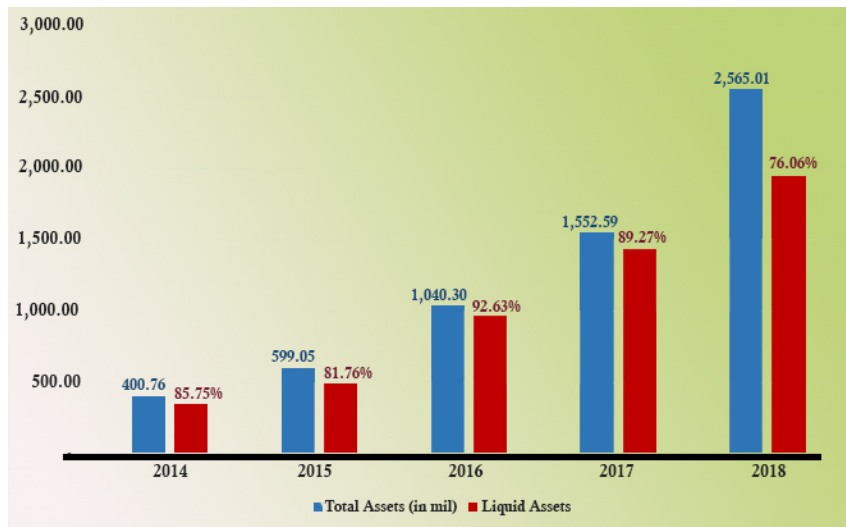
FIVE-YEAR FINANCIAL HIGHLIGHTS, 2014-2018:

The remarkable performance of 1CISP is understood fully when viewed on a 5-year comparative graphical presentation. The consistent monitoring by the management of its financial operations and the formulation of additional policies by the Board of Directors contributed much to where 1CISP is right now. The following graphs show the much improved performance of 1CISP in terms of asset growth, asset quality, liquidity, profitability and stability.

Assets Growth, Asset Quality, and Liquidity

Graph 1 shows the *growth* of 1CISP resources in the last five (5) years. The year under review marks another milestone for 1CISP as it registered the highest increase in Total Assets of P1.012 billion or a 65.21% growth rate. The Total Assets amounts to P2.565 billion as of the end of 2018 from P1.553 billion as of the end of the immediately preceding year. This is attributable to the almost P600 million or about 63% increase in share capital infusion from our member-cooperatives. In 2018, we also attained the highest Net Surplus of P216.08 million.

Graph 1 - Data on Total Assets and Liquid Assets (in mil):



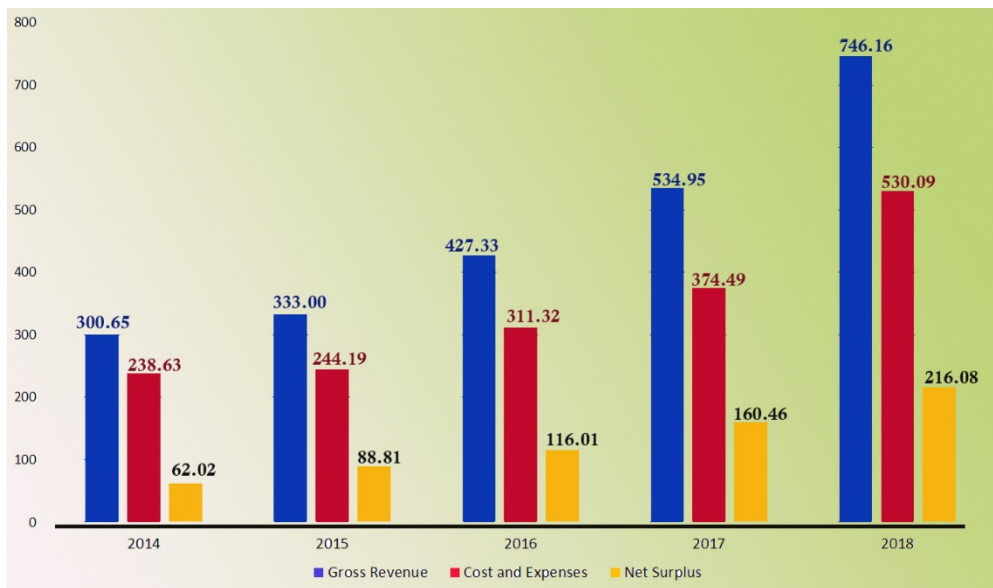
Loans Receivable increased by four (4) times from the prior year, from P75 million in 2017 to P394 million as of the end of 2018, primarily due to the financial assistance granted to our member-cooperatives. The loans granted bear interest rates ranging

from 5% to 7%. This facility decreased the ratio of the Liquid Assets to Total Assets of 1CISP, from 89% in 2017 to 76% in 2018; however, it doubled the earnings contributed by our Interest Income, from P15.3 million in 2017 to P38.8 million in 2018.

Profitability

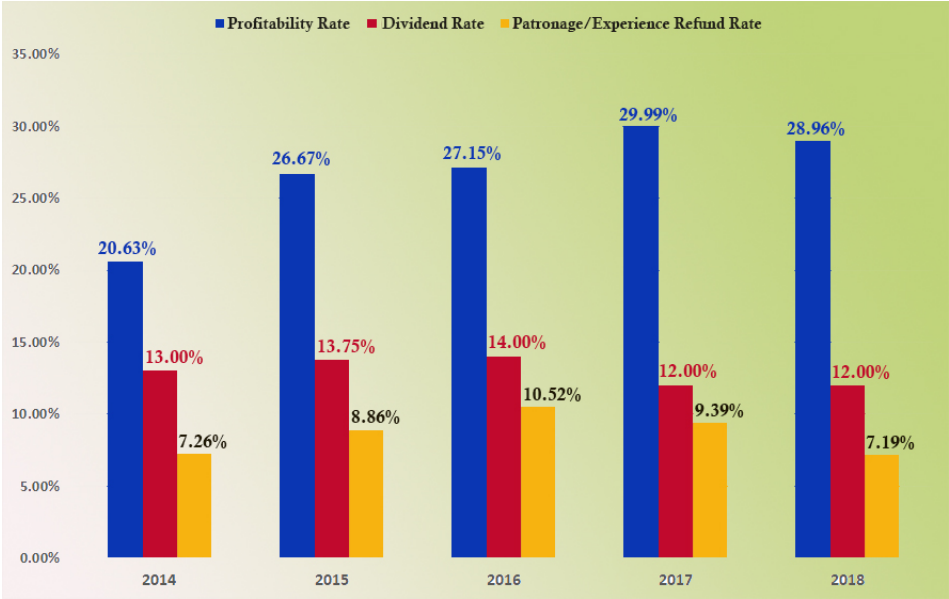
Graph 2 below shows the consistent growth in Revenue and Net Surplus of 1CISP for the last five years. Much more for the year under review, it indicates another milestone for 1CISP as it shows the remarkable growth in its entire life. The highest Gross Revenue and Net Surplus was attained in 2018 of P746 million and P216 million, respectively. These numbers signify the members’ boosted patronage in the products 1CISP offers. We consistently performed above targets since its rehabilitation in 2013. 1CISP’s profitable operation provides an assurance to all the members/shareholders that their contributions are in good hands – securing return on their investment and, at the same time, ensuring the receipt of patronage and experience refund.

Graph 2 – Data on Gross Revenue, Total Cost and Expenses, and Net Surplus:



Graph 3 indicates that despite the slight reduction in profitability rate from 30% in 2017 to 29% in 2018, we still managed to give 12% Dividend and 7.19% Experience and Patronage Refund.

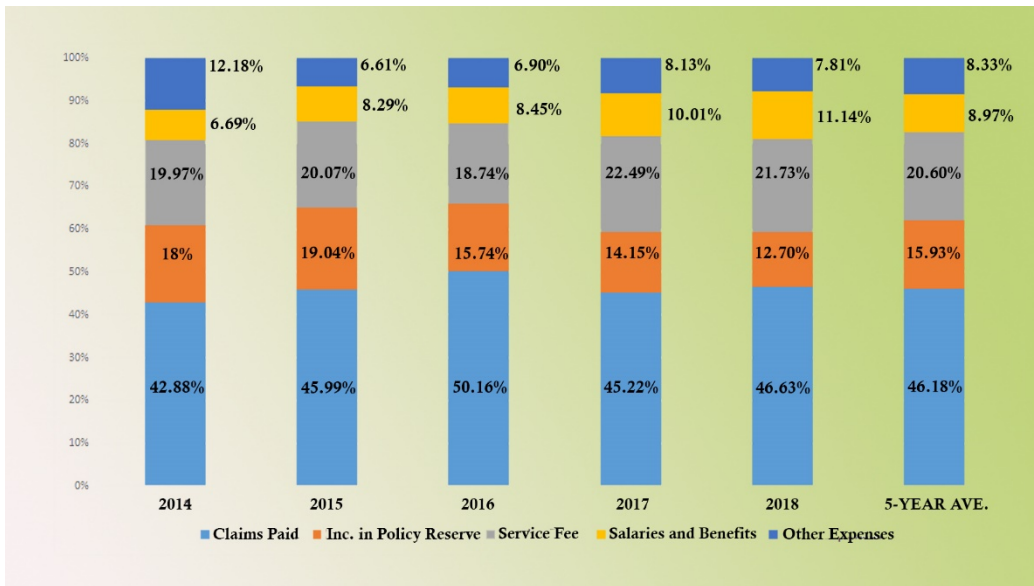
Graph 3 - Profitability Rate, Dividend Rate and Patronage/Experience Refund Rate:



Expense distribution

Graph 4 (see next page) shows the comparative distribution of Total Expenses in the last five (5) years. The five-year average shows that Benefits and Claims paid accounted for 46.18% of the Total Operating Cost of 1CISP- the biggest share of expenditures. The ratio of the total benefits and claims paid of 46.63% in 2018 is slightly higher than the average claims of 46.18% and the 45.22% in 2017. The second highest share of the total operating cost is the Service Fee of 21.73% in 2018, which is better than the 2017 ratio of 22.49% but a bit higher than the average rate for the last 5 years of 20.6%. This is followed by the increase in policy reserves of 12.7% in 2018, better than the 2017 ratio of 14.15% and is much better than the five (5) year average rate of 15.9%. Salaries and benefits accounted for 11.14% share in the total operating cost for 2018 due to the opening of our branch in Cagayan de Oro and the increase in the number of our personnel in the head office and the adjustment of salaries and benefits.

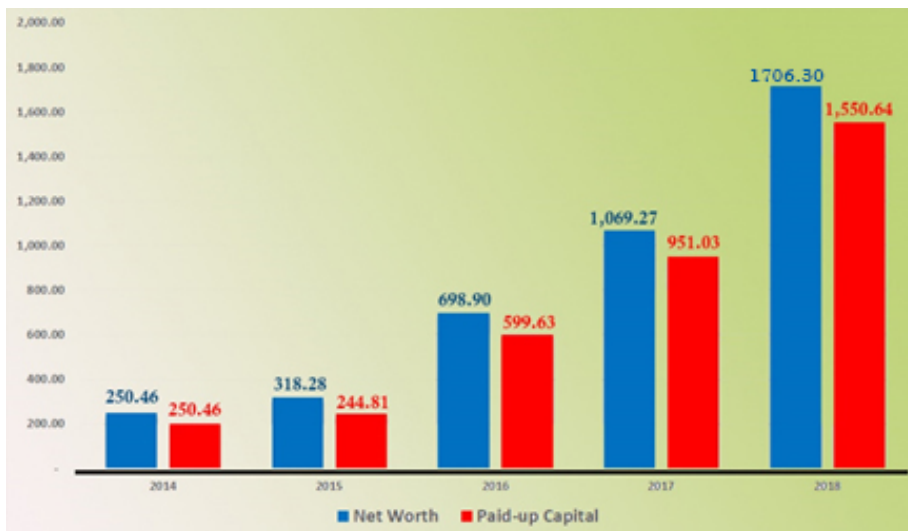
Graph 4 - 2014-2018 Classification and distribution of Expenses:



Stability

RA No. 10607, otherwise known as the *Amended Insurance Code of the Philippines*, requires all insurance companies to increase their Net Worth to ₱ 1.3 billion by 2022. 1CISP being a cooperative is only mandated to meet 50% or P650 million by the end of 2022. The Insurance Commission strictly monitors the compliance by all insurance companies to this requirement. As of the end of 2018, the Net Worth of 1CISP is at P1.706 billion or 60% growth compared to P1.069 billion in 2017 which is beyond the required Net Worth as of the end of 2022 (See Graph 5). Likewise, its paid-up capital leaped by 63% from P951 million as of the end of 2017 to P1.551 billion as of December 31, 2018. With this substantial increase in Net Worth and Paid Up capital, 1CISP assures that it is stable, sustainable, and expanding.

Graph 5 - Data on Total Net Worth and Paid-up Capital:



The above financial indicators of 1CISP show that it is growing rapidly, maintaining and increasing good quality assets, sustaining a high liquidity rate, enhanced profitability and improved stability.

MEMBERSHIP GROWTH

New member-cooperatives in 2018:

-117 in Luzon

-36 in Visayas

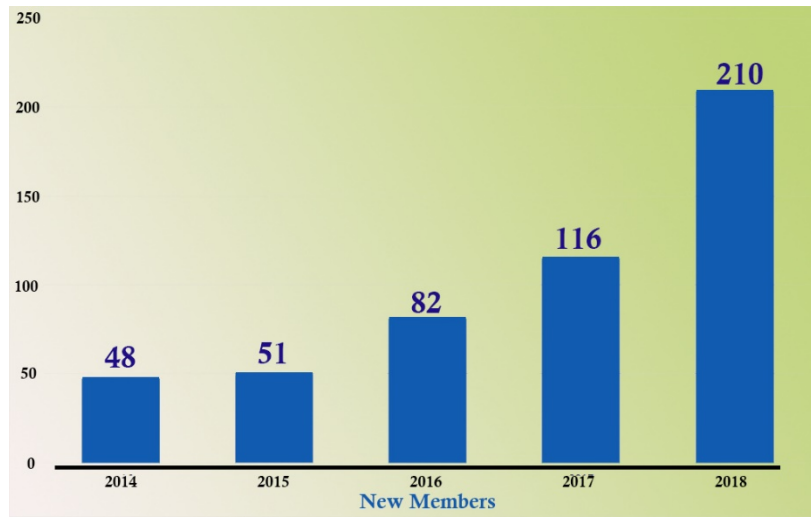
-57 in Mindanao.

The year 2018 is another exceptional year for 1CISP as it sets a new record of having the highest number of new member-patronizing cooperatives. 1CISP welcomed 117 new members in Luzon, 36 in Visayas and 57 in Mindanao. We were able to bring in

a total of 507 new member-patronizing cooperatives in the last five (5) years, the highest of which was in 2018 with 210 registered new member coops followed by 2017 which registered 116 new member coops. The increasing membership base enabled 1CISP to generate additional capital, gain more patronage, and extend its reach to individual members of cooperatives without access to affordable insurance. Likewise, with our good governance, efficient operations, and transparent dealings with stakeholders, generous support was provided by the members. Due to compliance to BSP Circular No. 682 series of 2010 under Section 9, member-Cooperative Banks withdrew their memberships, however, their support and patronage to 1CISP continued on.

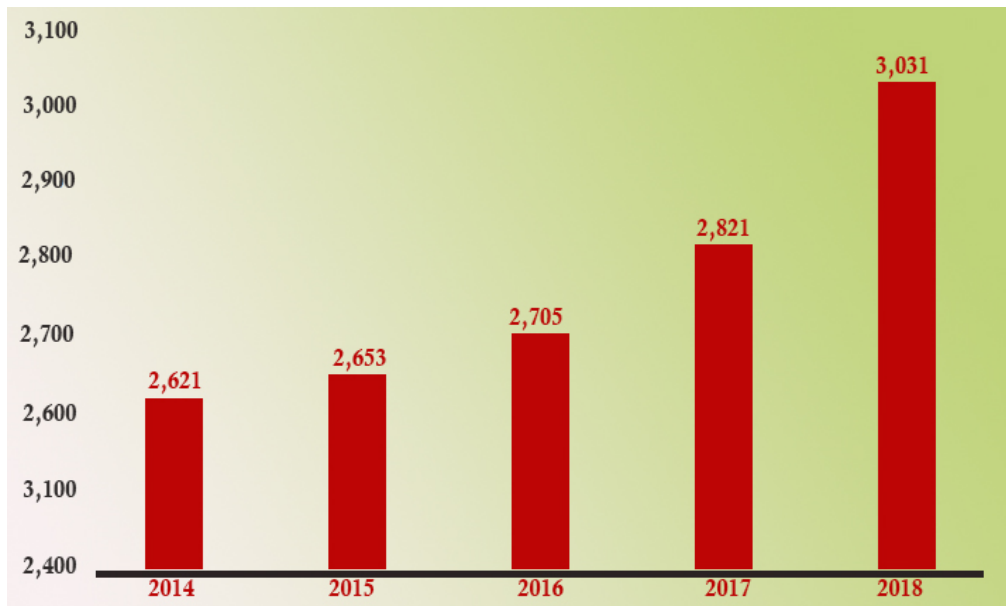
Graph 6 shows that in 2014, we were able to recruit 48 new cooperatives that saw the opportunity in supporting our direction of *“Renewing Itself through Efficiency and Good Governance”*. In 2015, with the theme of *“Sustaining Growth and Stability through Service Quality”*, we attracted 51 new member-cooperatives. In 2016, with 1CISP embracing the theme of *“Securing Lives... Securing Future”*, we generated 82 new members that contributed their resources and provided patronage and support, thereby, propelling the growth of the system. And by 2017, 116 additional cooperatives were welcomed as new members. True to its theme in 2018, *“Leadership and Innovation: Sustaining Growth, Empowering Communities”*, we embraced 210 new member cooperatives which resulted to 1CISP being recognized as one of the fastest growing cooperative life insurers globally. We are confident that with our aggressive campaign this year, there will be more coops coming in, in the next few months as we embrace our theme for this year’s General Assembly, *“LEAP @ 45; Lead, Excel, Advocate and Prosper”*.

Graph 6 - Data on New Member Cooperatives:



Graph 7 below shows that as of December 31, 2018, 1CISP is owned and patronized by a total of 3,031 member-cooperatives catering to more than a million individual members. We continually engage new members to expand 1CISP's reach and to be able to share the products and services that existing members are now enjoying.

Graph 7 - Data on Total Membership:



HUMAN RESOURCE DEVELOPMENT

1CISP considers its human resource as its greatest asset. It is our goal to provide capacity development for all personnel keeping the vision in mind, to be “A globally competitive Cooperative Insurance System”. In line with this, 1CISP implemented a comprehensive and holistic program that is expected to enhance the skills and capabilities of its personnel. A total of 41 trainings, seminars, workshops, and conferences both domestic and international, were attended by the Board of Directors, top management, department managers, supervisors, rank and file personnel, and marketing team, to update and upgrade their knowledge and proficiencies to contribute to operational excellence. There were a total of ten (10) international trainings and conferences attended by 22 individuals and 23 local/domestic trainings, seminars, and conferences participated in by 50 individuals. *(See Annex A - Capacity and Capability Enhancement Programs for Board of Directors, Officers and Employees)*

COOPERATIVE SOCIAL RESPONSIBILITY (CSR)

1CISP, through the initiatives of its personnel, strongly supports various activities and projects for social development and nation building. It advocates programs that aim to improve the lives of individuals, communities, and the environment where we feel assistance is of utmost necessity. The following are the various CSR activities conducted by the employees in 2018:

- A. 1CISP employees were organized to form several groups and were tasked to formulate, implement and assess their chosen CSR activities.
 1. Humanitarian work does not stop at helping people who are financially less fortunate than most, but it also extends to people who are differently abled and have special needs. 1CISP believes that, it is one of our moral responsibilities to extend a helping hand to people who are in need of our help, especially to those with special needs. Last February 17, 2018 the company’s Corporate Social Responsibility event was held at Guanella Center Servants of Charity, as part of the company’s dedication in helping build a better life for the Filipinos. This initiative was spearheaded by Human Resources Department in line with their advocacy to help people with special needs.
 2. A medical health awareness lecture on *“Reduce Child Mortality and Improve Maternal Health”* was conducted on August 8, 2018 at Krus na

- Ligas covered court in Quezon City. This was participated by the pregnant women and undernourished kids of the area. Dr. Malicsi, an Obstetrician-Gynecologist, was invited to provide relevant information about Pregnancy. The team also conducted interview from among the chosen participant-beneficiaries regarding their health and they were given grocery items with rice. The conditions of the chosen beneficiaries were closely monitored to check if there are improvement.
3. A seminar workshop was conducted last October 19, 2018 with a theme: *“Reach Out and Break the Stigma: A Mental Health Awareness Seminar”* held at PUP Sta. Mesa, Manila participated by 70 students. The event aims to spread awareness about the Mental Health issues.
 4. 1CISP conducted a seminar workshop on *“Introduction of Urban Agriculture/Gardening as a means of Livelihood”* on October 27 -28, 2018. The said seminar workshop was participated by 35 individuals from Salupungan - Basuit Road, San Ildefonso, Bulacan. It was facilitated by Agricultural Training Institute (ATI) in partnership with Department of Agriculture, National Housing Authority and Bureau of Plant Institute (BPI).
 5. Another social responsibility project was conducted last November 16, 2018 in Angel M. Rosario High School located at Pulong Yantok, Angat, Bulacan that focuses on youth leadership with the theme: *#YOULEAD: Youth Leading Society*. The program was participated by thirty (30) selected students in the school. The group believed that by giving this kind of program would definitely help the students to develop themselves as an effective leader.
- B. 1CISP has continually supported the scholarship program of Caritas Manila, Inc. during the last three years, which enabled 12 students to continue their college education in 2018.

LINKAGES AND NETWORK BUILDING

Local

The 1CISP, in partnership with the FOCCUS Group of Cooperatives, NCCC Chain of Stores and Ateneo de Davao University (AdDU), empowered start-up initiatives among cooperatives for the first leg of Coop Kicks in Mindanao. The program featured entrepreneurship and technology bootcamps, pitching competitions, mentorship, incubation and marketplace support, and access to financing for innovative business ideas and models. The winners received seed funding from the Cooperative partners for the incubation of their projects. The 1CISP will bring the Coop Kicks program in other parts of Mindanao and Visayas.

For the Luzon leg of Coop Kicks, 1CISP partnered with the **Institute for Climate and Sustainable Cities (ICSC)** in launching the pilot **LEadership and ADvocacy School for Cooperatives in Renewable Energy and Transformative Economies (LEADS>CREATE)**. The **LEADS>CREATE** is a program designed for young cooperators to build their capacity, ensure that the Cooperative Movement remains at the cutting edge of the movement for social development, and become champions of renewable energy.

Our partnership with Model Cooperative Network (MCN) in Mindanao produced a total of 25 seminars/trainings/workshops provided to our member-cooperatives in Mindanao. The enhancement in the capacity and capability of the Board of Directors and employees of our member-cooperatives will assure their financial viability and sustainability and ensure continued service to their individual members. Our patronizing members enjoy full subsidy while non-patronizing members get 50% subsidy. 1CISP has allocated ₱4 million to support capacity development programs for 2017-2018. Lastly, 1CISP is an active member of the Philippine Life Insurance Association (PLIA), Home Office Life Underwriters Association of the Philippines (HOLUAP), People Management Association of the Philippines (PMAP), and Life Insurance Claims Association of the Philippines (LICAP). We actively participate in various activities and events conducted by these associations to learn and share the best practices in the insurance industry.

International

1CISP continues to participate in the seminars/workshops being sponsored by The Foundation for the Advancement of Life & Insurance Around the world (FALIA) in Yokohama, Oriental Life Insurance Cultural Development Center (OLIS), the Institute of Actuaries of Japan (IAJ), International Cooperative and Mutual Insurance Federation (ICMIF) and International Cooperative Alliance (ICA). These exchanges of Directors, Officers and Personnel enabled us to participate in knowledge sharing with different countries and formulate the strategic course of 1CISP.

One significant exchange in 2018 is the visit of Board of Directors and Senior Management of 1CISP to the most prominent insurance cooperatives in Japan to benchmark its current practices and adopt their sustainable practices especially in this age of disruption and increasing impact of climate change.

1CISP also actively promotes young leadership. 1CISP Vice President for Life Operations, Jackelyn P. Ballena, was invited to be part of the Young Leaders Forum (YLF) of ICMIF, and was the only Asian representative in the group. She attended the YLF Meeting and Intelligence Committee Meeting in Helsinki, Finland wherein she was exposed to the current opportunities and challenges of insurance cooperatives and mutuals around the world, with special focus on the latest technologies used. Aside from that, she was given the opportunity to organize the Young Leaders Program in Asia during the Asia Oceania Association (AOA) Seminar 2018 in Hong Kong along with Mr. Yoshikazu Sato (Zenrosai) and the AOA Secretariat. This Young Leaders Program is set to be introduced in the Philippines at the 45th Annual General Assembly of 1CISP.

COOPERATIVE HEALTH MANAGEMENT FEDERATION (CHMF)

The CHMF or “1 Coop Health” sustained its growth and expanded its reach as individual members’ enrollment increased to 41,088 coming from 116 member-coops in 2018 compared

1 Coop Health showed remarkable growth - almost 10 times the number of enrollments from its first year of operation.

to 23,843 from 81 member coops in 2017. Barely four (4) years in operation, CHMF’s remarkable growth showed a tenfold increase in enrollments compared to its first year

of operation. This resulted from your active support in marketing the products and services offered by 1 Coop Health.

In 2018, 1CISP generated a total of **₱4.45million** as gross premiums from the life and accident coverage of their 39,022 individual member-subscribers. The Management continuously assists 1 Coop Health in promoting its products and services as part of our commitment to provide affordable and quality risk protection and mitigation schemes for cooperatives.

2018 Theme

Last year's theme, "*Leadership and Innovation: Sustaining Growth and Empowering Communities*", highlights the two (2) critical factors that ensure the continued growth of 1CISP and strengthen its impact on the communities where our member-cooperatives are present. It is with conviction that 1CISP commits to strive towards excellence and continue to touch the lives of Filipino cooperators.

1CISP's theme is LEAP@45: Lead, Excel, Advocate, and Prosper – reflecting the unprecedented success and growth of 1CISP in its 45 years of existence from its rebranding launched last year.

1CISP's theme for this year is **LEAP@45: Lead, Excel, Advocate, and Prosper**. The word LEAP describes the unprecedented success and growth of 1CISP in its 45 years of existence from its rebranding launched last year.

1CISP is now **LEADING** its member cooperatives to greater heights, a stage never imagined. The cooperative is continuously **EXCELLING** in providing Risk Mitigation Solutions in areas of Life and General Insurance, as well as in Health Insurance through partnerships and collaborations. In addition, **ADVOCATING** young leadership to shape principle-centered and excellence-oriented future cooperative leaders, and strengthening the human resources of the Cooperatives. Moreover, 1CISP strives that each of its member-cooperatives **PROSPER** through its various capacity and capability development programs. Indeed, 1CISP is living to its advocacy that *A Prosperous Philippines is a Cooperative Philippines*.

Other initiatives:

- 1CISP continuously extends its credit facility through loans with minimal interest rates as our way of support to its member coops.
- 1CISP started the construction of a 6-storey green building on its 523.70sq.m. lot in Quezon City. It is expected to be finished within 2019.
- 1CISP also started the renovation of its acquired property in Cagayan de Oro which will house its CDO branch. The renovation is estimated to be completed by the end of June 2019.
- 1CISP engages CLIMBS to revive the exploratory talks on the merger to pursue our dream of having only one coop insurance that will service the insurance needs of the cooperative sector in the country. Feedback from CLIMBS is being awaited.
- 1CISP launched the Coop Kicks program to introduce the Youth into the Third Path or the Cooperative Way.


Given the consistent performance of our federation in the last five years, coupled with our aggressive marketing campaigns, we are confident that we can drastically bring 1CISP to greater heights in the years to come and contribute in the achievement of our goal - **“A Prosperous Philippines is a Cooperative Philippines”**. Let us be one in achieving this ultimate goal - our contribution to poverty reduction, wealth redistribution, and nation-building.

Our sincere congratulations to all of us! Mabuhay ang Kilusang Kooperatiba!

For the Board of Directors


B/GEN. TEODORO P. EVANGELISTA
Chairman

For the Management


ROY S. MICLAT
President

**ANNEX A – CAPACITY AND CAPABILITY ENHANCEMENT PROGRAMS FOR BOARD OF DIRECTORS,
OFFICERS AND EMPLOYEES**

#	No. of Employees Attended	Training Title
<i>International Training and Seminar</i>		
1	2	ICMIF - ADVANCE MANAGEMENT COURSE
2	1	FALIA- ASSETS MANAGEMENT & IFRS COURSE
3	1	OLIS 2018 SPRING - TOKYO SEMINAR
4	2	FALIA - IT COURSE
5	2	FALIA - CHANNEL STRATEGY & PRODUCT DEVELOPMENT COURSE
6	5	PIRA - 29TH EAST ASIAN INSURANCE CONFERENCE
7	1	OLIS AUTUMN SEMINAR
8	2	FALIA- RISK MANAGEMENT COURSE
9	1	ICMIF - INTELLIGENCE COMMITTEE MEETING
10	5	AOA SEMINAR 2018
<i>Local Trainings and Seminar</i>		
1	7	IIAP - BASIC NON-LIFE COURSE
2	1	IIAP - INTERMEDIATE COURSE ON FIRE INSURANCE
3	1	GRAPHICS PUBLISHING WORKSHOP
4	1	PURCHASING AND SUPPLY CHAIN MANAGEMENT
5	1	633RD PMAP GENERAL MEMBERSHIP MEETING
6	2	PMAP - THE DATA PRIVACY ACT: KNOW THE FACTS. BE COMPLIANT
7	1	BRIEFING ON AMLC REPORTING PROCEDURES
8	5	PHIL. SOCIETY OF INSURANCE MEDICINE - 2018 MEDICAL UNDERWRITING COURSE
9	1	MASTERCLASS ON WRITING MINUTES OF MEETING
10	4	HOLUAP SEMINAR - UNDERWRITING ROUTINE BLOOD TEST RESULT
11	1	CHAIRMAN'S INTERFACE
12	1	HOLUAP CONVENTION
13	2	BASIC COURSE IN ACTUARIAL VALUATION OF GENERAL INSURANCE LIABILITIES
14	3	LICAP SEMINAR - CLAIMS KEY CHALLENGES: PRIVACY PROTECTION AND THE RIGHTS OF THE INSURER AND CLAIMANT
15	4	HOLUAP CONVENTION
16	2	COMPLIANCE SEMINAR - ORIENTATION ON CDA REPORTORIAL REQUIREMENTS
17	1	TRAINING OF TRAINERS ON GENDER AND DEVELOPMENT FOR COOPERATIVES
18	3	LICAP 21ST ANNUAL CONVENTION
19	2	HOLUAP SEMINAR
20	2	PMAP 55TH ANNUAL CONFERENCE
21	1	ADVANCE MOTOR CAR INSURANCE 7TH CUSTOMER LOVE FEST
22	1	CUSTOMER EXPERIENCE – LOYALTY – REWARDS – CUSTOMER RELATIONSHIP MANAGEMENT
23	3	PICPA 73RD ANNUAL NATIONAL CONVENTION
<i>Webinar</i>		
1	1	BLOCKCHAIN – FINDING REAL OPPORTUNITIES BEHIND THE HYPE
2	1	EUROPE'S INFLUENCE ON GLOBAL DATA PROTECTION REGULATIONS AND THE IMPACT ON COOPERATIVE/MUTUAL INSURERS AROUND THE WORLD
3	1	THE FUTURE OF INSURANCE: PREPARING FOR THE RISK AND OPPORTUNITIES OF TOMORROW
<i>In House Training for Employees</i>		
1	49	BASIC LIFE SUPPORT
2	41	DISASTER RISK PREPAREDNESS AND MANAGEMENT SEMINAR
3	42	RELATIONSHIP 101 – UNDERSTANDING TODAY’S CHILDREN AND YOUTH AND MEN ARE FROM MARS WOMEN ARE FROM VENUS
4	45	VALUES FORMATION TALK
<i>In House Training for Agents</i>		
1	32	BEHAVIOURAL ECONOMICS: HOW NUMBERS ARE WEAPONS OF MASS DESTRUCTION



INDEPENDENT AUDITORS' REPORT

The Members and the Board of Directors
1 Cooperative Insurance System of the Philippines Life and General Insurance
No. 80 Malakas Street, Central District
Quezon City

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of 1 Cooperative Insurance System of the Philippines Life and General Insurance (the Cooperative), which comprise the statements of financial condition as at December 31, 2018 and 2017, and the statements of operations, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial condition of the Cooperative as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Cooperatives (PFRF for Cooperatives) as prescribed by Memorandum Circular (MC) No. 2015-06 of the Cooperative Development Authority (CDA).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA) and Standard Audit System for Cooperatives (SASC). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Cooperative in accordance with the Code of Ethics for Professional Accountants' in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Cooperative has adopted the PFRF for Cooperatives in preparing its financial statements as prescribed by MC No. 2015-06 of the CDA. Our report is not modified in respect of this matter.



Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended December 31, 2018, but does not include the financial statements and our auditors' report thereon. The Annual Report for the year ended December 31, 2018 is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRF for Cooperatives as prescribed by MC No. 2015-06 of the CDA, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Cooperative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Cooperative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA and SASC will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with PSA and SASC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & Co.

Carolina P. Angeles
CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until August 15, 2021

CDA Accreditation No. 0025-AF

Valid until March 20, 2020

IC Accreditation No. SP-2020/009-R

Valid until August 26, 2020

SEC Accreditation No. 0658-AR-3 Group A

Valid until May 17, 2020

BIR Accreditation No. 08-005144-7-2017

Valid until January 13, 2020

PTR No. 7334336

Issued January 3, 2019, Makati City

March 12, 2019

Makati City, Metro Manila



STATEMENT OF REPRESENTATION

To the Cooperative Development Authority:

In connection with our audit of the financial statements of 1 Cooperative Insurance System of the Philippines Life and General Insurance (the Cooperative) as at and for the years ended December 31, 2018 and 2017, which are herewith submitted to the Cooperative Development Authority (CDA), I hereby represent the following:

1. That the accompanying financial statements are prepared by the Cooperative's management and presented in conformity with the Philippine Financial Reporting Framework for Cooperatives as prescribed by Memorandum Circular No. 2015-06 of the CDA;
2. That in the conduct of the audit, I adhered to the Philippine Standards on Auditing (PSA) and the Standard Audit System for Cooperatives (SASC) as required by the CDA;
3. That I am qualified as provided for in Section 8 of the Code of Professional Ethics for Certified Public Accountants and Article 80 of Republic Act No. 9520 (Philippine Cooperative Code of 2008);
4. That I am fully aware of my responsibility as an independent auditor for the audit report issued and attached to the financial statements and the sanctions to be bestowed on me for my misrepresentations that I may have willingly or unwillingly committed;
5. That I nor any member of my immediate family do not have any direct or indirect financial interest with the Cooperative;
6. That I am not an employee nor an officer of a secondary cooperative or tertiary cooperative of which this Cooperative is a member;
7. That I am not an employee of the CDA nor have I engaged an employee of the CDA in the course of the audit;
8. That I make this representation in my individual capacity and as a partner in the accounting firm of Reyes Tacandong & Co.; and,
9. That I am a member of the Philippine Institute of Certified Public Accountants.



- 2 -

It is, however, understood that my accountability is based on matter within the normal coverage of an audit conducted in accordance with PSA and SASC.

REYES TACANDONG & Co.

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CAROLINA P. ANGELES

Partner

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IC Accreditation No. SP-2020/009-R

Valid until August 26, 2020

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Issued January 3, 2019, Makati City

March 12, 2019

Makati City, Metro Manila

**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE**

STATEMENTS OF FINANCIAL CONDITION

		December 31	
	Note	2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱1,074,142,094	₱704,016,339
Short-term investments	5	464,440,558	333,477,637
Insurance receivables	6	51,909,947	13,241,718
Reinsurance assets	7	40,179,634	19,653,111
Financial assets at cost	8	71,861,549	51,861,549
Financial assets at fair value through profit or loss (FVPL)	8	24,167,226	11,070,824
Loans and receivables	9	46,605,024	22,913,362
Other current assets	10	12,071,616	1,260,479
Total Current Assets		1,785,377,648	1,157,495,019
Noncurrent Assets			
Financial assets at amortized cost	8	244,245,344	258,759,083
Financial assets at cost	8	72,113,062	26,881,501
Loans and receivables - net of current portion	9	367,150,281	52,000,000
Property and equipment:	11		
At revalued amount		37,745,746	38,946,133
At cost		36,370,862	18,504,879
Other noncurrent asset	11	22,086,188	-
Total Noncurrent Assets		779,711,483	395,091,596
		₱2,565,089,131	₱1,552,586,615
LIABILITIES AND EQUITY			
Current Liabilities			
Insurance contract liabilities	12	₱423,132,847	₱279,171,020
Due to reinsurers	13	29,935,663	12,251,844
Dividend and patronage refund payable	17	229,898,307	159,625,907
Other current liabilities	14	168,096,442	27,202,391
Total Current Liabilities		851,063,259	478,251,162
Noncurrent Liability			
Retirement payable	15	7,729,472	5,066,291
Total Liabilities		858,792,731	483,317,453
Equity			
Share capital	16	1,262,740,100	951,029,200
Deposit for share capital subscription	16	287,894,966	-
Contributed surplus		85,298	85,298
Revaluation surplus	11	6,150,000	6,150,000
Statutory funds:	17		
General reserve fund		81,862,037	60,254,212
Optional fund		29,698,064	27,537,282
Cooperative education and training fund		20,952,346	12,361,449
Community development fund		16,913,589	11,851,721
Total Equity		1,706,296,400	1,069,269,162
		₱2,565,089,131	₱1,552,586,615

See accompanying Notes to Financial Statements.

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE
STATEMENTS OF OPERATIONS

	Note	Years Ended December 31	
		2018	2017
REVENUE			
Gross premiums earned on insurance contracts	18	₱779,904,306	₱553,264,813
Reinsurers' share of gross premiums earned on insurance contracts	18	(76,368,594)	(35,894,823)
Net insurance premiums		703,535,712	517,369,990
Interest income	4	38,845,291	15,283,600
Other income		3,783,227	2,295,748
		746,164,230	534,949,338
BENEFITS, CLAIMS AND EXPENSES			
Benefits and claims incurred on insurance contracts	19	247,156,033	169,331,311
Increase in legal policy reserves	12	67,300,000	53,000,000
Collection costs		64,356,866	51,988,873
Salaries and benefits	20	59,035,907	37,469,229
Commission expense		50,842,149	32,242,079
General and administrative expenses	21	36,894,346	27,175,770
Depreciation	11	4,500,682	3,283,367
		530,085,983	374,490,629
NET SURPLUS		₱216,078,247	₱160,458,709
ALLOCATION OF NET SURPLUS			
	17		
Dividend and patronage refund payable		₱168,541,033	₱131,243,029
General reserve fund		21,607,825	16,780,130
Cooperative education and training fund		17,286,260	2,808,028
Community development fund		6,482,347	4,813,761
Optional fund		2,160,782	4,813,761
		₱216,078,247	₱160,458,709

See accompanying Notes to Financial Statements.

**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE**

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31	
		2018	2017
SHARE CAPITAL	16		
Common			
Balance at beginning of year		₱938,077,700	₱550,510,400
Issuances		320,125,300	210,850,200
Withdrawals		(8,203,000)	(5,427,900)
Transfer from preferred share		-	182,145,000
Balance at end of year		1,250,000,000	938,077,700
Preferred			
Balance at beginning of year		12,951,500	49,121,000
Issuances		2,388,500	139,751,100
Withdrawals		(2,599,900)	(726,330)
Restoration of preferred share		-	6,950,730
Transfer to common share		-	(182,145,000)
Balance at end of year		12,740,100	12,951,500
		1,262,740,100	951,029,200
DEPOSIT FOR SHARE CAPITAL SUBSCRIPTION	16	287,894,966	-
CONTRIBUTED SURPLUS		85,298	85,298
REVALUATION SURPLUS	11		
Balance at beginning of year		6,150,000	6,755,702
Reversal of revaluation surplus		-	(605,702)
Balance at end of year		6,150,000	6,150,000
STATUTORY FUNDS	17		
Balance at beginning of year		112,004,664	97,804,048
Net increase in statutory funds:			
Net surplus		216,078,247	160,458,709
Dividend and patronage refund payable		(168,541,033)	(131,243,029)
Net surplus transferred to statutory funds		47,537,214	29,215,680
Disbursements from statutory funds		(10,115,842)	(8,064,334)
Restoration of preferred share through general reserve fund		-	(6,950,730)
		37,421,372	14,200,616
Balance at end of year		149,426,036	112,004,664
		₱1,706,296,400	₱1,069,269,162

See accompanying Notes to Financial Statements.

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE
STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31	
		2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		₱216,078,247	₱160,458,709
Adjustments for:			
Interest income	4	(38,845,291)	(15,283,600)
Depreciation	11	4,500,682	3,283,367
Retirement costs	15	2,663,181	2,457,921
Unrealized fair value gain on financial assets at FVPL	8	(172,314)	(379,718)
Transfer of other comprehensive income		–	5,376,609
Operating income before working capital changes		184,224,505	155,913,288
Decrease (increase) in:			
Loans and receivables		(328,771,025)	(67,329,624)
Short-term investments		(130,962,921)	(267,086,971)
Insurance receivables		(38,668,229)	29,260,136
Reinsurance assets		(20,526,523)	(6,920,926)
Other assets		(10,811,137)	(20,619)
Increase in:			
Insurance contract liabilities		143,961,827	64,115,025
Due to reinsurers		17,683,819	4,555,429
Other current liabilities		142,094,438	17,104,557
Net cash generated used for operations		(41,775,246)	(70,409,705)
Interest received		28,774,373	12,548,668
Net cash used in operating activities		(13,000,873)	(57,861,037)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Financial assets at cost	8	(65,231,561)	(40,522,928)
Financial assets at FVPL	8	(12,924,088)	–
Financial assets at amortized cost	8	–	(148,769,630)
Acquisitions of property and equipment	11	(22,366,665)	(46,014,993)
Payment for advances to contractors	11	(22,086,188)	–
Proceeds from maturity of financial assets at amortized cost	8	14,513,739	–
Net cash used in investing activities		(108,094,763)	(235,307,551)

(Forward)

	Note	Years Ended December 31	
		2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuances of share capital		₱246,600,370	₱283,859,809
Receipt of deposit for share capital subscription	16	287,894,966	–
Payments of dividend and patronage refund:	17		
Interest on share capital		(19,998,461)	(7,123,198)
Patronage refund		(2,356,742)	(3,696,968)
Payments of share withdrawals		(10,802,900)	(6,154,230)
Disbursements from statutory funds	17	(10,115,842)	(8,064,334)
Net cash provided by financing activities		491,221,391	258,821,079
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		370,125,755	(34,347,509)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		704,016,339	738,363,848
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		₱1,074,142,094	₱704,016,339
NONCASH FINANCIAL INFORMATION			
Issuance of share capital from dividend and patronage refund payable	16	₱75,913,430	₱66,741,491
Restoration of preferred share through general reserve fund	16	–	6,950,730
		₱75,913,430	₱73,692,221

See accompanying Notes to Financial Statements.

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

General Information

The 1 Cooperative Insurance System of the Philippines Life and General Insurance (the Cooperative) is a national federation of cooperatives committed to deliver security to members of cooperatives, labor unions and cooperative-oriented groups and organizations through insurance packages. It was organized to promote and engage in the service of life insurance as a cooperative undertaking, including all its various types, kinds, branches, divisions and other incidents.

The Cooperative was originally registered with the Department of Local Government and Community Development on April 8, 1974 and obtained its first Certificate of Authority to operate as a life insurance cooperative from the Insurance Commission (IC) on September 30, 1974. In accordance with the provisions of Republic Act (R.A.) No. 6938 and R.A. No. 6939, otherwise known as the Cooperative Code of the Philippines and the Act creating the Cooperative Development Authority (CDA), it was registered as a cooperative on December 4, 1991 with the CDA. Pursuant to Memorandum Circular No. 2010-05, Series of 2010 of the CDA, the Cooperative complied with the mandatory filing for the registration of amendment in accordance with the provisions of R.A. No. 9520, An Act Amending the Cooperative Code of the Philippines to be known as the "Philippine Cooperative Code of 2008", obtaining therein its registration (Registration No. 9520-16000011) on September 22, 2009.

Merger with R & B Insurance Corporation (RBIC)

In 2017, the General Assembly approved the Articles and Plan of Merger between the Cooperative and RBIC, a nonlife insurance company. The Cooperative will be the surviving entity and will assume the nonlife business of RBIC.

On July 7, 2018, the IC approved the merger and issued a composite insurance license to the Cooperative to operate as a life and general insurance with Certificate of Authority No. 2018/01-O, valid until December 31, 2020. Starting August 2018, the Cooperative commenced its nonlife business and started issuing nonlife insurance policies.

As at December 31, 2018, the transfer of assets and the issuance of the Cooperative's shares to the stockholders of RBIC are in process and awaiting approval of CDA and Securities and Exchange Commission (SEC).

Tax Exemptions

The Cooperative is a holder of RDA - RR No.6 Ruling No. 11-10 dated July 15, 2010 which entitles it with certain tax exemptions. The Cooperative's certificate of tax exemption is valid until June 17, 2021.

As a cooperative transacting business with members only, it is entitled to the following tax exemptions and tax incentives provided for under Article 60 of R.A. No. 9520, as implemented by Section 7 of the Joint Rules and Regulations Implementing Articles 60, 61 and 144 of R.A. No. 9520: (a) Income tax on income from CDA registered operations; (b) Value-Added Tax (VAT) under Section 109 pars. (r), (s), (t) and (u) of the Tax Code of 1997 on CDA-registered sales or transactions; (c) Three percent (3%) Percentage Tax under Section 116 of the Tax Code of 1997; (d) Donor's tax on donations to duly accredited charitable, research and educational institutions, and reinvestment to socio-economic projects within the area of operation of the cooperative; (e) Excise tax under Title VI of the Tax Code of 1997 of which it is directly liable; (f) Documentary Stamp Tax imposed under Title VII of the Tax Code of 1997, provided, however, that the other party of the taxable document/transaction who is not exempt shall be the one directly liable for the tax; (g) Annual Registration Fee of ₱500 under Section 236 (B) of the Tax Code of 1997; and (h) Exemption from all taxes on transactions with insurance companies and banks, including but not limited to 20% final tax on interest deposits and 7.5% final income tax on interest income derived from a depository bank under the expanded foreign currency deposit system.

Head Office Address and Branches

The Cooperative's head office is located at No. 80 Malakas Street, Central District, Quezon City. It has regional offices in almost all regions in the Philippines.

Authorization for the Issuance of the Financial Statements

The financial statements of the Cooperative as at and for the years ended December 31, 2018 and 2017 were approved and authorized for issuance by the BOD on March 12, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of the Cooperative have been prepared in accordance with the Philippine Financial Reporting Framework for Cooperatives (PFRF for Cooperatives) as prescribed by Memorandum Circular (MC) No. 2015-06 of the CDA issued on September 16, 2015.

The PFRF for Cooperatives was developed from the Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs) to provide a comprehensive financial reporting framework that will address the needs of the users of the financial statements of the cooperatives. Modifications were made on several provisions of the standards taking into considerations cooperative laws, rules, regulations and principles.

Measurement Bases

The financial statements are presented in Philippine Peso, the Cooperative's functional currency. All values are in absolute amounts except when otherwise indicated. The financial statements of the Cooperative have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) which are carried at fair value and land which is carried at revalued amount. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in a normal transaction. The Cooperative uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Cooperative recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 24.

Financial Assets

The Cooperative recognizes a financial asset when it becomes a party to the contractual provisions of a financial instrument. Financial assets are classified as financial assets at FVPL, financial assets at cost, financial assets at amortized cost and loans and receivables, as appropriate. When financial assets are recognized initially, these are measured at the transaction price, unless the arrangement constitutes a financing transaction. In which case, financial assets are recognized initially at the present value of the future payments discounted at a market rate of interest for a similar instrument.

Financial Assets at FVPL. Financial assets at FVPL include investments in publicly-traded securities which are measured at fair value, with fair value changes recognized in profit or loss.

The Cooperative's investments in shares of stocks listed in the Philippine Stock Exchange are classified under this category.

Financial Assets at Cost. Financial assets at cost include investments in unquoted securities, mutual funds and other externally managed funds. As the fair values could not be reliably determined, the investments are reported at cost less any impairment in value.

The Cooperative's investments in shares of stocks of various cooperatives and placement in mutual funds are classified under this category.

Financial Assets at Amortized Cost. Financial assets at amortized cost include financial assets with fixed or determinable payments and investments in debt instruments which are measured at amortized cost using the effective interest method, less any impairment in value.

The Cooperative's cash and cash equivalents, short-term investments, insurance receivables, reinsurance assets, loans and receivables and refundable deposits (presented under "Other current assets" account in the statements of financial condition) and fixed rate treasury notes are classified under this category.

Impairment of Financial Assets at Cost

The Cooperative assesses at each reporting date whether its financial assets at cost is impaired.

The Cooperative first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are no longer included in a collective assessment of impairment.

If, in the subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the profit or loss.

Impairment of Financial Assets at Amortized Cost

For financial assets at amortized cost, the Cooperative first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

An allowance provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Cooperative will not be able to collect all of the amounts due under the original terms of the loan. The carrying amount of the loans and receivables are reduced by setting up an allowance account. The impairment loss is recognized in profit or loss.

If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial Liabilities

The Cooperative recognizes a financial liability when it becomes a party to the contractual provisions of a financial instrument. Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not at fair value upon the inception of the liability. These include liabilities arising from operations or interest-bearing loans and borrowings. The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

The Cooperative's insurance contract liabilities, dividend and patronage refund payable, due to reinsurers and other current liabilities (excluding statutory payables) are classified under this category.

Derecognition of Financial Assets and Liabilities

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to the cash flows from the financial asset have expired or are settled;
- the Cooperative has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Cooperative has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Cooperative's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Cooperative could be required to repay.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

Offsetting of Financial Instruments

The Cooperative does not offset financial assets and liabilities unless required or permitted by PFRF for Cooperatives.

Insurance Contracts

Product Classification. Insurance contracts are those contracts under which the Cooperative (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the Cooperative determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risks.

Benefits and Claims. Claims consist of benefits and claims incurred on insurance contracts. Death claims, surrenders and nonlife insurance claims are recorded on the basis of notifications received. Maturities are recorded when due.

Policy Acquisition Costs. Commissions, collection costs and other acquisition costs pertain to expenses that are directly attributable in securing new insurance contracts and renewal of existing contracts. For life insurance contracts, these are recognized in profit or loss when incurred. For nonlife insurance contracts, these are recognized using the 24th method of amortization as required by IC.

Liability Adequacy Tests. At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of reinsurance assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from assets backing such liabilities are used. Any deficiency is immediately recognized in profit or loss.

Reinsurance Contracts Held. Contracts entered into by the Cooperative with reinsurers under which the Cooperative is compensated for losses on one or more contracts issued by the Cooperative and that meet the classification requirement for insurance contracts are classified as reinsurance contracts held.

The benefits to which the Cooperative is entitled to under its reinsurance contracts held are recognized as reinsurance assets. These include short-term balances due from reinsurers. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. The share of reinsurers in premiums and claims are recognized simultaneously with the related insurance contracts issued by the Cooperative.

If there is objective evidence that reinsurance assets are impaired, the Cooperative reduces the carrying amount of the reinsurance assets and recognizes the impairment loss in profit or loss.

Receivables and Payables Related to Insurance Contracts. Receivables and payables are recognized when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Cooperative reduces the carrying amount of the insurance receivable and recognizes the impairment loss in the profit or loss.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value, except for land which is carried at revalued amount.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Subsequent to initial recognition, land is carried at revalued amount which represent fair values as determined by independent appraisers. Other property and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss.

Any revaluation surplus on land is recognized in "Revaluation surplus" account under equity section of the statements of financial condition. Revaluations are performed at least every three (3) years to ensure that the carrying amount does not materially differ from that which would be determined using fair value at the end of reporting period.

Construction in progress represents properties under construction and is stated at cost, including cost of construction and other direct costs. This is not depreciated until such time that the relevant assets are completed and put into operational use.

Depreciation is computed using the straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset Type</u>	<u>Number of Years</u>
Building and improvements	12
Furniture, fixtures and office equipment	3
Transportation equipment	5

The estimated useful lives and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Advances to Contractors

Advances to contractors represent advance payments on services to be performed in connection with the construction of the Cooperative's new building. These are capitalized in the statements of financial condition, upon actual receipt of services or supplies, which is normally within 12 months or within the normal operating cycle. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers normally within one year. Advance payments to contractors that will be applied against future billings beyond 12 months from the reporting date, are presented as part of "Other noncurrent asset" account in the statements of financial condition.

Other Current Assets

Other assets consist of refundable deposits and prepayments.

Refundable deposits are recognized at face amount or the amount of consideration transferred, less any impairment in value.

Prepayments are expenses paid in advance and recorded as assets before these are utilized. These are apportioned over the period covered by the payment and recognized in profit or loss when incurred. Prepayments that are expected to be realized over no more than 12 months after the reporting date are classified as current assets. Otherwise these are classified as noncurrent assets.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For

an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Insurance Contract Liabilities

A liability for incurred policy benefits relating to life insurance contracts is accrued when premium revenue is recognized. The Cooperative assesses at each reporting date whether insurance contract liabilities are adequate, using the current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance contract liabilities changes in the light of the estimated future cash flows, the change shall be recognized in profit or loss.

The Cooperative's legal policy reserves and incurred but not reported are computed annually based on the approved valuation method by the IC and management's estimates. These liabilities are derecognized upon the death of policyholder, happening of the insured event, or when the contract has matured, lapsed or has been surrendered by the policyholder.

Share Capital

Common share. Common share is measured at par value for all shares subscribed. Common shares are available to regular members only.

Preferred share. Preferred share is measured at par value for all shares subscribed. Preferred shares are available to regular and associate members.

Deposit for Share Capital Subscription

Deposit for share capital subscription refers to amount paid by the members for capital subscription equivalent to the value of less than one share and additional subscriptions in excess of authorized capital pending approval of the amendments to increase authorized share capital. This may also include the amount of share capital paid but not yet covered by subscription contract. Deposit for share capital subscription is presented under the equity section of the statements of financial condition.

Contributed Surplus

Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as contributed surplus.

Statutory Funds

The net surplus of the Cooperative, as required by law and the Cooperative's By-Laws, shall be distributed as follows:

General Reserve Fund. Allocation to general reserve fund shall be at least 10% of net surplus. This fund is set aside to guarantee the stability of the Cooperative's development and to absorb losses, if any, in its business operations. The general assembly may decrease the amount allocated to general reserve fund when such fund exceeds the share capital.

Optional Fund. Allocation to optional fund shall not be more than 7% of the net surplus. The optional fund established by the Cooperative for future use is for the acquisition of land and building.

Cooperative Education and Training Fund. Allocation to cooperative education and training fund shall not be more than 10% of net surplus. Certain fees or fines or a portion thereof may be credited to such fund. Half of the amount transferred to this fund shall be spent by the Cooperative for education and training purposes; while the other half may be remitted to the cooperative education and training fund of the federation or union chosen by the Cooperative or of which the Cooperative is a member.

Community Development Fund. Allocation to community development fund shall not be less than 3% of the net surplus. The community development fund shall be used for projects or activities that will benefit the community where the Cooperative operates.

Interest on Share Capital and Patronage Refund. The remaining net surplus shall be made available to the members in the form of interest on share capital and patronage refund. The sum allocated for patronage refund shall be made available at the same rate to all patrons of the Cooperative in proportion to their individual patronage and shall not be less than 30% of the net surplus after deducting the statutory reserves based on the principle of equity. In no case, however, that the rate of patronage refund be more than twice the rate of interest on share capital.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Cooperative and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and returns. The Cooperative has concluded that it is the principal in all of its revenue arrangements. Revenue is recognized as follows:

Life insurance premiums. Premiums arising from life insurance contracts are recognized as income on the issue date which coincides with the effective date of the insurance policies for the first year premiums. For the renewal business, gross earned recurring premiums on life insurance contracts are recognized as revenue when they become payable by the policyholder. For gross earned premium contracts, receivables are recorded at the date the payments become due. For single premiums business, revenue is recognized on the date on which the policy becomes effective. Estimates of premiums written as at the reporting date but not yet received are assessed based on the estimates from underwriting or past experience and are included in premiums earned and recorded in "Insurance receivables" account in the statements of financial condition.

Nonlife insurance premium. Premiums from insurance contracts are recognized as revenue over the period of the contracts using the 24th method. The portion of the premiums written that relate to the unexpired periods of the policies at each reporting date is accounted for as "Reserve for unearned premiums" and presented under "Insurance contract liabilities" account in the statements of financial condition. The related reinsurance premiums ceded that pertains to the unexpired periods at each reporting date is accounted for as "Deferred reinsurance premiums" and presented in "Other current assets" account in the statements of financial condition.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield of the asset.

Other Income. Other income is recognized when earned.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Benefits and Claims. These represent the aggregate losses and claims against the Cooperative arising from the life and nonlife insurance contracts issued to policyholders. These include death claims, accidental death benefit, disability claims, health insurance benefits, medical insurance benefits and losses on nonlife insurance contracts.

Collection Costs, Commission Expense, Salaries and Benefits and General and Administrative Expenses. These constitute costs of administering the business and costs incurred to sell and market the services. These are expensed when incurred.

Employee Benefits

Short-term Benefits. The Cooperative recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Cooperative has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Cooperative has a funded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Cooperative recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in profit or loss. Net interest cost is calculated by applying the discount rate to the net retirement liability or asset.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Cooperative recognizes restructuring-related costs.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on retirement benefits liability or asset) are recognized immediately in profit or loss in the period in which they arise.

The net retirement liability or asset is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets on which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individual or corporate entities. Parties are also considered to be related if they are subject to common control.

Provisions and Contingencies

Provisions are recognized when the Cooperative has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase due to the passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Changes in Accounting Policies and Estimates and Correction of Prior Period Errors

The Cooperative changes its accounting policies if the change is required by PFRF for Cooperatives or as a result of providing reliable and more relevant information about the effects of transactions, other events or conditions on the Cooperative's financial condition. The Cooperative recognizes the effect of changes in accounting policies in the period of change.

In relation to changes in accounting estimates, the Cooperative recognizes the effect of the change prospectively by including it in profit or loss in the period of change and future periods, if applicable.

Prior period errors are omissions from, and misstatements in, the Cooperative's financial statements for one or more periods arising from mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts or fraud. The Cooperative recognizes the effect of the correction of prior period error in the financial statements of the current period.

Events After the Reporting Date

Post year-end events that provide additional information about the Cooperative's financial condition at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Cooperative's financial statements requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. The judgments and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Cooperative believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments and estimates made by the Cooperative:

Estimation of Allowance for Impairment Losses on Financial Assets at Amortized Cost. The Cooperative maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, significant financial difficulties or bankruptcy, the counterparties' payment behavior and other known market factors. The Cooperative identifies and provides for specific accounts that are doubtful of collection and reviews the age and status of the remaining receivables and establishes a provision considering, among others, historical collection and write-off experience.

The carrying amounts of insurance receivables amounted to ₱51,909,947 and ₱13,241,718 as at December 31, 2018 and 2017, respectively. Allowance for probable losses on insurance receivables amounted to ₱5,218,610 as at December 31, 2018 and 2017 (see Note 6).

The carrying amounts of loans and receivables amounted to ₱413,755,305 and ₱74,913,362 as at December 31, 2018 and 2017, respectively. Allowance for impairment loss on loans and receivables amounted to ₱16,775,019 as at December 31, 2018 and 2017 (see Note 9).

The carrying amounts of reinsurance assets amounted to ₱40,179,634 and ₱19,653,111 as at December 31, 2018 and 2017, respectively. No impairment loss on reinsurance assets is recognized in 2018 and 2017 (see Note 7).

The carrying amounts of financial assets at amortized cost amounted to ₱244,245,344 and ₱258,759,083 as at December 31, 2018 and 2017, respectively. No impairment loss on financial assets at amortized cost is recognized in 2018 and 2017 (see Note 8).

Estimation of Allowance for Impairment Losses on Financial Assets at Cost. The Cooperative treats financial assets at cost as impaired when there has been a significant or prolonged decline in the fair value below its cost or when other objective evidence of impairment exists. The determination of what is significant or prolonged requires judgment. Impairment may be appropriate when there is evidence of deterioration in the industry and sector performance.

The carrying amounts of financial assets at cost amounted to ₱143,974,611 and ₱78,743,050 as at December 31, 2018 and 2017, respectively. Allowance for impairment loss on financial assets at cost amounted to ₱9,268,410 as at December 31, 2018 and 2017 (see Note 8).

Determination of Fair Value of Land. In determining the appraised value of land, the Cooperative hires an independent firm of appraisers. In order to arrive at a reasonable valuation, the appraisers personally inspected the properties, requested information from reputable sources and considered the following: (a) utility and market value of the land; (b) current prices for similar used property in the second hand market; (c) age, condition, past maintenance, and present and prospective serviceability in comparison with new assets of like kind; and (d) recent trend and development in the industry concerned. The approaches used in determining the appraised value of land is disclosed in Note 11 to financial statements. Fair market value is defined as the highest price in terms of money which a property will bring if exposed for sale in the open market, allowing reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used.

The latest appraisal for land was performed by an independent appraiser on March 11, 2015. The revalued amount of the land amounted to ₱37,745,746 and ₱38,946,133 as at December 31, 2018 and 2017, respectively (see Note 11).

Estimation of Useful Lives of Property and Equipment. The Cooperative estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimates are based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amount and timing of recording of depreciation expense for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of the Cooperative's property and equipment in 2018 and 2017. The carrying amount of property and equipment, excluding land, amounted to ₱36,370,862 and ₱18,504,879 as at December 31, 2018 and 2017, respectively (see Note 11).

Estimation of Impairment for Nonfinancial Assets. The Cooperative assesses impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Cooperative considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the value in use, determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the assets.

No impairment loss on property and equipment and other noncurrent assets was recognized by the Cooperative in 2018 and 2017. The carrying amount of property and equipment, excluding land, amounted to ₱36,370,862 and ₱18,504,879 as at December 31, 2018 and 2017, respectively (see Note 11). The carrying amount of other noncurrent assets amounted to ₱22,086,188 and nil as at December 31, 2018 and 2017, respectively (see Note 11).

Estimation of Legal Policy Reserves. Reserves are set up as requirement pursuant to the provision and guidelines set by the IC, which should not be less than the reserves required. These are computed using assumptions that are based on the standard mortality and morbidity tables, interest rates, lapse and/or persistency, expenses, non-guaranteed benefits, margin for adverse deviation and management's estimates as required by the IC.

As at December 31, 2018 and 2017, the carrying amounts of legal policy reserves amounted to ₱317,908,229 and ₱232,275,177, respectively (see Note 12).

Estimation of Incurred but not Reported Claims. Provision is made for the cost of claims incurred but not yet reported as at reporting date based on the Cooperative's experience and historical data. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are recognized in profit or loss of subsequent years.

As at December 31, 2018 and 2017, the carrying amounts of incurred but not reported claims amounted to ₱35,848,908 and ₱16,841,675, respectively (see Note 12).

Estimation of Retirement Liability. The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 15 to financial statements and include, among others, discount rates and salary increase rates. The retirement liability amounted to ₱7,729,472 and ₱5,066,291 as at December 31, 2018 and 2017, respectively (see Note 15).

Assessment of Contingencies. The Cooperative has recognized provisions arising from various third-party claims. The estimate of the probable costs for the resolution of these claims has been developed based on the management's assessment and analysis of potential results. The Cooperative believes that these claims will not have material effect on the Company's financial condition and results of operations.

4. Cash and Cash Equivalents

This account consists of:

	2018	2017
Cash in banks	P579,115,771	P450,268,599
Cash equivalents	435,395,432	202,185,002
Revolving fund	59,600,891	51,532,738
Petty cash fund	30,000	30,000
	P1,074,142,094	P704,016,339

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirement of the Cooperative and earn interest at the respective short-term placements rates ranging from 1.25% to 4.50% per annum in 2018 and 2017.

Details of interest income are as follows:

	Note	2018	2017
Cash equivalents and short-term investments		P26,268,826	P11,639,937
Cash in banks		4,949,445	2,924,653
Loans and receivables:	9		
Cooperative members		4,524,083	210,000
Employees		425,254	166,857
Financial assets at amortized cost	8	2,677,683	328,470
Others		-	13,683
		P38,845,291	P15,283,600

5. Short-term Investments

Short-term investments are investments in time deposits with a term of more than three (3) months but not more than one (1) year from the date of acquisition. These amounted to P464,440,558 and P333,477,637 as at December 31, 2018 and 2017, respectively.

Interest rates of short-term investments range from 1.75% to 7% per annum in 2018 and 2017.

6. Insurance Receivables

This account consists of:

	2018	2017
Premium receivables	P51,728,476	P11,153,720
Due from reinsurers	5,400,081	7,306,608
	57,128,557	18,460,328
Allowance for probable losses	(5,218,610)	(5,218,610)
	P51,909,947	P13,241,718

Premium receivables represent premiums due and uncollected at the end of the reporting period on all policies which are classified as in force. These are due and demandable and expected to be collected within the grace period.

Due from reinsurers represent the reinsurers' share in benefits and claims incurred on insurance contracts. These are due and demandable and expected to be collected within the next reporting period.

7. Reinsurance Assets

Reinsurance assets amounting to ₱40,179,634 and ₱19,653,111 as at December 31, 2018 and 2017 pertain to estimated recoverable amounts from reinsurers for its share in insurance contract liabilities (see Note 12).

8. Financial Assets

This account consists of:

	2018	2017
Current		
Financial assets at cost	₱71,861,549	₱51,861,549
Financial assets at FVPL	24,167,226	11,070,824
	96,028,775	62,932,373
Noncurrent		
Financial assets at amortized cost	244,245,344	258,759,083
Financial assets at cost	72,113,062	26,881,501
	316,358,406	285,640,584
	₱412,387,181	₱348,572,957

Movements of financial asset at cost are as follows:

	2018	2017
Current		
Balance at beginning of year	₱51,861,549	₱28,758,069
Additions	20,000,000	23,103,480
Balance at end of year	71,861,549	51,861,549
Noncurrent		
Balance at beginning of year	36,149,911	18,730,463
Additions	45,231,561	17,419,448
	81,381,472	36,149,911
Allowance for impairment loss	(9,268,410)	(9,268,410)
Balance at end of year	72,113,062	26,881,501
	₱143,974,611	₱78,743,050

Financial assets at cost presented as current assets represent investment in mutual funds. Financial assets at cost presented as noncurrent assets include investments in shares which are not quoted in an active market and are expected to be realized in more than one year.

Movements of financial asset at FVPL are as follows:

	2018	2017
Balance at beginning of year	P11,070,824	P10,691,106
Additions	12,924,088	-
Unrealized fair value gain	172,314	379,718
Balance at end of year	P24,167,226	P11,070,824

Financial assets at FVPL include investments in publicly-traded securities which are measured at fair value. Unrealized fair value gain of P172,314 and P379,718 in 2018 and 2017, respectively, is presented under "Other income" account in the statements of operations.

Movements of financial asset at amortized cost are as follows:

	2018	2017
Balance at beginning of year	P258,759,083	P109,989,453
Maturity	(14,513,739)	-
Additions	-	148,769,630
Balance at end of year	P244,245,344	P258,759,083

Financial assets at amortized cost include fixed rate treasury notes which are measured at amortized cost using the effective interest method. Interest income on these securities amounted to P2,677,683 and P328,470 in 2018 and 2017, respectively (see Note 4).

9. Loans and Receivables

This account consists of:

	2018	2017
Current		
Accounts receivable	P37,898,401	P23,931,105
Accrued interest	13,284,930	3,214,012
Receivable from closed banks	11,786,217	11,353,986
Advances to officers and employees	410,495	1,189,278
	63,380,043	39,688,381
Less allowance for probable losses on:		
Accounts receivable	(5,435,438)	(5,435,438)
Receivable from closed banks	(11,051,148)	(11,051,148)
Advances to officers and employees	(288,433)	(288,433)
	(16,775,019)	(16,775,019)
	46,605,024	22,913,362
Noncurrent		
Loans receivable	367,150,281	52,000,000
	P413,755,305	P74,913,362

Accounts receivable pertains to debit memos from cooperative banks for premiums paid by policyholders and interest bearing loans granted to qualified employees. Interest rates for loan to employees range from 6% to 8% per annum. Interest income on these loans amounted to ₱425,254 and ₱166,857 in 2018 and 2017, respectively (see Note 4).

Receivable from closed banks pertains to the Cooperative's outstanding claims from closed depository banks.

Advances to officers and employees pertain to advances for office-related expenses and official business transactions which are subject to liquidation.

Loans receivable pertain to credit assistance granted to the Cooperative's members. The loans earn annual interest rate of 6% with terms of five to fifteen years. Interest income on loans and receivables amounted to ₱4,524,083 and ₱210,000 in 2018 and 2017, respectively (see Note 4).

10. Other Current Assets

This account consists of:

	2018	2017
Deferred reinsurance premium	₱8,367,827	₱-
Prepaid office supplies	2,667,787	408,966
Refundable deposits	532,297	584,973
Prepaid insurance	472,078	188,664
Others	31,627	77,876
	₱12,071,616	₱1,260,479

Deferred reinsurance premium represents the unamortized portion of premiums ceded to reinsurers for nonlife insurance policies in force as at reporting date which is expected to be recognized as expense in the next reporting period.

11. Property and Equipment

The movements in this account follow:

	2018					Total
	At Cost					
	Land (at appraised value)	Building and Improvements	Furniture, Fixture and Office Equipment	Transportation Equipment	Construction in Progress	
Cost						
Balance at beginning of year	₱38,946,133	₱15,537,996	₱17,241,937	₱4,923,780	₱-	₱76,649,846
Additions	-	5,345,000	3,807,604	1,845,000	11,369,061	22,366,665
Adjustment	(1,200,387)	-	-	-	-	(1,200,387)
Disposal	-	-	-	(828,880)	-	(828,880)
Balances at end of year	37,745,746	20,882,996	21,049,541	5,939,900	11,369,061	96,987,244
Accumulated Depreciation						
Balance at beginning of year	-	6,181,483	11,472,271	1,545,080	-	19,198,834
Depreciation	-	991,497	2,537,168	972,017	-	4,500,682
Disposal	-	-	-	(828,880)	-	(828,880)
Balances at end of year	-	7,172,980	14,009,439	1,688,217	-	22,870,636
Carrying Amount	₱37,745,746	₱13,710,016	₱7,040,102	₱4,251,683	₱11,369,061	₱74,116,608

	2017				Total
	Land (at appraised value)	At Cost			
		Building and Improvements	Furniture, Fixture and Office Equipment	Transportation Equipment	
Cost					
Balance at beginning of year	₱9,150,000	₱9,503,152	₱12,108,477	₱2,233,380	₱32,995,009
Additions	29,796,133	8,395,000	5,133,460	2,690,400	46,014,993
Reversal of revaluation surplus	-	(2,360,156)	-	-	(2,360,156)
Balances at end of year	38,946,133	15,537,996	17,241,937	4,923,780	76,649,846
Accumulated Depreciation					
Balance at beginning of year	-	7,061,878	9,514,663	1,093,380	17,669,921
Depreciation	-	874,059	1,957,608	451,700	3,283,367
Reversal of revaluation surplus	-	(1,754,454)	-	-	(1,754,454)
Balances at end of year	-	6,181,483	11,472,271	1,545,080	19,198,834
Carrying Amount	₱38,946,133	₱9,356,513	₱5,769,666	₱3,378,700	₱57,451,012

The carrying amount of the Cooperative's property and equipment at revalued amount and at cost as at December 31, 2018 and 2017 follows:

	2018	2017
At revalued amount	₱37,745,746	₱38,946,133
At cost	36,370,862	18,504,879
	₱74,116,608	₱57,451,012

The latest appraisal of land by an independent appraiser was made on March 11, 2015. In 2017, the Cooperative acquired parcels of land for the establishment of its branch in Cagayan de Oro (CDO) and for the proposed construction of the new Cooperative's building.

The fair value of the land was arrived using the market data approach. In this approach, the value of the land was based on sales and listing of comparable property registered within the vicinity. The technique on this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those comparable actual sales and listings. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison was premised on the factors of location, size and shape of the lot, time element and other factors. The fair value of land has been categorized as Level 3 in the fair value hierarchy (significant observable inputs).

In 2017, the revaluation surplus on building amounting to ₱605,702 was reversed in compliance with PFRF for Cooperatives.

If the land was carried at costs, the carrying amount would be ₱31,595,746 and ₱32,796,133 as at December 31, 2018 and 2017, respectively. The cumulative revaluation surplus on land amounted to ₱6,150,000 as at December 31, 2018 and 2017.

Construction in progress pertains to building under construction at a total contract price of ₱121,800,000. In 2018, the Cooperative applied ₱2,273,812 of its advances to contractors as part of the construction in progress. As at December 31, 2018, ₱22,086,188 of advances to contractors remain unapplied.

Fully depreciated property and equipment that are still being used in the Cooperative's operations amounted to ₱8,683,243 and ₱8,947,379 as at December 31, 2018 and 2017, respectively.

12. Insurance Contract Liabilities

This account consists of:

	2018	2017
Legal policy reserves	₱317,908,229	₱232,275,177
Insurance payables	82,198,622	46,895,843
Reserve for unearned premiums	21,309,791	-
Deferred reinsurance commission	1,716,205	-
	₱423,132,847	₱279,171,020

Legal policy reserves and other actuarial items in the financial statements as at and for the years ended December 31, 2018 and 2017 have been computed using management's estimates and actuarial computations as used and certified by the consulting actuary of the Cooperative. The actuarial computations and management's estimates are in accordance with commonly accepted actuarial standards consistently applied and that the legal policy reserves and other actuarial items are fairly stated in accordance with sound actuarial principles.

Reserve for unearned premiums represents the unearned portion of premium income from nonlife insurance contracts recognized from policies in force as at reporting date.

Deferred reinsurance commission represents the unearned portion of commission income earned from outward reinsurance agreements related to nonlife insurance contracts.

The insurance contract liabilities are broken down as follows:

	2018		
	Insurance Contract Liabilities	Reinsurer's Share (see Note 7)	Net
Legal policy reserves	₱317,908,229	₱35,304,776	₱282,603,453
Insurance payables:			
Policy and contract claims	46,349,714	4,874,858	41,474,856
Incurred but not reported	35,848,908	-	35,848,908
	82,198,622	4,874,858	77,323,764
	₱400,106,851	₱40,179,634	₱359,927,217

	2017		
	Insurance Contract Liabilities	Reinsurer's Share (see Note 7)	Net
Legal policy reserves	₱232,275,177	₱16,971,724	₱215,303,453
Insurance payables:			
Policy and contract claims	30,054,168	2,681,387	27,372,781
Incurred but not reported	16,841,675	-	16,841,675
	46,895,843	2,681,387	44,214,456
	₱279,171,020	₱19,653,111	₱259,517,909

The increase (decrease) in legal policy reserves is broken down as follows:

	2018	2017
Gross increase in legal policy reserves	₱85,633,052	₱60,712,260
Reinsurers' share	(18,333,052)	(7,712,260)
	₱67,300,000	₱53,000,000

13. Due to Reinsurers

Due to reinsurers represents unpaid premiums for reinsurance policies payable to the reinsurers. These are normally settled in cash within one (1) year.

Due to reinsurers amounted to ₱29,935,663 and ₱12,251,844 as at December 31, 2018 and 2017, respectively. Reinsurers' share in benefits and claims incurred on insurance contracts amounted to ₱16,497,405 and ₱10,524,539 in 2018 and 2017, respectively (see Note 19).

14. Other Current Liabilities

This account consists of:

	2018	2017
Accounts payable	₱59,422,022	₱16,799,858
Due to RBIC	82,075,483	-
Accrued expenses	23,088,385	8,355,024
Statutory payables	1,687,528	957,784
Others	1,823,024	1,089,725
	₱168,096,442	₱27,202,391

Accounts payable pertains to amounts due to suppliers for purchases of various goods and services which are payable within the next reporting period.

Due to RBIC pertains to placement of time deposits and other investments paid by RBIC on behalf of the Cooperative. These are unsecured, non-interest bearing and payable on demand.

Accrued expenses comprise of collection cost, commission expense, light and water, postage and telephone and other operating expenses accrued as of the reporting date and are generally payable within 30 to 60 days.

Statutory payables mainly include contributions to SSS, Pag-ibig and withholding taxes, which are generally remitted within the next reporting year.

15. Retirement Payable

The Cooperative has a funded, noncontributory and defined benefit retirement plan administered by an independent trustee covering all qualified employees. The benefits are based on the years of service and percentage of latest monthly salary. The Cooperative's latest actuarial valuation report was made on February 22, 2019 for the year ended December 31, 2018.

Retirement payable is actuarially determined using the projected unit credit method. This method reflects services rendered by the employees up to the date of valuation and incorporates various assumptions. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The following tables summarize the components of the retirement costs recognized in the statements of operations and amounts recognized in the statements of financial condition for the retirement plan.

Retirement costs recognized in the statements of operations follow:

	2018	2017
Current service cost	₱1,906,873	₱1,381,400
Net interest costs	21,830	136,816
Remeasurement loss	734,478	939,705
	₱2,663,181	₱2,457,921

The net retirement liability recognized in the statements of financial condition follows:

	2018	2017
Present value of defined benefit obligation	₱12,936,723	₱10,267,914
Fair value of plan assets	(5,207,251)	(5,201,623)
	₱7,729,472	₱5,066,291

The movements of the present value of defined benefit obligation follow:

	2018	2017
Balance at beginning of year	₱10,267,914	₱7,898,149
Current service cost	1,906,873	1,381,400
Interest cost	524,818	399,646
Remeasurement loss	237,118	779,727
Benefits paid	-	(191,008)
Balance at end of year	₱12,936,723	₱10,267,914

The movements of the fair value of plan assets follow:

	2018	2017
Balance at beginning of year	₱5,201,623	₱5,289,779
Interest income	502,988	262,830
Remeasurement loss	(497,360)	(159,978)
Benefits paid	-	(191,008)
Balance at end of year	₱5,207,251	₱5,201,623

The components of the Cooperative's plan assets follow:

	2018	2017
Cash	13%	10%
Investments in government securities	87%	90%
	100%	100%

The principal assumptions used in determining retirement liability follow:

	2018	2017
Discount rate	6.07%	5.11%
Salary increase rate	5%	5.00%
Average remaining working lives of employees	20 years	19 years

The sensitivity analysis of defined benefit obligation for principal assumptions used as at December 31, 2018 and 2017 follows:

Principal assumptions	Effect on the Present Value of Defined Benefit Obligation	
	2018	2017
Discount rate:		
Increase by 1%	(P2,449,375)	(P2,220,680)
Decrease by 1%	2,449,375	2,105,782
Salary rate:		
Increase by 1%	2,306,022	1,969,272
Decrease by 1%	(2,306,022)	(2,299,692)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The maturity profile of expected benefit payments from the plan are as follows:

Year	Expected Benefit Payments
2019	P429,761
2020	247,978
2021	316,412
2022	2,474,330
2023 - 2028	9,315,789

16. Share Capital

Movements in share capital are as follow:

	Number of Shares		Amount	
	2018	2017	2018	2017
Authorized share capital				
Common - P100 par value				
Balance at beginning of year	12,500,000	7,500,000	P1,250,000,000	P750,000,000
Increase	-	5,000,000	-	500,000,000
Balance at end of year	12,500,000	12,500,000	P1,250,000,000	P1,250,000,000
Preferred - P100 par value	2,500,000	2,500,000	P250,000,000	P250,000,000

	Number of Shares		Amount	
	2018	2017	2018	2017
Issued and outstanding				
Common				
Balance at beginning of year	9,380,777	5,505,104	₱938,077,700	₱550,510,400
Issuances	3,201,253	2,108,502	320,125,300	210,850,200
Withdrawals	(82,030)	(54,279)	(8,203,000)	(5,427,900)
Transfer from preferred share	-	1,821,450	-	182,145,000
Balance at end of year	12,500,000	9,380,777	1,250,000,000	938,077,700
Preferred				
Balance at beginning of year	129,515	491,210	12,951,500	49,121,000
Issuances	23,885	1,397,511	2,388,500	139,751,100
Withdrawals	(25,999)	(7,263)	(2,599,900)	(726,300)
Restoration	-	69,507	-	6,950,700
Transfer to common share	-	(1,821,450)	-	(182,145,000)
Balance at end of year	127,401	129,515	12,740,100	12,951,500
			₱1,262,740,100	₱951,029,200

Increase in Authorized Share Capital

On July 23, 2016, the Cooperative's BOD approved the increase in authorized share capital from 10,000,000 consisting of 7,500,000 common shares with par value of ₱100 per share and 2,500,000 preferred shares with par value of ₱100 per share to 15,000,000 consisting of 12,500,000 common shares with par value of ₱100 per share and 2,500,000 preferred shares with par value of ₱100 per share. The CDA approved the increase in share capital on August 31, 2017.

Restoration of Preferred Shares

On April 15, 2016, the BOD approved the restoration of written down portion of all outstanding preferred shares as at December 21, 2015 amounting to ₱6,950,730 (see Note 17). In 2017, the Cooperative charged the restoration of preferred share against general reserve fund as approved by the CDA.

Transfer of Preferred Share to Common Share

In 2017, certain members transferred a total of 1,821,450 preferred shares to common share with a total amount of ₱182,145,000.

Conversion of Dividend and Patronage Refund to Common Share

In 2018 and 2017, various cooperative members converted its dividend and patronage refund to common share amounting to ₱75,913,430 and ₱66,741,491, respectively (see Note 17).

Deposit for Share Capital Subscription

In 2018, the Cooperative received deposit for share capital subscription from existing members for the subscription of additional shares amounting to ₱287,894,966. These shares are expected to be issued upon the approval of the Cooperative's increase in authorized capital share of the CDA.

17. Statutory Funds

This account consists of funds required to be maintained by the Cooperative pursuant to the provisions of RA No. 9520. The movements of this account follow:

	2018				Balance at End of Year
	Balance at Beginning of Year	Allocation of Net Surplus	Disbursements	Restoration of Preferred Share (see Note 16)	
General reserve fund	₱60,254,212	₱21,607,825	₱-	₱-	₱81,862,037
Optional fund	27,537,282	2,160,782	-	-	29,698,064
Cooperative education and training fund	12,361,449	17,286,260	(8,695,363)	-	20,952,346
Community development fund	11,851,721	6,482,347	(1,420,479)	-	16,913,589
	₱112,004,664	₱47,537,214	(₱10,115,842)	₱-	₱149,426,036

	2017				Balance at End of Year
	Balance at Beginning of Year	Allocation of Net Surplus	Disbursements	Restoration of Preferred Share (see Note 16)	
General reserve fund	₱50,424,812	₱16,780,130	₱-	(₱6,950,730)	₱60,254,212
Optional fund	22,723,521	4,813,761	-	-	27,537,282
Cooperative education and training fund	17,006,807	2,808,028	(7,453,386)	-	12,361,449
Community development fund	7,648,908	4,813,761	(610,948)	-	11,851,721
	₱97,804,048	₱29,215,680	(₱8,064,334)	(₱6,950,730)	₱112,004,664

The statutory funds are not available for distribution to members but are used only for the specific purposes for which they are set aside, as approved by the BOD and the members of the Cooperative in the General Assembly (GA).

The distribution of net surplus pursuant to the provisions of R.A. No. 9520 follows:

	2018		2017	
	Percentage	Amount	Percentage	Amount
Dividend and patronage refund payable	78.00%	₱168,541,033	81.79%	₱131,243,029
General reserve fund	10.00%	21,607,825	10.46%	16,780,130
Cooperative education and training fund	8.00%	17,286,260	1.75%	2,808,028
Community development fund	3.00%	6,482,347	3.00%	4,813,761
Optional fund	1.00%	2,160,782	3.00%	4,813,761
	100.00%	₱216,078,247	100.00%	₱160,458,709

Allocation of dividend and patronage refund payable consists of:

	2018	2017
Interest on share capital	₱117,978,723	₱82,683,108
Patronage refund	50,562,310	48,559,921
	₱168,541,033	₱131,243,029

The movements in dividend and patronage refund payable follow:

	Note	2018	2017
Balance at beginning of year		₱159,625,907	₱105,944,535
Allocation from net surplus		168,541,033	131,243,029
Conversion to share capital	16	(75,913,430)	(66,741,491)
Payments during the year:			
Interest on share capital		(19,998,461)	(7,123,198)
Patronage refund		(2,356,742)	(3,696,968)
Balance at end of year		₱229,898,307	₱159,625,907

18. Net Insurance Premiums

Net insurance premiums earned on life and nonlife insurance contracts amounted to ₱703,535,712 and ₱517,369,990 in 2018 and 2017, respectively.

Details of gross premiums earned on insurance contracts follow:

	2018	2017
Gross premiums written on:		
Life	₱774,435,125	₱553,264,813
Nonlife	26,778,971	–
	801,214,096	553,264,813
Change in reserve for unearned premiums	(21,309,790)	–
	₱779,904,306	₱553,264,813

Details of reinsurers' share of gross premiums earned on insurance contracts follow:

	2018	2017
Reinsurers' share of gross premiums written	₱84,736,421	₱35,894,823
Change in deferred reinsurance premium	(8,367,827)	–
	₱76,368,594	₱35,894,823

19. Benefits and Claims Incurred on Insurance Contracts

Benefits and claims incurred on insurance contracts are as follows:

	Note	2018	2017
Gross benefits and claims incurred on insurance contracts		₱263,653,438	₱179,855,850
Reinsurers' share	13	(16,497,405)	(10,524,539)
		₱247,156,033	₱169,331,311

20. Salaries and Benefits

This account consists of:

	Note	2018	2017
Salaries and wages		₱37,266,563	₱25,595,967
Employee benefits		19,106,163	9,415,341
Retirement costs	15	2,663,181	2,457,921
		₱59,035,907	₱37,469,229

Compensation of Key Management Personnel

Compensation of key management personnel amounted to ₱9,663,309 and ₱4,036,351 in 2018 and 2017, respectively.

21. General and Administrative Expenses

This account consists of:

	2018	2017
Meetings and conferences	₱8,225,444	₱5,184,877
Transportation and travel	3,711,142	2,714,654
Professional and consultancy fees	2,925,076	1,581,927
Postage, telephone and telegram	2,667,467	1,802,005
Honorarium and allowances	2,658,202	1,937,225
Utilities	1,961,701	1,777,599
Networking and representation	1,753,452	1,489,220
Printing, stationery and supplies	1,718,090	1,022,558
Security and maintenance services	1,367,881	1,011,946
Advertising and promotions	1,307,826	915,687
Taxes and licenses	412,041	559,353
Repairs and maintenance	379,478	321,622
Membership and association dues	257,931	410,837
Others	7,548,615	6,446,260
	₱36,894,346	₱27,175,770

Others include provision for contingencies, donation and contribution, insurance expense and bank and collection charges.

22. Financial Risk Management

The Cooperative is exposed to a variety of financial risks arising from its operating, investing and financing activities. The BOD has overall responsibility for the Cooperative's financial risk management, which includes establishment and approval of risk strategies, policies and limits. The main objective of the financial risk management is to minimize the adverse impact of financial risks on the Cooperative's financial performance and financial condition due to the unpredictability of financial markets.

The Cooperative's financial instruments consist of cash and cash equivalents, short-term investments, insurance receivables, reinsurance assets, financial assets at cost, financial assets at FVPL, loans and receivables, financial assets at amortized cost, refundable deposits (presented under "Other current assets" account in the statements of financial condition), insurance contract liabilities, dividend and patronage refund payable, due to reinsurers and other current

liabilities (excluding statutory payables). The main purpose of these financial instruments is to generate income and raise finances for the Cooperative's operations.

The main risks arising from the Cooperative's use of financial instruments are summarized as follows:

Insurance Risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Cooperative faces under such contracts is when the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is organized by the frequency of claims, severity of claims, actual benefits paid that are greater than original estimates and subsequent development of long-term claims.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Cooperative has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Cooperative's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Cooperative substantially dependent upon any single reinsurance contract.

The Cooperative principally writes life insurance where the life of a policyholder is insured against death, illness, injury or permanent disability which are usually for a pre-determined amount.

The Cooperative adopts an underwriting risk policy. The risks associated with the life and accident products are underwriting risk and investment risk.

Underwriting Risk

Underwriting risk represents the exposure to loss resulting from actual policy experience adversely deviating from assumptions made in the product pricing. Underwriting risks arise from the combination of the following:

- Mortality risk - risk of loss arising from policyholders' death experience being different than expected
- Morbidity risk - risk of loss due to policyholder health experience being different than expected
- Expense risk - risk of loss arising from expense experience being different than expected
- Investment risk - risk of loss arising from actual returns being different than expected.
- Policyholder decision risk - risk of loss arising from policyholders' experiences (lapses and surrenders) being different than expected

The Cooperative's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical locations, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular view of actual claims experience and product pricing and detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

The Cooperative is conscious of the need to exercise good judgment in the selection and approval of companies participating in its reinsurance programs. While reinsurance arrangements do not relieve the Cooperative from its direct obligations to the insured, an efficient and effective reinsurance program substantially limits the Cooperative's exposure to potentially significant losses.

The table below sets out the Cooperative's concentration of insurance risk based on types of policy:

Type	2018			2017		
	No. of Policies	Insurance Coverage	Premiums	No. of Policies	Insurance Coverage	Premiums
GYRT and LPPI	629,569	₱35,640,815,728	₱639,556,240	552,494	₱26,463,430,628	₱472,319,441
Personal accident	19,367	962,080,000	19,066,322	1,684	83,680,000	628,598
Micro insurance	24,739	639,023,500	1,784,842	32,432	612,059,500	15,003,383
Regular plans	38	3,305,300	12,995	46	3,805,300	77,319
	673,713	₱37,245,224,528	₱660,420,399	586,656	₱27,162,975,428	₱488,028,741

The table below presents the concentration of risk by attained age based on data of inforce policies as of December 31, 2018. Exposures are concentrated on age brackets 18-35, 36-45 and 46-55.

Attained Age	Gross of Reinsurance	
	Coverage	Exposure
18-35	₱9,112,352,805	24%
36-45	10,427,311,273	28%
46-55	9,527,746,993	26%
56-65	6,875,237,857	18%
66 and above	1,302,575,600	3%
Total	₱37,245,224,528	

Material judgment is required in determining the liabilities and in choosing assumptions relating to insurance contracts. Assumptions in use are based on past experience, current internal data and conditions and external market indices and benchmarks, which reflect current observable market prices and other published information. Such assumptions are determined as appropriate at inception of the contract and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. Assumptions are subject to the provisions and guidelines set by the IC.

For insurance contracts, the Cooperative determines the assumptions in relation to future deaths, illness or injury and investment returns at inception of the contract.

Subsequently, new estimates are developed at each reporting date and liabilities are tested to determine whether such liabilities are adequate in the light of the latest current estimates. The initial assumptions are not altered if the liabilities are considered adequate. Otherwise, the assumptions are altered to reflect the latest current estimates. As a result, the effect of changes in the underlying variables on insurance liabilities and related assets is not symmetrical.

The key assumptions to which the estimation and adequacy testing of liabilities are particularly sensitive are the following:

Mortality Rates. Assumptions are based on standard industry and national mortality tables, according to the type of contract written and which may be adjusted where appropriate to reflect the Cooperative's own experiences. Assumptions are differentiated by sex, underwriting class and contract type.

For life insurance policies, increased mortality rates would lead to a larger number of claims occurring sooner than anticipated, increasing the expenditure and thereby reducing profits from operations.

Discount Rates. Life insurance liabilities are determined as the sum of the present value of the expected benefits less the presented value of the expected premiums that would be required to meet these future cash outflows. The weighted average rate of return is derived based on model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial development. A decrease in the discount rate will increase the value of the liability.

Lapse and Surrender Rates. Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

Expenses. Administrative expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for shareholders.

Investment Risk

Investment risk represents the exposure to loss resulting from cash flows from invested assets, primarily long-term fixed rate investments, being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments. Additionally, future investment risk associated with certain policies

currently in force exists which will have premium receipts in the future. That is, the investment of those future premium receipts may be at a yield below that required to meet future policy liabilities.

To maintain an adequate yield to match the interest necessary to support future policy liabilities, management focus is required to reinvest the proceeds of the maturing securities and to invest the future investment receipts while continuing to maintain satisfactory investment quality.

The Cooperative likewise adopts investment strategy to invest primarily in high quality securities while maintaining diversification to avoid exposure to issuer or industry concentrations. The Cooperative also adopts strategy to produce cash flows required to meet maturing insurance liabilities. The Cooperative invests in equities for various reasons, including diversifying its overall exposure to interest rate risk. Equity securities are subject to declines in fair value. Generally, insurance regulations restrict the type of assets in which an insurance company may invest when permitted by regulatory authorities and when deemed necessary to protect insurance assets including invested assets, from adverse movement of foreign currency exchange rates, interest rates and equity prices. The Cooperative may also enter into derivative transactions as end users.

Financial Risk

The Cooperative is exposed to financial risk through its financial assets and liabilities. In particular, the key financial risk that the Cooperative is exposed to is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts.

The most important components of this financial risk are credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate and equity products. These are all exposed to general and specific market movements.

Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Cooperative manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Cooperative; setting up exposure limits by each counterparty or group of counterparties and industry segment; right of offset where both counterparties are debtors and creditors; guidelines in obtaining collateral and guarantees; reporting of credit risk exposures; monitoring compliance with credit risk policy; and review of credit risk policy for pertinence and changing environment.

Although the Cooperative has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus, a credit exposure exists with respect to reinsurance ceded, to the extent that the Cooperative may be unable to meet its obligations assumed under such reinsurance agreements. The Cooperative selects only companies with strong financial standing and excellent track records which are allowed to participate in the Cooperative's reinsurance programs.

In respect of investment securities, the Cooperative limits its exposure by setting maximum limits of portfolio securities with a single or group of issuers. The Cooperative also makes use of institutions of high credit worthiness.

The Cooperative sets maximum amounts and limits that may be advanced to or placed with individual corporate counterparties which are set by reference to their long-term ratings.

The table below shows the maximum exposure to credit risk for the components of the statements of financial condition:

	2018	2017
Cash in banks and cash equivalents	₱1,014,511,203	₱652,453,601
Short-term investments	464,440,558	333,477,637
Insurance receivables	57,128,557	18,460,328
Reinsurance assets	40,179,634	19,653,111
Financial assets at cost - current portion*	71,861,549	51,861,549
Financial assets at amortized cost	244,245,344	258,759,083
Loans and receivables	430,530,324	91,688,381
Refundable deposits	532,297	584,973
	₱2,323,429,466	₱1,426,938,663

*Pertains to investment in mutual fund

Credit Quality per Class of Financial Assets. The Cooperative's bases in grading its financial assets are as follows:

High grade - These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Standard Grade - These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but have been outstanding for a certain period of time.

Substandard Grade - These are receivables that can be collected provided the Cooperative makes persistent effort to collect the amounts due.

The table below shows the credit quality by class of financial assets of the Cooperative based on their historical experience with the corresponding parties as at December 31, 2018 and 2017:

	2018					Total
	Neither Past Due nor Impaired			Past Due but not Impaired		
	High Grade	Standard Grade	Substandard Grade	Impaired	Impaired	
Cash in banks and cash equivalents	₱1,014,511,203	₱-	₱-	₱-	₱-	₱1,014,511,203
Short-term investments	464,440,558	-	-	-	-	464,440,558
Insurance receivables	51,909,947	-	-	-	5,218,610	57,128,557
Reinsurance assets	40,179,634	-	-	-	-	40,179,634
Financial assets at cost - current portion	62,593,139	-	-	-	9,268,410	71,861,549
Financial assets at amortized cost	244,245,344	-	-	-	-	244,245,344
Loans and receivables	-	413,755,305	-	-	16,775,019	430,530,324
Refundable deposits	532,297	-	-	-	-	532,297
	₱1,878,412,122	₱413,755,305	₱-	₱-	₱31,262,039	₱2,323,429,466

	2017					Total
	Neither Past Due nor Impaired			Past Due but not Impaired		
	High Grade	Standard Grade	Substandard Grade	Impaired	Impaired	
Cash in banks and cash equivalents	₱652,453,601	₱-	₱-	₱-	₱-	₱652,453,601
Short-term investments	333,477,637	-	-	-	-	333,477,637
Insurance receivables	13,241,718	-	-	-	5,218,610	18,460,328
Reinsurance assets	19,653,111	-	-	-	-	19,653,111
Financial assets at cost - current portion	51,861,549	-	-	-	-	51,861,549
Financial assets at amortized cost	258,759,083	-	-	-	-	258,759,083
Loans and receivables	-	74,913,362	-	-	16,775,019	91,688,381
Refundable deposits	584,973	-	-	-	-	584,973
	₱1,330,031,672	₱74,913,362	₱-	₱-	₱21,993,629	₱1,426,938,663

Liquidity Risk

Liquidity risk is the risk from inability to meet obligations when they become due because of the inability to obtain adequate funding. The Cooperative ensures that sufficient liquid assets are available to meet short-term funding and regulatory requirements.

The Cooperative is mainly exposed to liquidity risk through its maturing liabilities.

The details of the Cooperative's maturity analysis are as follows:

	2018				
	Total	On Demand	Due Within 1 Year	Due Within 1 to 5 years	Due 5 Years and Above
Insurance contract liabilities	₱423,132,847	₱-	₱423,132,847	₱-	₱-
Dividend and patronage refund payable	229,898,307	229,898,307	-	-	-
Due to reinsurers	29,935,663	-	29,935,663	-	-
Other current liabilities*	166,408,914	-	166,408,914	-	-
	₱849,375,731	₱229,898,307	₱619,477,424	₱-	₱-

*Excludes statutory payables

	2017				
	Total	On Demand	Due Within 1 Year	Due Within 1 to 5 years	Due 5 Years and Above
Insurance contract liabilities	₱279,171,020	₱-	₱279,171,020	₱-	₱-
Dividend and patronage refund payable	159,625,907	159,625,907	-	-	-
Due to reinsurers	12,251,844	-	12,251,844	-	-
Other current liabilities*	26,244,607	-	26,244,607	-	-
	₱477,293,378	₱159,625,907	₱317,667,471	₱-	₱-

*Excludes statutory payables

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Cooperative's exposure to market risk relates to changes in interest rates and equity prices.

The following policies and procedures are in place to mitigate the Cooperative's exposure to market risks:

- A market risk policy setting out the assessment and determination of what constitutes market risk for the Cooperative. Compliance with the policy is monitored and exposures and breaches are reported to the BOD. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Set asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and those assets are held to deliver income and gains for policyholders which are in line with expectations to the policyholders.
- Stipulated diversification benchmarks by type of instrument, as the Cooperative is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Cooperative's market risk policy requires it to manage interest rate risk by maintaining significant level of fixed rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. No sensitivity analysis is needed as future interest rate changes are not expected to affect the Cooperative's net surplus. The Cooperative continuously manages the interest rate risk and ensures that the impact of changes in interest rates on the Cooperative's investment strategies is minimal.

Equity Price Risk

Equity price risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices of individual stocks and the changes in the level of Philippine Stock Exchange index (PSEi).

The Company's equity price risk exposure relates to equity shares classified as financial assets at FVPL. The effect on equity is caused by reasonably possible changes in the relevant market indices which lead to changes in the market value of investment securities. The effect on income is caused by reasonably possible changes in the relevant market indices which lead to changes in the market value of investment securities classified as financial assets at FVPL. Due to the insignificant level of the Cooperative's investments in financial assets at FVPL, the Cooperative assessed that the possible impact of changes in equity prices in net surplus is minimal.

23. Capital Management and Regulatory Framework

Capital Management Framework

All insurance companies are required to maintain a certain level of capital to ensure sufficient solvency margins and to adequately protect the policyholders. The level of capital maintained is usually higher than the minimum capital requirements set by the regulators and the amount computed under the Risk-Based Capital (RBC) Model.

Companies manage capital through a process that determines future projected capital requirements through the development of long-term financial plans and projections that consider the impact on the surplus of new business, profitability of in-force business and other major corporate initiatives that will affect capitalization levels. The results of the financial plans and projections provide basis in the determination of capitalization changes and surplus distribution decisions.

The operations of insurance companies are subject to the regulatory requirements of the IC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., margin of solvency to minimize the risk of default and insolvency on the part of the insurance companies to meet the unforeseen liabilities as these arise, fixed capitalization requirements, risk-based capital requirements).

Regulators are interested in protecting the rights of the policyholders and maintaining close vigil to ensure that the companies are satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that they maintain an appropriate solvency position to meet liabilities arising from claims and that the risks are at acceptable levels.

The Cooperative’s capital as at December 31, 2018 and 2017 follows:

	2018	2017
Share capital	₱1,262,740,100	₱951,029,200
Deposit for share capital subscription	287,894,966	-
Contributed surplus	85,298	85,298
Revaluation surplus on land and building	6,150,000	6,150,000
Statutory funds	149,426,036	112,004,664
	₱1,706,296,400	₱1,069,269,162

No changes were made to the Cooperative’s capital base, objectives, policies and processes from the previous year.

Regulatory Framework

Regulators are interested in protecting the rights of the policyholders and maintaining close vigil to ensure that the Cooperative is satisfactorily managing affairs for the policyholders’ benefit. At the same time, the regulators are also interested in ensuring that the Cooperative maintains an appropriate solvency position to meet liabilities arising from claims and that the risk levels are at acceptable levels.

The operations of the Cooperative are subject to the regulatory requirements of the IC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., margin of solvency to minimize the risk of default and insolvency on the part of the insurance companies to meet the unforeseen liabilities as these arise, fixed capitalization requirements, RBC requirements).

Minimum Statutory Net Worth Requirements

On August 15, 2013, the President of the Philippines approved the Republic Act No. 10607 to be known as the “The Insurance Code” (the Code) which provides the new capitalization requirements of all existing insurance companies based on net worth on a staggered basis starting June 30, 2013 up to December 31, 2022. The amount of required net worth and the schedule of compliance are as follows:

Minimum Statutory Net Worth	Compliance Date
₱250 million	June 30, 2013
550 million	December 31, 2016
900 million	December 31, 2019
1.3 billion	December 31, 2022

On September 5, 2018, the IC issued Circular Letter (CL) No. 2018-45 which provides guidelines on the minimum capitalization and net worth requirements for composite insurance companies. The IC confirmed that for an existing

composite insurance company, the minimum net worth of its life and nonlife units shall each comply with the amounts and schedule of compliance provided by the Code.

In accordance with Article 107 of the Philippine Cooperative Code of 2008, the requirements on the capitalization, investments and reserves of insurance cooperatives may be modified upon consultation with the CDA and the cooperative sector, but in no case may the requirements be reduced to less than half of those provided under the Code.

Pursuant to Section 202 of the Code, the estimated amount of non-admitted assets as at December 31, 2018 and the actual non-admitted assets as at December 31, 2017 for the Cooperative's life unit follows:

	2018 (Estimated)	2017 (Actual)
Cash and cash equivalents	₱88,666,885	₱112,937,492
Short-term investments	65,097,472	181,258,985
Loans and receivables	23,235,975	26,388,327
Financial assets	-	124,776,179
Property and equipment	5,706,541	47,069,123
Other current assets	12,071,616	1,240,032
Other noncurrent assets	22,086,188	-
	₱216,864,677	₱493,670,138

For the Cooperative's nonlife unit, all assets are considered as admitted assets.

Pursuant to the Code and related circulars, cash and cash equivalents and short-term investments to cooperative banks in excess of ₱500,000, insurance receivables beyond 90 days, loans and receivables beyond 90 days, receivables from closed banks and advances to officers and employees, investments in cooperatives, office furniture and fixtures, office equipment, motor vehicles and other assets are generally non-admitted assets.

As at December 31, 2018, the Cooperative's estimated net worth and actual net worth as at December 31, 2018 and 2017, respectively, follows:

	Life		Nonlife	
	2018 (Estimated)	2017 (Actual)	2018 (Estimated)	2017 (Actual)
Total assets	₱2,532,121,550	₱1,552,586,615	₱32,967,581	₱-
Total liabilities	825,851,418	483,317,453	32,941,313	-
Equity	1,706,270,132	1,069,269,162	26,268	-
Less: Non-admitted assets	216,864,677	493,670,138	-	-
Net worth	1,489,405,455	575,599,024	26,268	-
Less: Net worth requirements as at December 31, 2018	275,000,000	275,000,000	275,000,000	-
Excess (deficiency) over net worth requirements	₱1,214,405,455	₱300,599,024	(₱274,973,732)	₱-

As at December 31, 2018 and 2017, the Cooperative has complied with the minimum paid-up capital and statutory net worth requirements required by IC. The net worth requirement for the Cooperative's nonlife unit will be complied in 2019 upon consummation of the merger with RBIC.

RBC Requirements

The Amended Insurance Code provides that the Commissioner may require the adoption of the RBC approach and other internationally accepted forms of capital framework. Together with the insurance industry, the IC is currently in the process of adopting a new RBC approach that would be more tailored to the Philippine insurance industry. In 2016, the IC issued CL 2016-68 regarding the Amended RBC framework to be known as "RBC2 Framework" which was effective starting January 1, 2017.

CL 2016-68 provides for the RBC2 framework for the life insurance industry which establishes the required amounts of capital to be maintained by the insurance companies in relation to their investment and insurance risks. Every life insurance company is annually required to maintain an RBC ratio of at least 100% and not to fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance company to regulatory intervention which could be at various levels depending on the degree of the violation.

The RBC2 ratio shall be calculated as total available capital (TAC) divided by the RBC requirement. TAC is the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and determinations. Tier 1 Capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis. Tier 2 Capital which includes reserve for appraisal increment and remeasurement gains or losses on retirement pension asset or obligation shall not exceed 50% of Tier 1 Capital. RBC2 requirement shall be computed based on the formula provided in the circular and shall include asset default risk, insurance pricing risk, interest rate risk and general business risk.

Every life insurance company is annually required to maintain a minimum RBC2 ratio of 100% and not fail the trend test. The trend test has failed, in the event that all have occurred:

- a. The RBC2 ratio is less than 125% but is not below 100%;
- b. The RBC2 ratio has decreased over the past year; and
- c. The difference between RBC ratio and the decrease in the RBC2 ratio over the past year is less than 100%

Failure to meet the RBC2 ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels.

The following table shows the RBC2 ratio of the life unit based on internal calculations as at December 31, 2018 and the final RBC2 ratio as determined by the IC as at December 31, 2017:

	2018 (Estimated)	2017 (Actual)
Total available capital	₱1,559,702,457	₱1,053,045,140
RBC2 requirement	47,833,070	64,119,627
RBC2 ratio	3261%	1642%

The final amount of the RBC2 ratio can be determined only after the accounts of the Cooperative have been examined by the IC specifically for the determination of admitted and non-admitted assets as defined under the Code.

Financial Reporting Framework (FRF) and Valuation Standards

The IC issued CL No. 2016-65, Financial Reporting Framework (FRF), under Section 189 of The Insurance Code (RA No. 10607). Whereas, the FRF will adopt the economic valuation of assets and liabilities based on internationally accepted accounting, actuarial and insurance core principles.

IC also released CL No. 2016-66, Valuation Standards for Life Insurance Policy Reserves, pursuant to Sections 216 and 423 of the Code. Where appropriate, the life insurance policy reserves shall be valued using the Gross Premium Valuation (GPV) considering other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation. IC decided to treat the change in the basis of valuation as a change in accounting policy and shall be retrospectively applied in its regulatory financial reporting requirements. However, for purposes of compliance with PFRF for Cooperatives, the effects of the change in valuation model is recognized in the current period.

FRF and gross premium valuation are effective starting January 1, 2017. Moreover, the IC provides the submission of the regulatory requirements for the following covered period and corresponding submission date starting 2017:

Period Covered	Submission Date
As of 31 March	31st of May
As of 30 June	31st of August
As of 30 September	30th of November
As of 31 December	30th of April

The Cooperative has complied with the submission requirements of IC in 2018 and 2017 for FRF and gross premium valuation.

24. **Financial Assets and Liabilities**

The following table presents a comparison of the carrying amounts and fair values of all the Cooperative's financial assets and liabilities as at December 31, 2018 and 2017.

	2018		2017	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial Assets				
Cash and cash equivalents	₱1,074,142,094	₱1,074,142,094	₱704,016,339	₱704,016,339
Short-term investments	464,440,558	464,440,558	333,477,637	333,477,637
Insurance receivables	51,909,947	51,909,947	13,241,718	13,241,718
Reinsurance assets	40,179,634	40,179,634	19,653,111	19,653,111
Financial assets at cost	62,593,139	62,593,139	78,743,050	78,743,050
Financial assets at amortized cost	244,245,344	244,245,344	258,759,083	258,759,083
Financial assets at fair value through profit or loss	24,167,226	24,167,226	11,070,824	11,070,824
Loans and receivables	413,755,305	413,755,305	74,913,362	74,913,362
Refundable deposits	532,297	532,297	584,973	584,973
	₱2,375,965,544	₱2,375,965,544	₱1,494,460,097	₱1,494,460,097
Financial Liabilities				
Insurance contract liabilities	₱423,132,847	₱423,132,847	₱279,171,020	₱279,171,020
Dividend and patronage refund payable	229,898,307	229,898,307	159,625,907	159,625,907
Due to reinsurers	29,935,663	29,935,663	12,251,844	12,251,844
Other current liabilities*	166,408,914	166,408,914	26,244,607	26,244,607
	₱849,375,731	₱849,375,731	₱477,293,378	₱477,293,378

*Excludes statutory payables

Cash and Cash Equivalents, Short-term Investments, Insurance Receivables, Reinsurance Assets, Financial Assets at Cost, Loans and Receivables, Refundable Deposits, Insurance Contract Liabilities, Dividend and Patronage Refund Payable, Due to Reinsurers and Other Current Liabilities. The fair values of these financial assets and financial liabilities approximate their carrying amounts due to its short-term nature of these financial instruments.

Financial Assets at FVPL and Amortized Cost. The fair values of these investments are determined by reference to quoted market bid prices (Level 1 in the fair value hierarchy) at the close of business as at the reporting date.

In 2018 and 2017, there were no transfers within any hierarchy level of fair value measurement.

AUDIT COMMITTEE REPORT
For the Year Ending December 31, 2018

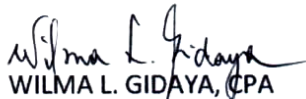
The General Assembly
1 Cooperative Insurance System of the Philippines Life and General Insurance
80 Malakas St., Brgy. Pinyahan, Diliman
Quezon City

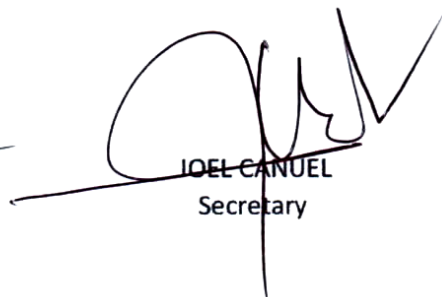
We have examined the compliance to the industry standards of the 1 Cooperative Insurance System of the Philippines Life and General Insurance for the year ending December 31, 2018. Our responsibility is to render a report on the company's compliance to said standards based on our examination.


In our opinion, based on the report rendered by REYES TACANDONG & CO. and in accordance with the CDA CAPR and Social Audit, the 1 Cooperative Insurance System of the Philippines Life and General Insurance obtained the following ratings for the year ending December 31, 2018.

	Rating	Report Rendered
Financial Statements		Unqualified
CDA CAPR	Satisfactory	
CDA Social Audit	Very Satisfactory	

We conducted our examination in accordance with the Cooperative Development Authority (CDA) Cooperative Annual Progress Report (CAPR), the Guidelines on Social Audit of Cooperatives, Asean Corporate Governance Scorecard and the Audit Report rendered by REYES TACANDONG & CO. . These standards require that we plan and perform the examination to ensure reasonable assurance about whether the 1 Cooperative Insurance System of the Philippines Life and General Insurance complies with the standards set by the governing/regulating agencies. The examination included validating the Cooperative Performance Report, accomplishing the Social Audit Questionnaires and calculating the points earned by the 1 Cooperative Insurance System of the Philippines Life and General Insurance based on parameters/criteria set forth under the CDA and Insurance Commission guidelines. We believe that our examination provided a reasonable basis to render a rating on the Insurance Company's Performance.


WILMA L. GIDAYA, CPA
Chairperson


JOEL CANUEL
Secretary


MARITES M. BARTOLOME, CPA
Member

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE
PROPOSED BUDGET FOR 2019
STATEMENT OF OPERATION

	ACTUAL 2018	VA	BUDGET 2018	VA	VARIANCE	PROPOSED BUDGET 2019	VA
REVENUES						21%	31%
Gross premiums on insurance contracts	779,904,306	110.85%	719,300,000	106.94%	60,604,306	944,900,000	111.10%
Reinsurer's share of gross premium	(76,368,594)	9.79%	(46,700,000)	6.49%	(29,668,594)	(94,400,000)	9.99%
<i>Net Insurance Premiums</i>	703,535,712	100.00%	672,600,000	100.00%	30,935,712	850,500,000	100.00%
Investment Income	38,845,291	5.52%	25,300,000	3.76%	13,545,291	32,900,000	3.86%
Other Income	3,783,227	0.54%	1,100,000	0.16%	2,683,227	1,400,000	0.16%
	746,164,230	106.06%	699,000,000	103.93%	47,164,230	884,800,000	104.03%
BENEFITS AND EXPENSES							
Increase (decrease) in legal policy reserves	67,300,000	9.57%	67,300,000	10.01%	-	85,100,000	10.00%
Gross benefits and claims paid	247,156,033	35.13%	220,200,000	32.74%	26,956,033	280,700,000	33.00%
Net Insurance benefits and claims	314,456,033	44.70%	287,500,000	42.74%	26,956,033	365,800,000	43.01%
Commission	115,199,015	16.37%	107,600,000	16.00%	7,599,015	136,000,000	15.99%
Compensation and Benefits	59,035,907	8.39%	66,600,000	9.47%	(7,564,093)	78,600,000	9.24%
Utilities	3,789,446	0.54%	4,700,000	0.67%	(910,554)	5,700,000	0.67%
Depreciation	4,500,682	0.64%	9,000,000	1.28%	(4,499,318)	11,100,000	1.31%
Postage, Telephone & Telegram	2,667,467	0.38%	2,500,000	0.36%	167,467	3,300,000	0.39%
Travelling Expenses	3,711,142	0.53%	3,500,000	0.50%	211,142	4,500,000	0.53%
Professional, Legal & Audit Fee	3,337,117	0.47%	3,000,000	0.43%	337,117	4,000,000	0.47%
Printing, Stationery & Supplies	1,718,090	0.24%	1,600,000	0.23%	118,090	2,100,000	0.25%
Officers Honorarium and Allowance	2,658,202	0.38%	2,500,000	0.36%	158,202	3,900,000	0.46%
Conference and Sales Meeting	3,018,753	0.43%	2,800,000	0.40%	218,753	3,700,000	0.44%
Representation and Entertainment	1,753,452	0.25%	2,100,000	0.30%	(346,548)	2,500,000	0.29%
Membership and Association Dues	257,931	0.04%	1,000,000	0.14%	(742,069)	900,000	0.11%
Board Meeting Expenses	1,828,983	0.26%	2,300,000	0.33%	(471,017)	3,900,000	0.46%
General Assembly Expenses	3,377,708	0.48%	3,500,000	0.50%	(122,292)	5,000,000	0.59%
Provisions	4,598,535	0.65%	1,000,000	0.14%	3,598,535	1,000,000	0.12%
Advertising/Donation Expenses	2,262,142	0.32%	1,800,000	0.26%	462,142	3,000,000	0.35%
Business Development Expenses	1,144,668		-	0.00%	1,144,668	1,200,000	0.14%
General and administrative expenses	770,709	0.11%	800,000	0.11%	(29,291)	1,600,000	0.19%
	530,085,983	75.35%	503,800,000	74.90%	26,285,983	637,800,000	74.99%
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	216,078,247	30.71%	195,200,000	29.02%	20,878,247	247,000,000	29.04%
OTHER COMPREHENSIVE INCOME							
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	216,078,247		195,200,000		20,878,247	247,000,000	

1 Cooperative Insurance System of the Philippines
Life and General Insurance
2019 Capital Outlay

	Amount	Qty	Amount
<u>Computer / IT Equipment</u>			
Desktop/Laptop	40,000.00		
Head Office (Vacant Position)		10	400,000
Branch Office		8	320,000
Printer	10,000.00		
Head Office		5	50,000
Branch Office		2	20,000
Regions		5	50,000
Router	10,000.00	3	30,000
Software for ICARD			250,000
Projector	50,000.00	4	200,000
Sophos Cloud Endpoint Protection Advance (Anti-virus)			200,000
Integrated Software (Branch Office & Non Life)			3,000,000
Server	300,000.00		
Head Office		2	600,000
Branch Office		3	900,000
Sub-Total			<u><u>6,020,000</u></u>
<u>Office Equipment</u>			
Aircon (inverter)			
Head Office	70,000.00	7	490,000
Branch Office	70,000.00	6	420,000
Regional Office	70,000.00	3	210,000
Emergency Light	5,000.00	11	55,000
Photocopying machine			
Head Office		1	100,000
Branch Office	100,000.00	3	300,000
Sub-Total			<u><u>1,575,000</u></u>
<u>Office Furniture & Fixtures</u>			
Head Office (for the new building)			32,000,000.00
Branch Office (for the newly renovated building)		3	3,000,000.00
Sub-Total			<u><u>35,000,000.00</u></u>

1 Cooperative Insurance System of the Philippines
Life and General Insurance
2019 Capital Outlay

	Amount	Qty	Amount
Regional Office			
Clerical Office Chair w/ arm	4,000.00	14	56,000.00
Executive Chair w/ arm	3,000	14	42,000.00
Pedestal Cabinet Model	6,000	14	84,000.00
Cubicle Table	9,000	14	126,000.00
Steel Cabinet Brown	13,000	14	182,000.00
Visitor Chair Black Lobby	2,000	14	28,000.00
Folding Table	3,000	4	12,000.00
Records Cabinet OD:96 Hx42 Wx16D	21,000	14	294,000.00
Sub-Total			<u>824,000.00</u>
 <u>Land/Building/Improvements</u>			
Land			80,000,000.00
Head Office (newly acquired land) Construction of Building (Balance)			150,000,000.00
Head Office (newly acquired land) Interior Designer			6,000,000.00
Branch Office (CDO) Renovation of Building			16,000,000.00
Branch Office (Davao) Acquired land & Bldg. Renovation of Building			5,000,000.00 15,000,000.00
Branch Office (Visayas) Acquired land & Bldg. Renovation of Building			5,000,000.00 15,000,000.00
Sub-Total			<u>292,000,000.00</u>
TOTAL			<u>335,419,000.00</u>

1CISP FIVE-YEAR STRATEGIC PLAN 2019

Financial Perspective

Life			Non-Life		
Asset	2.71B	18% increase	Asset	423.57M	9% increase
Premium	944.90M	30% increase	Premium	88.00M	20% increase
Net Income	248.90M	27.01% increase	Net Income	6.20M	463.64% increase

Internal Business Process Perspective

Strategies
Strengthen Research and Development through Knowledge Management
Strengthen Brand Positioning
Implement New Distribution Channel (Koop Insurance Network)
Intensify 1CISP Investment Group
Implement new Integrated Management System (IMS)
Adopt Enterprise Risk Management (ERM) model for 1CISP Business Continuity Plan (BCP)
Employer Branding to become Employee's Choice

Customer Perspective

Strategies
Establish new 1CISP Head Office (Green Building) and fully operating branch in Davao
Fully complement 1CISP Regional Offices <ul style="list-style-type: none"> - Region 4 (Lucena or Calapan) - Region 8 (Tacloban City) - Region 9 (Zamboanga or Dipolog) - Region 12 (General Santos City)
Availability of wide range of selection of risk protection and mitigation solutions
Provide more accessibility to wide range of selection of risk protection and mitigation solutions through digital technology (website and IOS/ Android Application)
Availability of new premium payment facility
Implement newly approved Customer Service (Handling Objections) Manual - include here Social Media Strategies (Contents Strategy and Response Strategy)
Design and Implement Customers Rewards System
Establish strong partnership with regulators

Learning and Growth Perspective

Strategies
Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.
Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.
Continuous capacity building of members during owners' forum and assembly meetings.
Encourage and Empower Young Leaders to play a role in Coop Movement through various activities
Educational Support to qualified employees thru enrolment in St. Mary's University of Canada

Note: Learning and Growth is focused on HOLISTIC development to ensure optimum productivity (for employees and agents) and high retention.

2020

Financial Perspective

Life			Non-Life		
Asset	3.22B	19% increase	Asset	464.87M	10% increase
Premium	1.23B	30% increase	Premium	105.60M	20% increase
Net Income	324.50M	30.37% increase	Net Income	7.5M	20.97% increase

Internal Business Process Perspective

Strategies
Preparation for ISO Certification
Explore other business lines outside of the core business

Customer Perspective

Strategies
Utilize web application as part of Integrated Management System (IMS) to keep agents and customers updated of insurance applications
Establish fully operating branch in Iloilo
Form merger and alliances domestically

Learning and Growth Perspective

Strategies
Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.
Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.
Continuous capacity building of members during owners' forum and assembly meetings.
Encourage and Empower Young Leaders to play a role in Coop Movement through various activities

Note: Learning and Growth is focused on HOLISTIC development to ensure optimum productivity (for employees and agents) and high retention.

2021

Financial Perspective

Life			Non-Life		
Asset	3.89B	21% increase	Asset	514.67M	11% increase
Premium	1.60B	30% increase	Premium	126.80M	20% increase
Net Income	422.20M	30.11% increase	Net Income	9.10M	21.33% increase

Internal Business Process Perspective

Strategies
Strong Investment Group and Asset Management Group
Be ISO Certified (Actuarial and Reinsurance, Underwriting Department, Claims Department)

Customer Perspective

Strategies
Establish fully operating branch in North Luzon -Baguio Branch -La Union (Satellite Office)
Promote 1CISP as an insurance of choice
Scan opportunities in the ASEAN Market

Learning and Growth Perspective

Strategies
Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.
Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.
Continuous capacity building of members during owners' forum and assembly meetings.
Encourage and Empower Young Leaders to play a role in Coop Movement through various activities

Note: Learning and Growth is focused on HOLISTIC development to ensure optimum productivity (for employees and agents) and high retention.

2022

Financial Perspective

Life			Non-Life		
Asset	4.73B	22% increase	Asset	575.46M	12% increase
Premium	2.08B	30% increase	Premium	152.20M	20% increase
Net Income	549.10M	30.06% increase	Net Income	11.00M	20.88% increase

Internal Business Process Perspective

Strategy
Be ISO Certified (other departments)

Customer Perspective

Strategies
Establish fully operating branch in South Luzon
1CISP is recognized as financially sustainable insurance cooperative
Form alliances in the ASEAN Market

Learning and Growth Perspective

Strategies
Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.
Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.
Continuous capacity building of members during owners' forum and assembly meetings.
Encourage and Empower Young Leaders to play a role in Coop Movement through various activities

Note: Learning and Growth is focused on HOLISTIC development to ensure optimum productivity (for employees and agents) and high retention.

2023

Financial Perspective

Life			Non-Life		
Asset	5.80B	23% increase	Asset	647.81M	13% increase
Premium	2.70B	30% increase	Premium	182.70M	20% increase
Net Income	714.20M	30.07% increase	Net Income	13.60M	23.67% increase

Internal Business Process Perspective

Strategy
Be ISO Certified (Non-Life Division and 1CISP CDO Branch)

Customer Perspective

Strategy
Form partnerships in the ASEAN Market

Learning and Growth Perspective

Strategies
Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.
Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.
Continuous capacity building of members during owners' forum and assembly meetings.
Encourage and Empower Young Leaders to play a role in Coop Movement through various activities

Note: Learning and Growth is focused on HOLISTIC development to ensure optimum productivity (for employees and agents) and high retention.

PAID-IN CAPITAL OF THE COOPERATIVES REPRESENTED BY THE BOARD OF DIRECTORS

AS OF DECEMBER 2018

Name of Director	Citizenship	Coop Represented	Shares Held	Type	%
BGen. Teodoro P. Evangelista (Ret)	Filipino	ACDI MPC	380,335,932.55	Common	30.39%
Imelda S. Magabilen	Filipino	USPD Savings & Credit Coop.	4,314,689.50	Common	0.34%
		USPD MPC	642,721.30	Common	0.05%
Senen C. Bacani	Filipino	Peace Equity Access for Community Credit Cooperative	13,741,874.14	Common	1.10%
Rolan F. Literatus	Filipino	Xavier University Community Credit Cooperative	4,065,687.97	Common	0.32%
Nestor D. Ortigoza	Filipino	King MPC	1,911,926.90	Common	0.15%
Engr. Raymond Joseph L. Salvador	Filipino	San Dionisio Credit Cooperative	20,995,789.89	Common	1.68%
Benjamin T. Que	Filipino	First Community Credit Cooperative	545,833,151.33	Common	43.62%
Engr. Armen A. Cuenca, MPA	Filipino	City Hall Employees Credit Cooperative	161,043.92	Common	0.01%
Marilou R. Almario	Filipino	Iwahori Multipurpose Cooperative	368,884.34	Common	0.03%

MEETING HELD AND ATTENDED BY THE BOARD OF DIRECTORS FOR THE YEAR 2018

The Board of Directors prior to the 44 th Annual General Assembly/Election of Officers on April 14, 2018. Meetings were held on January 5, January 26, February 22, March 21 and April 12, 2018.		Attendance	The Board of Directors subsequent to the 44 th Annual General Assembly/Election of Officers on April 14, 2018. Meetings were held on April 14, April 27, May 25, June 26, July 26, August 30, September 28, October 25, November 9 and December 11, 2018.		Attendance
BGen. Teodoro P. Evangelista AFP (Ret)	Chairperson	5	BGen. Teodoro P. Evangelista AFP (Ret)		10
Dir. Imelda S. Magabilen	Vice-Chairperson	4	Dir. Imelda S. Magabilen		10
Dir. Benjamin T. Que	Director	5	Dir. Benjamin T. Que		10
Dir. Senen C. Bacani	Director	5	Dir. Senen C. Bacani		8
Dir. Rolan F. Literatus	Director	5	Dir. Rolan F. Literatus		9
Dir. Nestor D. Ortigoza	Director	5	Dir. Nestor D. Ortigoza		10
Dir. Raymond Joseph L. Salvador	Director	5	Dir. Raymond Joseph L. Salvador		9
Dir. Armen A. Cuenca	Independent Director	5	Dir. Armen A. Cuenca		9
			Dir. Marilou R. Almario*		5

* Dir. Marilou R. Almario was appointed as Independent Director on August 1, 2018.

BOARD OF DIRECTORS HONORARIUM FOR THREE SUCCEEDING CALENDAR PERIODS

(in Aggregate Amount)

2016	2017	2018
930,000.00	1,937,225.00	2,658,203.00

AUDIT FEE FOR THREE SUCCEEDING CALENDAR PERIODS		
2016	2017	2018
500,000.00	600,000.00	750,000.00

AUDIT AND INVENTORY COMMITTEE (AUDIT CONDUCTED FOR THE YEAR 2018)

Date of Audit (prior to the 44th Annual GA)	Present	Absent
February 9, 2018	Wilma Gidaya (AIC Chairman) / Jesse Sto. Domingo (former AIC Vice-Chairman)	
March 9, 2018	Wilma Gidaya (AIC Chairman) / Jesse Sto. Domingo (former AIC Vice-Chairman) / Gina Valente (former AIC Secretary)	
Date of Audit (subsequent to the 44th Annual GA)	Present	Absent
June 20, 2018	Wilma Gidaya (AIC Chairman) / Joel Canuel (AIC Secretary)	
July 18, 2018	Wilma Gidaya / Joel Canuel	Marites Bartolome (AIC Member)
August 22, 2018	Wilma Gidaya / Joel Canuel / Marites Bartolome	
September 26, 2018	Wilma Gidaya / Joel Canuel	Marites Bartolome (AIC Member)
October 24, 2018	Wilma Gidaya / Joel Canuel / Marites Bartolome	
November 28, 2018	Wilma Gidaya / Joel Canuel / Marites Bartolome	
December 20, 2018	Wilma Gidaya / Joel Canuel / Marites Bartolome	

OWNERS' FORUM 2018

1CISP conducted series of owners' forum in different parts of the country.



OWNERS' FORUM 2018

1CISP conducted series of owners forum in different parts of the country.

PANGASINAN



LAGUNA



BACOLOD



QUEZON



LEGAZPI



BUTUAN



NUEVA ECIJA



CLAIMS BENEFITS



True to its promise of "Protecting You Like Family". These photos show the beneficiaries receiving from 1 CISP the claims benefits of the insurance policy of their deceased loved ones.

CSR ACTIVITIES

"Reach Out and Break the Stigma: A Mental Health Awareness Seminar"
 • October 19, 2018
 • PUP Manila

"Reduce Child Mortality and Improve Maternal Health"
 • October 8, 2018 • October 31, 2018 • December 21, 2018
 • Krus na Ligas, Quezon City

Youth Development "Leadership Training"
 • November 16, 2018
 • Angel M. Del Rosario High School Pulong Yantok, Angat, Bulacan



"Introduction of Urban Agriculture/Gardening As A Means of Livelihood"

2018 Manila Bay Clean-Up
 • October 20, 2018

• October 26, 2018 - San Jose Del Monte Heights Brgy. Muzon, CSJDM, Bulacan
 • October 27, 2018 - Duran Farm, Salupungan-Basuit Road, San Ildelfonso, Bulacan

These pictures show 1 CISP's way of practicing the 7th Cooperative Principle - Concern for Community

MARKETING TRAININGS & CONFERENCE



NATIONAL COOPERATIVE SUMMIT



NON-LIFE TRAINING OF TRAINERS



EMPLOYEE ENGAGEMENT ACTIVITIES

HEALTH AND WELLNESS



SPORTS FEST



TEAM BUILDING 2018 (Bangkok, Thailand)



MOVIE NIGHT OUT



KIDS' TRICK OR TREAT



PLIA-IC BLOOD DONATION



DISASTER RISK PREPAREDNESS

IN-HOUSE TRAININGS



**GOVERNMENT MANDATED BENEFITS
ORIENTATION**



VALUES FORMATION TALK



**MEN ARE FROM MARS, WOMEN ARE
FROM VENUS**

LOCAL TRAININGS



INTERNATIONAL TRAININGS



MALAYSIAN RE





Board of Directors

BGEN. TEODORO P. EVANGELISTA (RET)
Chairperson

IMELDA S. MAGABILEN
Vice Chairperson

SENEN C. BACANI
Director

ROLAN F. LITERATUS
Director

NESTOR D. ORTIGOZA
Director

BENJAMIN T. QUE
Director

ENGR. RAYMOND JOSEPH L. SALVADOR
Director

MARILOU R. ALMARIO
Independent Director

ENGR. ARMEN A. CUENCA
Independent Director

LEONILA R. MEDINA
Treasurer

ATTY. LYMAN A. MANZANARES
Co-operative Secretary

Board of Directors



BGEN. TEODORO P. EVANGELISTA (Ret) *Chairperson*

BS Electronics and Communication Engineering (University of the East)
Master in Business Administration (De La Salle University)
Master in National Security Administration (National Defense College of the Philippines)
Doctor in Business Administration (24 units De La Salle University)
Officer - Pilot Training (PAF Flying School, AFP)

Present Positions

- BGen. Evangelista has been serving as the 1CISP Chairman since April 5, 2014 up to present. His term of office will end in 2020.
- BOD Member, ACDI Multipurpose Cooperative (ACDI MPC)
- BOD Member, Cooperative Health Management Federation Director (CHMF)
- BOD Member, Philippine Cooperative Center (PCC)
- BOD Member, Leading Edge Air Services Corp. (LEASCOR)

Past Positions

- President, ACDI Multipurpose Cooperative
- Executive Vice President for Operations, ACDI Multipurpose Cooperative
- BOD Member, Consolidated Coop Bank

IMELDA S. MAGABILEN

Vice-Chairperson

Bachelor of Science in Chemistry, Registered Chemist (University of Iloilo)
Master in Business Management (University of the Philippines - Iloilo)

Present Positions

- Vice-Chair Magabilen has been serving as 1CISP Director since May 2008. She was re-elected as 1CISP Vice-Chairperson on April 14, 2018. Her term of office will end in 2020.
- General Manager, United Sugarcane Planters of Davao (USPD) Savings and Credit Cooperative (2003-present) / USPD Multi-Purpose Cooperative (1984-Present)
- Vice-Chairman, Model Cooperative Network (May 2017 - present)
- Vice-Chairman, Consolidated Cooperative Bank (May 2017 - present)

Past Positions

- Chairman, Model Cooperative Network (Year 2011)
- Board of Director, Cooperative Bank of Davao del Sur (Year 2007)



SENEN C. BACANI

Director

Bachelor of Science in Commerce (De La Salle University)
Master in Business Administration (University of Hawaii East-West Center
Scholarship)
Advance Management Program (Carnegie Mellon University)

Present Positions

- Dir. Bacani has been serving as 1CISP Director since May 24, 2008.
His term of office will end in 2020.
- President, Ultrex Management & Investment Corp. (1993 - present)

Past Positions

- Secretary, Department of Agriculture (1990 - 1992)
- Country Manager - Philippines, Costa Rica Dole Food Company
(1983-1989, 1978-1982)
- Chairman, Philippine Cooperative Center (2003 - 2008)
- Chairman & President, La Frutera, Inc. (1996 - 2016)



BENJAMIN T. QUE

Director

Bachelor of Science in Marine Biology (Xavier University)

Present Positions

- Dir. Que has been serving as 1CISP Director since June 1, 2013.
His term of office will end in 2020.
- Board of Director, First Community Cooperative (FICCO)
- Education Committee Volunteer, FICCO, 2008 - present

Past Positions

- Chairman, First Community Cooperative (2016)
- Chairman, R&B Insurance, 2017
- Treasurer, First Community Cooperative (2012 - 2015)
- Credit Committee Officer, FICCO (2005 - 2010)



ENGR. RAYMOND JOSEPH L. SALVADOR
Director

Bachelor of Science in Civil Engineering (De La Salle Univeristy)

Present Positions

- Dir. Salvador has been serving as 1CISP Director since 2016.
- President, Danlilia Construction Corporation (2013 - present)

Past Positions

- President, Danlilia Construction Corporation
- Director, San Dionisio Credit Cooperative



NESTOR D. ORTIGOZA

Director

Bachelor of Arts Major in English, Minor in Philosophy, St. Francis Xavier College Seminary

24 Units Pastoral Theology, St. Francis Xavier Regional Major Seminary

18 Units MBA, University of South Eastern Philippines

Present Positions

- Dir. Ortigoza has been elected as 1CISP Director since April 8, 2017. He will serve for a term of two (2) years.
- General Manager, King Multipurpose Cooperative (2008 - present)
- Member, Davao City Chamber of Commerce and Industry Inc. (DCCCI) (2008 - present)
- Member, Brotherhood of Christian Businessmen and Professionals (2008 - present)

Past Positions

- General Manager, Community Health and Development Cooperative Hospital (2003 - September 15, 2005)
- Assistant General Manager, Davao Cooperative Bank (1998 - 2001)
- Grameen Banking Manager, Davao Cooperative Bank (1993 - 1998)
- Executive Director, Provincial Cooperative Union of Davao (1992 - 1993)



ROLAN F. LITERATUS

Director

Bachelor of Science in Accountancy (Xavier University - Ateneo de Cagayan)
Master in Business Administration (Xavier University - Ateneo de Cagayan)

Present Positions

- Dir. Literatus has been elected as 1CISP Director since April 8, 2017.
He will serve for a term of two (2) years.
- Chairman, Credit Committee of 1CISP
- Member, Investment & Risk Management Committee, 1CISP
- Chairman, Business Administration Department - School of Business and Management, Xavier University - Ateneo de Cagayan (May 1, 2016 - present)
- Treasurer, Xavier University Community Credit Cooperative (October 2014 - present)
- Internal Auditor, General Services Cooperative (September 2013 - present)

Past Positions

- Faculty/Financial Management Program Coordinator, Xavier University - Ateneo de Cagayan (November 2011 - May 2016)
- Chairman, Mediation and Conciliation Committee, Xavier University Community Credit Cooperative (May 2014 - October 2014)
- Chairman, Audit and Inventory Committee, Cooperative Insurance System of the Philippines (March 2013 - April 2016)
- Vice-Chairman, Audit and Inventory Committee, Cooperative Insurance System of the Philippines (April 2016 - April 2017)



ENGR. ARMEN A. CUENCA, MPA

Independent Director

Bachelor of Science in Electrical Engineering (Cagayan de Oro College)
Masters in Public Administration (Ateneo de Cagayan - Xavier University)
Associate in Ministry (Siliman University)

Present Positions

- Dir. Cuenca has been serving as 1CISP Independent Director since April 2016. His term of office will end in 2020.
- Department Head, City Local Environment and Natural Resources Office (January 1, 2018)
- Executive Director, Land and Asset Management Office (August 2017 - present)
- Chairperson, City Hall Employees MPC (2005 - present)
- Executive Director, Fullness in Christ Philis. Network, 2016 - present
- Board of Director, Banco Cooperativa de Zamboanga, 2018 - present
- Executive Board, Boy Scout of the Phil., Cagayan de Oro City Council, 2019

Past Positions

- Chairperson, Memorial Services Coop. (February 2012 - 2017)
- Director, Consolidated Coop Bank (April 2017 - September 2017)
- DRRM Officer, City Disaster Risk Reduction and Management Office (2012 - 2013)
- Incident Commander, Oro ALERT (2009 - 2013)





MARILOU R. ALMARIO

Independent Director

Vocational Drafting Technology (B.N.S.A.T)

Present Positions

- Dir. Almario has been serving 1CISP as Independent Director since 2018.
- General Manager/CEO, Iwahori Multi-purpose Cooperative (May 2001 - present)
- Director, Bataan Cooperative Bank (June 2016 - present)
- Director, SAKOMI Federation of Cooperatives (April 2017 - 2019)
- Director, Bataan Credit Surety Fund (May 27, 2016 - present)

Past Positions

- Director, Iwahori Multi-purpose Cooperative (1998 - 2000)
- Assembler, Ricoh Watch Phils. Inc. (1980 - 1983)
- Line Leader, Iwahori Phils. Inc. (1983 - 1999)
- BOD Chairperson, Iwahori MPC (1998 - 2000)



Co-operative Officers



ATTY. LYMAN A. MANZANARES

Co-operative Secretary

Bachelor of Laws (University of the Philippines College of Law)

BA English Studies: Language (University of the Philippines College of Arts and Letters)

BS Electrical Engineering (University of the Philippines College of Engineering (unfinished))

Present Positions

- Atty. Manzanares has been serving as 1CISP Co-operative Secretary since April 8, 2017.
- Partner, Manzanares Bangoy & Partners Law Offices (2010 - present)

Past Positions

- Special Assistant to the Secretary of Finance, Department of Finance, Republic of the Philippines (2007 - 2010)
- Special Counsel to the Insurance Commissioner, Insurance Commission, Republic of the Philippines (2005 - 2007)

LEONILA R. MEDINA

Treasurer

Cum Laude, BSBE Major in Cooperatives, Philippine College of Commerce

MBA, 30 units earned, Greenville College

Diploma Course, Biblical Studies, International Bible Institute,

February 2016 - present

Certificate Course, Professional Christian Fund Raising, Asian Theological Seminary

Present Positions

- Ms. Medina has been serving as 1CISP Treasurer since January 15, 2015
- Executive Director, Ankura Foundation Inc. (November 2010 - present)
- Special Lecturer-Assoc. Prof 5, Polytechnic University of the Phil. (June 2017 - present)

Past Positions

- Treasurer, Oversight Committee, QC Credit Surety Fund (August 2015)
- Chairperson, BOD, Sacred Heart Parish Development Cooperative (April 2013)
- Secretary, Audit Committee, NCRL-PHIL. Federation of Credit Unions (June 2013)





Senior Management

ROY S. MICLAT
President

CECILIA M. LAGUNA
Executive Vice-President & Chief Operating Officer

AIZA G. MALONZO
Vice President for Admin and Finance

SYLVIA R. QUINESIO
Vice President for Sales and Marketing

JACKELYN P. BALLENA
Vice President for Operations (Life)

ARMANDO DL. GUTIERREZ JR.
Vice President for Operations (Non-Life)

Executive Officers

ROY S. MICLAT

President

Bachelor of Science in Agriculture Major in Breeding
(University of the Philippines - Los Baños)
Master of Arts in Urban and Regional Planning (UP - Diliman)

Present Positions

- President and CEO since January 1, 2014 up to present.
- President and CEO, Cooperative Health Management Federation (2015 - present)
- Vice-Chairman, Cooperative Bank of Bataan (2013 - present)

Past Positions

- President, R&B Insurance Corporation Inc. (2017)
- Director, Cooperative Bank of Palawan (October 2016)



CECILIA M. LAGUNA

Executive Vice-President and Chief Operating Officer

Bachelor of Science in Commerce, Major in Accounting
(Cagayan de Oro College)
Masters in Business Administration (Xavier University)

Present Positions

- Executive Vice-President and Chief Operating Officer since August 1, 2017 - present
- Member of the Board, Cooperative Health Management Federation (CHMF)
- Member of the Board, NCM Mutual Funds/CODIS Federation of Cooperatives (August 2017 - present)
- Member of the Board, First Community Cooperative (FICCO) (April 2016 - present)
- Member of the Board, Philippine Cooperative Center (PCC)

Past Positions

- Vice Chairperson of the Board, CLIMBS (April 2008 - March 2012)
- College Dean, Cagayan de Oro College (April 2010 - August 2017)
- Comptroller, Cagayan de Oro College (June 1992 - April 2010)
- Member of the Board, Philippine Association of Collegiate Schools of Business (PACSB) (June 2014 - August 2017)



AIZA G. MALONZO, CPA, FLMI

Vice-President for Admin and Finance

Bachelor of Science in Accountancy
(St. Mary's College of Meycauayan)

Present Positions

- Vice-President for Admin and Finance since January 1, 2018 - present
- Internal Auditor & Compliance Officer - Cooperative Health Management Federation, January 2016 - present
- Secretariat, 1CISP Investment and Credit Committee, Oversight Committee

Past Positions

- Internal Audit Head & Compliance Officer, 1CISP (November 3, 2014 - December 31, 2017)
- Internal Auditor & Compliance Officer, R&B Insurance Corporation (January 2017 - October 2017)
- Secretariat, 1CISP Related Party Transaction (RPT) Committee, Audit Committee
- Accountant, Philippine Postal Savings Bank Inc. (April 2013 - November 2014)
- Audit Supervisor, AMA Group of Co. (February 2012 - March 2013)



SYLVIA R. QUINESIO

Vice-President for Sales and Marketing

Cum Laude, Bachelor of Science in Commerce Major in Management and Business Administration, (Aklan Catholic College)

Master in Rural Development, Finish all academic subject,
(Aklan State University)

Master in Public Administration, 18 units, (Aklan State University)

Present Positions

- Vice-President for Sales and Marketing on August 2018 - present

Past Positions

- Vice President for Visayas, CLIMBS Life & General Insurance Coop
- Business Development Officer, CLIMBS Life & General Insurance Coop
- Regional Sales Manager, CLIMBS Life & General Insurance Coop
- Manager, MMG Aklan, 2008 - 2010
- AGM-Human Resource, Aklan Electric Cooperative, October 2005 - 2008
- Micro-finance Dept. Manager, Cooperative Rural Bank of Aklan, June 2003 - October 2005
- HR Development Officer, Cooperative Rural Bank of Aklan, August 1998 - May 2003
- Training Officer, Cooperative Rural Bank of Aklan, January 1997 - July 1998
- Senior Agrarian Reform Officer, Dept. of Agrarian Reform, 1990 - 1996
- Irrigation Dev't Officer, National Irrigation Administration. 1989 - 1990





JACKELYN P. BALLENA, FLMI

Vice-President for Operations (Life)

Bachelor of Secondary Education (Major in Special Education),
(University of the Philippines - Diliman)

Master of Arts in Social Psychology (with units),
(University of the Philippines - Diliman)

Present Positions

- Vice-President for Operations (Life) since January 1, 2018 - present
- Vice-Chairperson, PMAP Leadership Committee, January 2019 - present
- Member, Young Leaders Forum (YLF), August 2018 - present

Past Positions

- HR/OD Head, 1CISP (April 1, 2011 - December 31, 2017)
- HR Consultant, Pacific Air-conditioning and General Services, Inc (August 2012 - August 2017) (March 2019 - present)
- HR Head, R&B Insurance Corporation (January 2017 - October 15, 2017)
- HR Consultant, Cooperative Bank of Bataan (March 2017 - December 2017)
- Secretariat, 1CISP Mediation and Conciliation Committee, Personnel Committee, Remuneration Committee, Education and Training Committee, Gender and Development Committee

ARMANDO DL. GUTIERREZ JR.

Vice-President for Operations (Non-Life)

Bachelor of Science in Business Administration Major in Marketing
(University of the East)

Present Positions

- Vice-President for Operations (Non-Life) since January 1, 2018 - present

Experiences

- 40 years service to the insurance industry holding various key positions
- Licensed underwriter for Fire, Motor, Marine, Casualty and Surety
- Insurance Commission Registered Company Underwriter for Fire, Marine, Motor, Casualty and Surety



Elected Committees



AUDIT COMMITTEE

WILMA L. GIDAYA
JOEL L. CANUEL
MARITES BARTOLOME

ELECTION COMMITTEE

DANILO M. CAPILI
ALFREDO T. ALLAGA
ROGER MANLANGIT

Appointed Committees



MEDIATION & CONCILIATION COMMITTEE

ANTONIO LL. SAYO
JOCELYN P. RIVERA
RAUL MACATANGAY

GENDER & DEVELOPMENT COMMITTEE

JOVITA V. SAN MATEO
GEMMA D. PENA
ANGELITA RAMOS



ETHICS COMMITTEE
DELIA R. ASI
FREDELINO D. AGPULDO
ARNALDO E. COMPERADA





**1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE**

ICISP EMPLOYEES



**LEGAL AND COMPLIANCE
DEPARTMENT**



AUDIT DEPARTMENT



HUMAN RESOURCES DEPARTMENT



**ACTUARIAL AND REINSURANCE
DEPARTMENT**



**1CISP PLANNING
DEPARTMENT**



IT/MIS DEPARTMENT

ADMIN & FINANCE DIVISION



ACCOUNTING DEPARTMENT

ADMINISTRATIVE & GENERAL SERVICES DEPARTMENT



TREASURY DEPARTMENT

OPERATIONS DIVISION (LIFE)



CLAIMS DEPARTMENT



UNDERWRITING DEPARTMENT

OPERATIONS DIVISION (NON-LIFE)



CLAIMS DEPARTMENT



UNDERWRITING DEPARTMENT

CAGAYAN DE ORO BRANCH



MARKETING AND SALES DIVISION



AGENCY MANAGERS



FINANCIAL ADVISORS AND MARKETING CONSULTANTS



CUSTOMER SERVICE ASSOCIATES

1CISP CONSULTANTS



ACTUARY (LIFE)
Mr. Panfilo P. Dela Paz



MEDICAL DIRECTOR
Dr. Aileen P. Binuya



ACTUARY (NON-LIFE)
Mr. Joel Perlado

BOARD COMMITTEES

EXECUTIVE COMMITTEE

BGen. Teodoro P. Evangelista (Ret)	- Chairman
Imelda S. Magabilen	- Member
Senen C. Bacani	- Member
Benjamin T. Que	- Member
Engr. Armen A. Cuenca	- Member
Leonila R. Medina	- Member

EDUCATION & MEMBERSHIP COMMITTEE

Imelda S. Magabilen	- Chairman
Nestor D. Ortigoza	- Member
Engr. Raymond Joseph L. Salvador	- Member

GOVERNANCE COMMITTEE

BGen. Teodoro P. Evangelista (Ret)	- Chairman
Senen C. Bacani	- Member
Benjamin T. Que	- Member
Atty. Lyman A. Manzanares	- Co-operative Secretary

INVESTMENT & CREDIT COMMITTEE

Engr. Raymond Joseph L. Salvador	- Chairman-Investment
Rolan F. Literatus	- Chairman-Credit
Engr. Armen A. Cuenca	- Member
Leonila R. Medina	- Member

PERSONNEL & REMUNERATION COMMITTEE

Nestor D. Ortigoza	- Chairman
Benjamin T. Que	- Member
Marilou R. Almario	- Member
Leonila R. Medina	- Member

RELATED PARTY TRANSACTIONS COMMITTEE

Engr. Armen A. Cuenca	- Chairman
Engr. Raymond Joseph L. Salvador	- Member
Marilou R. Almario	- Member

RISK MANAGEMENT COMMITTEE

Imelda S. Magabilen	- Chairman
Rolan F. Literatus	- Member
Marilou R. Almario	- Member
Engr. Armen A. Cuenca, MPA	- Member
Leonila R. Medina	- Member

OVERSIGHT COMMITTEE

BGen. Teodoro P. Evangelista (Ret)	- Chairman
Engr. Raymond Joseph L. Salvador	- Member
Leonila R. Medina	- Member
Roy S. Miclat	- Member

MERGER COMMITTEE

BGen. Teodoro P. Evangelista (Ret)	- Chairman
Senen C. Bacani	- Member
Benjamin T. Que	- Member
Roy S. Miclat	- Member
Cecilia M. Laguna	- Member

ELECTED COMMITTEES

AUDIT COMMITTEE

Wilma L. Gidaya	- Chairman
Joel L. Canuel	- Member
Marites Bartolome	- Member

ELECTION COMMITTEE

Danilo M. Capili	- Chairman
Alfred T. Allaga	- Member
Roger R. Manlangit	- Member

APPOINTED COMMITTEES

ETHICS COMMITTEE

Delia R. Asi	- Chairman
Fredelino D. Agpulto	- Member
Arnaldo E. Comperada	- Member

MEDIATION & RECONCILIATION COMMITTEE

Antonio Ll. Sayo	- Chairman
Atty. Raul Macatangay	- Member
Jocelyn P. Rivera	- Member

GENDER & DEVELOPMENT COMMITTEE

Dra. Jovita V. San Mateo	- Chairman
Gemma D. Pena	- Member
Angelita Ramos	- Member

MANAGEMENT STAFF

Mary Ann P. Alde	- Accounting Head
Jonel E. Gadilla	- Treasury Head
Joel L. Fulache	- Administrative and General Services Head
Glady Jean R. De Vera	- Underwriting Head (Life)
Joanna Mae A. Cruz	- Underwriting Supervisor (Life)
Donna Jade Justine U. Pineda	- Claims Head (Life)
Alvin Gregorio	- Claims Head (Non-life)
Eugene C. De Omaña	- Underwriting Head (Non-life)
Joyce C. Servito	- Actuarial and Reinsurance Head
Michael Navarette	- HR/OD Head
Ansell Gabriel E. Del Ayre	- IT Head
Anna Marin B. Crisolo	- MIS Head
Jeric C. Pañgan	- Internal Audit Head
Irenea P. Meguillo	- CDO Branch Head
Lorenzo L. Samuya	- Non-Life Insurance In-Charge (CDO Branch)

CONSULTANTS

Dr. Aileen P. Binuya	- Medical Director
Mr. Panfilo P. Dela Paz	- Actuary (Life)
Mr. Joel Perlado	- Actuary (Non-Life)

MARKETING AGENTS

NCR

Agency Manager:
Apolinar Mariano Jr.

Financial Advisors:
Randolph Atienza
Leo Flores
Nonalyn Hermogenes
Ma. Linda Yaras

REGION 1

Financial Advisor:
Gemma Diente
Josephine Fernandez

REGION 2

Agency Manager:
Ruby Shayne Balanay

Financial Advisor:
Magda Bragado
Manolo Metcha

Marketing Consultants:

Marciana Foryasen

REGION 3

Financial Advisors:
Delegada Bellen
Nerissa Brucal

REGION 4B

Agency Manager:
Hilda Tinampay

Financial Advisors:
Jayvin Aldrey De Guzman
Ma. Eloiza Fernandez
Ma. Liza Gaza
Cipriano Maan

REGION 5

Agency Manager:
Cherry Dejudos

REGION 6, 7, 8

Agency Manager:
Erin Pasaylo

Financial Advisors:
Chona Amparo
Elsie Dionio
Jude Lorecarl Ignacio
Carme Rose Luces
Gilbert Marcojos
Edna Villamora

REGION 9, 10

Agency Manager:
Cecile Waga

REGION 11, 12

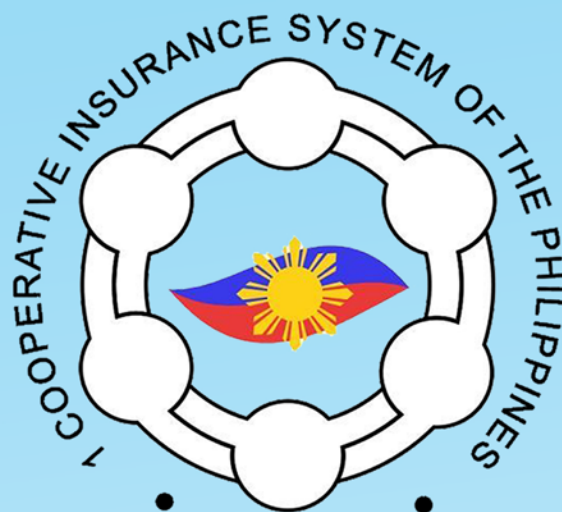
Agency Manager:
Alfredo Samantila Jr.

Financial Advisors:
Eulogia Cotaes
Marcosa Dela Cruz
Jacqueline Macabenlar

REGION 13

Agency Manager:
Rosalina Martinez

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE (1CISP)



1974

*Protecting You
Like Family*



Head Office:

1CISP Building, No. 80 Malakas St.,
Brgy. Pinyahan, Diliman, Quezon City
924-0471; 436-2590 ; 924-0333
Fax No.: 923-0739
www.cisp.coop
cisplife@cisp.coop
Facebook: 1CISP

We Provide:

LIFE INSURANCE

Group Term Plans

- 1.) Loan Payment Protection Insurance (LPPI)
- 2.) Group Yearly Renewable Term (GYRT)
- 3.) Savings Incentive Insurance (SII)

Microinsurance

- 1.) Group-Basic Life Insurance Security System (G-BLISS)
- 2.) Student Insurance Plan (SIP)
- 3.) Personal Accident Insurance Card (I-Card)
- 4.) KOOPamilya Plan

Individual Plans

- 1.) 5 Pay 15 years Endowment
- 2.) 7 Pay 15 years Endowment
- 3.) Whole life with Anticipated Endowment

NON-LIFE INSURANCE

- 1.) Motor Car Insurance
- 2.) Fire Insurance
- 3.) Personal Accident
- 4.) Miscellaneous Casualty Insurance
- 5.) Engineering Risks
- 6.) Bonds

OTHER SERVICES

- 1.) E-Voting System
- 2.) Capacity and Capability Training Program through partnership
- 3.) Health & Allied Services through partnership

HOUSE RULES

For the conduct of an orderly and smooth 1CISP shareholders meeting, the following rules shall apply:

- 1.** Upon registration, the delegates shall be given a color tag based on the type of attendance, either as official delegate or accompanying delegate. Official delegates shall occupy the front row seats while accompanying delegates shall sit at the back row specifically designated for them.
- 2.** Only official delegates shall be allowed to participate in parliamentary discussions such as raising or seconding motions, proposing amendments or objecting to pending motions, as well as in voting for or against a pending motion. An accompanying delegate, however may be allowed to speak at the option of the Chairperson. Likewise, only official delegates shall be allowed to participate in the election of 1CISP officials.
- 3.** Whenever an official delegate wishes to speak or raise an objection or motion, he/she should first ask for recognition by the Chairperson. Once recognized, he/she should state his/her name and the coop he/she represents. He/she will then be given not more than three (3) minutes to explain his/her position. Thus, in presenting one's position, he/or she is advised to go straight to the point.
- 4.** To allow for greater participation, the Chairperson shall see to it that the discussion is not monopolized by few people. The Chairperson is also allowed to interrupt the presentation of a delegate if such delegate has exceeded the time limit or if the ideas presented were the same ideas already earlier expressed.
- 5.** In cases wherein the General Assembly failed to arrive at a consensus on a pending motion, and an objection was raised, the Chairperson can order a division of the house after listening to all the arguments for or against said motion. The number of votes of each official delegate shall be based on the number of fully paid common shares of the coop he/she represents. In this connection, the Election Committee shall prepare ballots for each official delegate indicating therein number of votes the coop represented is entitled to.
- 6.** The outcome of the votes shall depend on what is required by laws and 1CISP by-laws: simple majority, two-thirds vote or three-fourths vote of all members with voting rights represented in an assembly with duly constituted quorum.
- 7.** Delegates are requested to observe house rules to avoid inconvenience. The Board, through Chairman, shall enforce these rules.

NOTES

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1CISP

A PROSPEROUS PHILIPPINES IS A COOPERATIVE PHILIPPINES

HEAD OFFICE

1CISP Bldg. No. 80 Malakas St. Brgy. Pinyahan, Diliman, Quezon City
(02) 924-0471 (02)924-0333 (02) 436-2590 (02) 923-0739

BRANCH OFFICE

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Email: 1cispcco2019@gmail.com
(088) 854-4028

SATELLITE OFFICES

3/F Boy Construction Bldg., National Hi-way,
San Nicolas, Ilocos Norte
(077) 670-6537

Room 201, 1/F FORT MASCOOP, Caritan Sur,
Tuguegarao City
(078) 396-2334

Guagua Multi-Purpose Cooperative Bldg.
Ceferino de Mesa Street, Sto Niño, Guagua Pampanga
(045) 458-1702

2/F Bichara Commercial Complex
General Luna Street, Naga City
(054)473-3311

2/F RMU Building, Tobias Fornier Street,
San Jose Antique
036-540-7436

Room 2-D 2/F of B&C Square Bldg.,
Corner Iznart Solis Street, Iloilo City
(033) 337-9431

3/F Room 306 PCF Building
#20 M. Zosa Street, Capitol Site, Cebu City
(032) 232-1361

G/F CCBPIZPE MPC, MCLL Highway,
Tetuan, Zamboanga City
(088)852-4028

31-A-G.B Cam Building
Monteverde Street, Davao City
(082) 225-4705

2/F Balibrea Building
Pili Drive, Butuan City
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