

2019 ANNUAL REPORT



Risk Protection & Mitigation:
Keys to Growth and Resiliency of
Cooperative Communities

ABOUT OUR COVER

Nation and

community-building

ICISP puts into motion its national agenda of building a financially-resilient Philippines by impacting communities from the local level.

Champions of social good

ICISP exists only for one thing—to create significant positive social impact among communities where it operates.

Financial resilience

ICISP empowers Filipinos to enjoy financial soundness and stability by providing them with the knowledge, the understanding, the tools, and the platforms to become financially-resilient members of communities.

Globally competitive

Consistent with its vision, "to promote a globally competitive cooperative insurance system.", ICISP believes that in order to be globally competitive, we must be tech-driven, customer-oriented, socially responsible, and must operate effectively & efficiently.

Protecting you like family

ICISP lives up to its claim of providing the best financial protection products available by putting the needs of Filipinos first before anything else.

Favoring the "insured."

ICISP's mindset has always been about "Mutual Prosperity and Profit." The company holds itself accountable in continuing to spread mutual prosperity and champion financial resilience while also bringing in returns to investors overtime.



OUR DIRECTION

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

A globally competitive cooperative insurance system



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.

OUR MANTRA

Protecting You Like Family

For ICISP, the entire cooperative community is a close-knit family, where the welfare of every individual member comes first.



OUR BELIEF

In a VUCA environment where economic, political, and other risks threaten the stability of businesses and operations of both public and private organizations, cooperatives offer The Great Third Path for entrepreneurs and small businesses. Cooperatives bring people of mutual interest together through shared investment, offering a more competitive, stable, and community-centric alternative to private ventures.

BIG IDEA:

THE GREAT THIRD PATH

Public

Cooperative

Private

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“
Over the years, 1CISP has done an impressive work in fostering economic and social security for its members through its various financial programs.
”
THE PRESIDENT OF THE PHILIPPINES

MESSAGE

My warmest greetings to the **1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP)** as it holds its **46th Annual General Assembly**.

Over the years, 1CISP has done an impressive work in fostering economic and social security for its members through its various financial programs. This gathering is an opportunity to reflect on the gains of the cooperative in improving the lives of its beneficiaries.

I trust that this platform will inspire the participants to further engage with their communities by combining resources and discussing relevant issues that will improve risk protection and mitigation among member-shareholders. Together, let us work steadfastly to attain our aspirations for positive change.

I wish you a successful assembly.


RODRIGO ROA DUTERTE

MANILA
3 April 2020



“
Now with over two thousand cooperatives under 1CISP’s umbrella, the Insurance Commission is confident that better means for risk protection and mitigation have reached more Filipino communities.

INSURANCE COMMISSIONER ”
Dennis B. Funa

INSPIRATIONAL MESSAGE (1CISP 46th ANNUAL GENERAL ASSEMBLY)

With immense joy, I would like to send my congratulations to the 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) for successfully treading through the pressures and challenges of the last decade.

The previous year was not easy for the industry, and this year has its own set of trials as well. With incessant disasters besetting our country during these recent weeks, it has become more important as ever to have organizations within our country that focus on human needs. Now with over two thousand cooperatives under 1CISP’s umbrella, the Insurance Commission is confident that better means for risk protection and mitigation have reached more Filipino communities.

However, the battle of the government to create a more inclusive financial environment has not ceased. The role of cooperatives in expanding the coverage of microinsurance will continue to be critical in achieving the dream of a financially inclusive and progressive country. As an organization focused on delivering products and services that mitigate risks, it is vital that you do not lose sight of the importance of long-term planning and protecting stakeholders’ interests. Trust, transparency, and a long-term outlook must be your banner as a competitive Cooperative Insurance System in order to grow in an increasingly perilous and complex era.

Rest assured that the Insurance Commission will continue to support 1CISP in achieving its vision in this new decade. It is up to us – the government and the private sector – to ensure that the cooperative insurance system is able to provide insurance products and services fit for the necessities and financial capabilities of the customers. May we continue to remember that we are here for the benefit of our members and for the greater good of the insurance public. Together, let us continue to strive to build a progressive and resilient nation.

Once again, congratulations to you all.

DENNIS B. FUNA
Insurance Commissioner





COOPERATIVE DEVELOPMENT AUTHORITY

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

<http://www.cda.gov.ph> helpdesk@cda.gov.ph [f](#) CDA [t](#) @CDAPhils [in](#) PH Cooperatives



“

Through the years, you exemplify the spirit of cooperativism which DNA is members-owned, value-based and principles driven and sustainable.

”

CDA CHAIRPERSON
Orlando R. Ravanera

Message

Warm cooperative greetings and congratulations to the officers and members of the 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) on your 46th Annual General Assembly.

On behalf of the Cooperative Development Authority, I also would like to express my sincere gratitude to 1CISP for being one of the significant partners of the CDA in fulfilling our commitment to promote cooperativism - drawing those in the marginalized sectors into the mainstream of development process to be unfettered from the control of the oligarchs in a highly skewed society.

Through the years, you exemplify the spirit of cooperativism which DNA is members-owned (no one shall be left behind), value-based and principles driven (not for profits but for service) and sustainable (social inclusion, ecological sustainability and good governance).

As you conquer another year of success with this year's theme: ***“Risk Protection and Mitigation: Keys to Growth and Resiliency of Cooperative Communities”***, continue to lead the way and sustain the momentum of unfolding possibilities that will complement the government's agenda of transforming Filipino lives for the better.

Together, let us work hand in hand and be a standout team to advance cooperativism, the empowering path to free those in the dark recesses of their thoughts and to be connected to the Core of the core of all beings – the Unseen, the Love and the Light called God – all for His greater glory!


ORLANDO R. RAVANERA
Chairman



“ You never cease to look for ways to enhance your systems and processes, and invest in innovative products and services that are meant to better serve your members. ”

PIRA CHAIRMAN
Allan R. Santos

MESSAGE

Warmest greetings on your 46th Annual General Assembly.

This is the second year that I, as chairman of the Philippine Insurers and Reinsurers Association (PIRA), am greeting you on this special day. Another year has passed, and I trust that 1CISP continues to engender financial inclusion and fulfill its mission of building a society that is fully protected and empowered through a viable and sustainable cooperative system.

As one of the new members of PIRA, you in 1CISP are an inspiration to us all especially in your commitment to growth and continuous improvement. You never cease to look for ways to enhance your systems and processes, and invest in innovative products and services that are meant to better serve your members. And with a culture like this, achieving greater successes and reaching new frontiers are in store for you.

On behalf of the Board of Trustees and members of PIRA, allow me to express our heartfelt congratulations to another banner year for 1CISP.

Cheers!

ALLAN R. SANTOS
PIRA Chairman



**PHILIPPINE
LIFE INSURANCE
ASSOCIATION, INC.**



“ Its cooperative distribution system enables reaching out to the underserved market segment, thereby contributing to the inclusive growth that the industry is pursuing with dedicated commitment. ”

PRESIDENT
Benedicto C. Sison

Message for 1CISP 2019 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 46th Annual General Assembly on April 3-4, 2020.

PLIA recognizes 1CISP as an active member and effective partner in bringing financial services to as many Filipino families as possible. Its cooperative distribution system enables reaching out to the underserved market segment, thereby contributing to the inclusive growth that the industry is pursuing with dedicated commitment.

Its longevity in the life insurance business can only mean that 1CISP has proven itself worthy of the continuing confidence of its policyholders and business partners... that it delivers on its promises, a key corporate character that is critical in this business.

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

Benedicto C. Sison
BENEDICTO C. SISON
President



“

We are proud to include 1CISP in our ICMIF Members Key Statistics 2018 report where the organisation appears in both the list of the Fastest-growing ICMIF members: Emerging markets and in Fastest-growing ICMIF members: Life.

ICMIF CEO
Shaun Tarbuck

”

Message from Shaun Tarbuck for the 1Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) Annual General Meeting 2020

On behalf of all the Secretariat of the International Cooperative and Mutual Insurance Federation (ICMIF) I am delighted to send our very best wishes to our member organisation 1Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) and its many members in the Philippines on the occasion of your Annual General Meeting 2020.

My team and I would like to congratulate everyone at 1CISP for your 46th year as a cooperative and for offering such wonderful service to your members for so many years.

We are proud to include 1CISP in our *ICMIF Members Key Statistics 2018* report where the organisation appears in both the list of the *Fastest-growing ICMIF members: Emerging markets* and in *Fastest-growing ICMIF members: Life*.

We would like to extend our warmest wishes to all your members who join you at the 2020 1CISP Annual General Assembly. We note with interest that your theme of *“Risk Protection and Mitigation: Keys to Growth and Resiliency of Cooperative Communities”* centres around how risk protection is so important to ensuring the growth and safety of your cooperative member communities. This is a critical message and one we congratulate you on for taking to your membership.

Last year was a wonderful year of engagement between our two organisations and we were delighted to welcome delegates from 1CISP to various ICMIF events around the world.

Some of your team took part in the ICMIF Advanced Management Course in Manchester in the spring. The course is attended by from ICMIF member organisations from different countries around the world and so a great opportunity for our friends from 1CISP to network and share best practices with other cooperatives from around the world.

We had the great pleasure of welcoming a number of 1CISP delegates to the ICMIF Biennial Conference in Auckland (New Zealand) in November and we were delighted that Jackelyn Ballena, Vice President for Operations - Life Division, 1CISP, joined other panellists on stage in a session on *“The Future of Mutuality”*.

We have enjoyed learning more about your great organisation through these interactions and hope to continue this as we move further into 2020.

We wish you a very successful and enjoyable General Assembly.

Best wishes,

Shaun Tarbuck
CEO, International Cooperative and
Mutual Insurance Federation (ICMIF)



1CISP not only actively participates in the activities of ICMIF and its regional association in Asia and Oceania (AOA) but also shares its knowledge with others and leads discussions at various events including the Young Leaders Programme by ICMIF/AOA.

AOA - ICMIF CHAIR
Fumio Yanai



MESSAGE

As Chair of the Asia and Oceania Association (AOA) of the International Cooperative and Mutual Insurance Federation (ICMIF), it is my great pleasure and honor to congratulate ICISP on the occasion of its 46th Annual General Assembly.

In the Asia and Oceania region, not only frequently occurring natural disasters, including the recent eruption of the Taar Volcano in the Philippines, typhoons, earthquakes, and wildfires, but also damages from infectious diseases are increasingly felt unpredictable compared to past experience. In this context, the role of the cooperative and mutual insurance organizations against both disasters associated with the global climate crisis and health risks is becoming even more important.

We, cooperative and mutual insurance organizations, can protect members against various risks and mitigate such risks by supporting each other so that people can live independently and with peace of mind. This contributes to the resilience of the cooperative communities and plays a critical role in achieving sustainable growth. It is obvious that ICISP plays an important role in the Philippines.

ICISP not only actively participates in the activities of ICMIF and its regional association in Asia and Oceania (AOA) but also shares its knowledge with others and leads discussions at various events including the Young Leaders Programme by ICMIF/AOA. As a result, the presence of ICISP in the global cooperative sector is indispensable.

As a leader in the cooperative insurance sector in the Philippines, we sincerely hope that ICISP will grow sustainably in the future and we will have many opportunities to celebrate ICISP's contribution to the growth of the cooperative sector and its members' happiness.

柳井三夫

Fumio Yanai
Chair
Asia and Oceania Association of the ICMIF



“As an ICMIF member, we are delighted that 1CISP will be continuing this initiative and hope it will help to develop the next generation of leaders within the cooperative sector in the Philippines.”

**ICMIF YOUNG LEADERS
CO-ORDINATOR**
Ben Telfer

MESSAGE

On behalf of the ICMIF Young Leaders Forum, I am pleased that 1CISP will again be conducting a Young Leaders Program at the 2020 Annual General Assembly, building on the tremendous success of the inaugural program last year.

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 that 1CISP will be continuing this initiative and hope it will help to develop the next generation of leaders within the cooperative sector in the Philippines.

During 2019, ICMIF hosted its second Young Leaders Programme during our Biennial Conference in Auckland, New Zealand. The event was attended by 50 Young Leaders from 14 countries around the world. We were honoured to have a sizeable representation of young co-operators from ICMIF members in The Philippines, including three Young Leaders from 1CISP. It was also a privilege to have Roy Miclat, your President and CEO, join the breakfast session where young delegates had the opportunity to ask CEOs from the ICMIF membership questions about their organisation and enjoy the benefits of varied and great knowledge of the cooperative/mutual insurance model that was shared.

We are also honoured that your colleague, Jackelyn P. Ballena, represents 1CISP as a member of the ICMIF Young Leaders Forum, our global network of young professionals. The Forum focuses on the professional and personal development of those that have been identified as future leaders within their organisations, and 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 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 very much commend your activities and actions not only because they attest the commitment of 1CISP but also because I believe they can be used as source of inspiration for communities' survival, well-being, and empowerment. ”

INTERNATIONAL CO-OPERATIVE ALLIANCE
PRESIDENT
Ariel Guarco

I extend my warmest and most sincere regards to you and all the participants of the 46th Annual General Assembly of 1CISP to be held in Quezon City, on 3-4 April 2020.

Cooperative entrepreneurship is a business model in its own right. It is found that, all around the world and in all sectors, economic success and social responsibility are not mutually exclusive. Of course, all the rules of the market economy and competition apply to insurance cooperatives, but their way of doing business is motivated by strong values and not by the lure of quick and easy money.

Indeed, cooperative insurances are guided by values such as solidarity and cooperation. Their actions mirror their cooperative spirit. This is expressed in different ways; such as the reinvestment of part of their profits in the community.

I very much commend your activities and actions not only because they attest the commitment of 1CISP but also because I believe they can be used as source of inspiration for communities' survival, well-being and empowerment.

Allow me to wish great success to the 46th Annual General Assembly of 1CISP!



Ariel Guarco
President



“
Cooperatives need to stay on top and take advantage of the information and tools available to ensure continuity and resilience for the long term.

”
INTERNATIONAL CO-OPERATIVE ALLIANCE
ASIA AND PACIFIC
REGIONAL DIRECTOR
Balasubramanian Iyer

Message of ICA-AP Regional Director

It is with great pleasure that I extend our cooperative greetings to the 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) on the auspicious occasion of the 46th Annual General Assembly to be celebrated on 3 and 4 April 2020 in Manila!

I am delighted to use this opportunity to welcome 1CISP and its 2,900 member cooperatives to the International Cooperative Alliance (ICA)!

I am happy to know that this year's Annual Assembly theme is, *Risk Protection and Mitigation: Keys to Growth and Resilience of Cooperative Communities*. An important element of cooperatives is their ability to mitigate risks for their members. Insurance is used in agriculture to protect farmers against losses, in health to meet out-of-pocket payments which can be catastrophic, and in general shield members against any unforeseen occurrences. Risk management is an ongoing process, as risks identified and addressed today can quickly become obsolete tomorrow. The effect of climate change and the threat of cyber breaches are current and emerging challenges. Cooperatives need to stay on top and take advantage of the information and tools available to ensure continuity and resilience for the long-term. I am sure this year's Assembly will discuss and come up with ways to ensure growth and resilience of cooperative communities.

2020 marks the 125th Anniversary of ICA and the 25th Anniversary of the Statement on the Cooperative Identity. ICA will be marking these events at the 33rd World Cooperative Congress from December 13 to 16 in Seoul. The Congress will debate how cooperative identity positively impacts current global issues (development, saving the planet, peace), how cooperative identity is a strategic asset for cooperative business performance (sustainable, values based) and how cooperative identity impacts global viewpoints on human development (dignity of work, impact of digital technology, gender equity). I would like to welcome you all to join us at the 33rd World Cooperative Congress!

I wish the 46th Annual General Assembly of 1CISP a grand success!

Balasubramanian Iyer
Regional Director-Asia and Pacific



“As we aspire to position 1CISP as the preferred service provider for every cooperator’s diverse insurance needs, we continue to strengthen our network of partners -- our members, our clients, our collaborators, and our suppliers.”

**1CISP
CHAIRPERSON**
BGen. Teodoro P. Evangelista (RET)

Dear shareholders,

2019 was another banner year for 1 Cooperative Insurance System of the Philippines Life and General Insurance!

We are now approaching our 50th year ever closer towards realizing our vision of becoming “a globally competitive cooperative insurance system.” To be truly competitive globally is to make 1CISP a future-ready and future-proof cooperative. We made business decisions throughout 2019 that promote sustainability, innovation and institutional resiliency.

We have capped the year in review with the strongest financial and operational performance. We have accelerated the growth of our life and non-life insurance operations to hit a record-high PHP **1.23 billion** gross premiums. Our cost-efficient initiatives paved way to maximize our gains as we deliver a net surplus of PHP **286.91 million**. Paid-up capital soared to PHP **1.65 billion** as our assets peak to the strongest level of PHP **3.27 billion** at year-end, our best in recent years.

As we aspire to position 1CISP as the preferred service provider for every cooperator’s diverse insurance needs, we continue to strengthen our network of partners -- our members, our clients, our collaborators, and our suppliers. To do so, we continue to innovate our services, from what we offer to how we deliver, to meet the ever-changing business environment and preferences of our stakeholders.

We have also embarked on a bold digitalization roadmap that will see the rise of 1CISP as a leader in technology application in the Cooperative Sector. We have piloted several key digital initiatives across the year that aim to automate our service delivery processes towards greater levels of efficiency, responsiveness, and accessibility to all our stakeholders than before. We have strongly supported the development of the DigiCoop system to advance digital transformation among cooperatives.

In the coming year, we will stay focused on executing our business strategies towards creating positive impact to our members, clients, employees, and other stakeholders. Consistent with our 2020 theme, “Risk Protection and Mitigation: Keys to Growth and Resiliency of Cooperative Communities,” we will weather every risk and challenge along the way as a strong, united Insurance Cooperative.

On behalf of the Board of Directors, Management and 1CISP Family, I would like to thank everyone’s unwavering support throughout our 2019 journey. Your trust and confidence in us embolden us to perform excellently and deliver on our targets. I look forward to seeing a much successful 1CISP in 2020 and beyond with all of you!

Mabuhay ang Kilusang Kooperatiba!


BGEN TEODORO P. EVANGELISTA AFP (RET)
1CISP Chairperson

1 **MINUTES OF THE MEETING OF THE FORTY-FIFTH (45TH) ANNUAL GENERAL**
2 **ASSEMBLY/SHAREHOLDERS MEETING OF 1 COOPERATIVE INSURANCE SYSTEM OF THE**
3 **PHILIPPINES LIFE AND GENERAL INSURANCE (1CISP) HELD ON APRIL 13, 2019, AT CROWNE**
4 **PLAZA HOTEL, ORTIGAS**

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. 1 CISP 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
22 **PART II – OPENING PROGRAM**

- 23
24 A. Opening Prayer (AVP and music-guided)
25 B. National Anthem (AVP and music-guided)
26 C. Cooperative Pledge led by Ms. Amneris Gabriel of Philippine Air Traffic Controllers' MPC.
27 D. Singing of 1 CISP Hymn (AVP and music-guided)
28 E. Audio Visual Presentation of the highlights of activities on April 12, 2019.
29 F. Acknowledgement of 1CISP member-shareholders, board of directors, management and
30 guests.
31 G. Welcome Remarks
32 President Roy S. Miclat thanked all the delegates for attending the 45th Annual General
33 Assembly of 1CISP. He extended his gratitude, in behalf of the Board and Management, for the
34 continuous support and belief the members bestowed upon the people of 1CISP. He invited all
35 members, to continue building the dream of having a prosperous Philippines.

36
37 **PART III – BUSINESS PROPER**

38
39 **I. CALL TO ORDER**

40 Chairperson BGen. Teodoro P. Evangelista (Ret), called the meeting to order at 09:39 a.m.

41
42
43 **II. PROOF OF DUE NOTICE**

44
45 As proof of due notice, Atty. Lyman Manzanares informed the general assembly that the member-
46 shareholders were duly notified on February 4, 2019 through the following modes: 1) announcement
47 of the holding of 45th Annual G.A. in the 1CISP website; 2) electronic announcement/emails. These
48 methods satisfied the requirement of Sec. IV Art VI of the 1CISP By-laws which require that the
49 "members entitled to vote must be duly notified of the holding of a general assembly not later than
50 20 days thereof."

51
52 **III. DETERMINATION OF QUORUM**

53
54 Atty. Manzanares certified that 1CISP is compliant with Article 6 Section 6 of the By Laws, as there
55 were 1,038,928,381.72 number of shares which is equivalent to 83.11% of the 1.25 Billion total capital
56 shares of 1CISP. Accordingly, a quorum was present to hold the 45th Annual General Assembly.
57
58
59

60 **IV. APPROVAL OF THE AGENDA FOR THE 45TH ANNUAL GENERAL ASSEMBLY/ SHAREHOLDERS**
61 **MEETING**

62
63 No other comments or questions were raised therein, Mr. Marcelino Sales Jr. of Bugasong MPC
64 moved for the approval of the agenda and duly seconded severally. Thus, the following Resolution
65 was adopted, to wit:

66 **G.A. RESOLUTION NO. 01 S. 2019**

67
68 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED** that the agenda matters of
69 today's 45th Annual General Assembly/Shareholders Meeting of 1 Cooperative
70 Insurance System of the Philippines Life and General Insurance (1CISP), as
71 presented,
72

73 **BE, AS IT IS HEREBY, APPROVED.**
74

75 **V. CONSIDERATION/APPROVAL OF THE MINUTES OF THE 44TH ANNUAL GENERAL**
76 **ASSEMBLY/SHAREHOLDERS MEETING**

77
78 Considering that the Minutes of the 44th General Assembly were sent in advance to the member-
79 shareholders, Mr. Gil Gilot of PERA MPC moved to dispense the reading of the minutes and duly
80 seconded severally. Thus, the following Resolution was approved, to wit:

81 **G.A. RESOLUTION NO. 02 S. 2019**

82
83 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the member-shareholders
84 approved the minutes of the 44th Annual General Assembly/Shareholders
85 Meeting of 1 Cooperative Insurance System of the Philippines Life and General
86 Insurance (1CISP) held on April 14, 2018, as presented,
87
88

89 **BE, AS IT IS HEREBY, APPROVED.**
90

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

92
93 None was taken up.
94

95 **VII. CONFIRMATION OF THE BOARD RESOLUTIONS FOR THE YEAR 2018**

96
97 Atty. Manzanares informed the General Assembly that there are one hundred fifty one (151) Board
98 Resolutions for the year 2018 by summary there around twelve (12) to thirteen (13) Board
99 Resolutions per month, 15% of which are investment related resolutions, 9% are compliance related
100 resolutions and 70% of which are appointments and designations that are significant both internal
101 and external in nature. The summary of all Board Resolutions for Calendar Year 2018 was printed in
102 the annual report.
103

104 Mr. Isagani Daba, representing Consolidated Cooperative Bank, raised his concern on Board
105 Resolution No.38 regarding an investment to a certain individual named Melvin Rivera who 1CISP
106 invested twenty million pesos (Php 20,000,000).
107

108 Chairperson Evangelista clarified that Mr. Melvin Rivera is the account officer and representative of
109 AP Securities where 1CISP invested in for stocks.
110

111 Mr. Daba raised his second question regarding the basis of 1CISP in granting loans and time
112 deposits. Chairperson Evangelista clarified that investments done by 1CISP follows a certain criteria
113 and has limits. He added, the Board of Directors study every investment proposal to protect the
114 good standing of 1CISP.
115

116 Accordingly, Mr. Jerson Remo of Silangan MPC moved for the approval of the Board Resolutions for
117 the year 2018, duly seconded severally. Thus, the following Resolution was approved, to wit:
118
119

120 **G.A. RESOLUTION NO. 03 S. 2019**

121
122 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that all Resolutions adopted
123 and/or approved by the Board of Directors for Calendar Year 2018, be
124 confirmed and ratified,

125
126 **BE, AS THEY ARE HEREBY, APPROVED.**

127
128 **VIII. APPROVAL OF THE JOINT REPORT**

129
130 **A. JOINT REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE YEAR 2018**

131
132 With the aid of audio-visual presentation, the joint report was presented to the general assembly.
133 Its full text was printed in the Annual Report, highlights of which, are as follows:

134
135 **FIVE-YEAR FINANCIAL HIGHLIGHTS, 2014 - 2018**

136
137 **1. Assets Growth, Asset Quality, and Liquidity**

138
139 The Total Assets amounts to P2.565 billion as of the end of 2018 from P1.553 billion as of the
140 end of the immediately preceding year. This is attributable to the almost P600 million or about
141 63% increase in share capital infusion from our member-cooperatives. In 2018, we also attained
142 the highest Net Surplus of P216.08 million.

143
144 Loans Receivable increased by four (4) times from the prior year, from P75 million in 2017 to P394
145 million as of the end of 2018, primarily due to the financial assistance granted to our member-
146 cooperatives. The loans granted bear interest rates ranging from 5% to 7%. This facility decreased
147 the ratio of the Liquid Assets to Total Assets of 1CISP, from 89% in 2017 to 76% in 2018; however,
148 it doubled the earnings contributed by our Interest Income, from P15.3 million in 2017 to P38.8
149 million in 2018.

150
151 **2. Profitability**

152
153 For the last five years, 1CISP has a consistent growth in revenue and net surplus. The highest
154 gross revenue and net surplus was attained in 2018 of P746 million and P216 million, respectively.
155 These numbers signify the members' boosted patronage in the products 1CISP offer. We
156 consistently performed above targets since its rehabilitation in 2013. 1CISP's profitable operation
157 provides an assurance to all the members/shareholders that their contributions are in good hands
158 – securing return on their investment and, at the same time, ensuring the receipt of patronage
159 and experience refund.

160
161 **3. Expense distribution**

162
163 The five-year average, it shows that Benefits and Claims paid accounted for 46.18% of the Total
164 Operating Cost of 1CISP– the biggest share of expenditures. The ratio of the total benefits and
165 claims paid of 46.63% in 2018 is slightly higher than the average claims of 46.18% and the 45.22%
166 in 2017. The second highest share of the total operating cost is the Service Fee of 21.73% in
167 2018, which is better than the 2017 ratio of 22.49% but a bit higher than the average rate for the
168 last 5 years of 20.6%. This is followed by the increase in policy reserves of 12.7% in 2018, better
169 than the 2017 ratio of 14.15% and is much better than the five (5) year average rate of 15.9%.
170 Salaries and benefits accounted for 11.14% share in the total operating cost for 2018 due to the
171 opening of our branch in Cagayan de Oro and the increase in the number of our personnel in the
172 head office and the adjustment of salaries and benefits.

173
174 **4. Stability**

175
176 RA No. 10607, otherwise known as the *Amended Insurance Code of the Philippines*, requires all
177 insurance companies to increase their Net Worth to ₱ 1.3 billion by 2022. 1CISP being a
178 cooperative is only mandated to meet 50% or P650 million by the end of 2022. The Insurance
179 Commission strictly monitors the compliance by all insurance companies to this requirement. As

180 of the end of 2018, the Net Worth of 1CISP is at P1.706 billion or 60% growth compared to P1.069
181 billion in 2017 which is beyond the required Net Worth as of the end of 2022 (See Graph 5).
182 Likewise, its paid-up capital leaped by 63% from P951 million as of the end of 2017 to P1.551
183 billion as of December 31, 2018. With this substantial increase in Net Worth and Paid Up capital,
184 1CISP assures that it is stable, sustainable, and expanding.

185 186 **5. Membership Growth**

187
188 The year 2018 is another exceptional year for 1CISP as it sets a new record of having the highest
189 number of new member-patronizing cooperatives. 1CISP welcomed 117 new members in Luzon,
190 36 in Visayas and 57 in Mindanao. We were able to bring in a total of 507 new member-
191 patronizing cooperatives in the last five (5) years, the highest of which was in 2018 with 210
192 registered new member coops followed by 2017 which registered 116 new member coops. The
193 increasing membership base enabled 1CISP to generate additional capital, gain more patronage,
194 and extend its reach to individual members of cooperatives without access to affordable
195 insurance. Likewise, with our good governance, efficient operations, and transparent dealings
196 with stakeholders, generous support was provided by the members. Due to compliance to BSP
197 Circular No. 682 series of 2010 under Section 9, member-Cooperative Banks withdrew their
198 memberships, however, their support and patronage to 1CISP continued on.

199
200 In 2014, we were able to recruit 48 new cooperatives that saw the opportunity in supporting our
201 direction of "*Renewing Itself through Efficiency and Good Governance*". In 2015, with the theme
202 of "*Sustaining Growth and Stability through Service Quality*", we attracted 51 new member-
203 cooperatives. In 2016, with 1CISP embracing the theme of "*Securing Lives... Securing Future*", we
204 generated 82 new members that contributed their resources and provided patronage and
205 support, thereby, propelling the growth of the system. And by 2017, 116 additional cooperatives
206 were welcomed as new members. True to its theme in 2018, "*Leadership and Innovation:
207 Sustaining Growth, Empowering Communities*", we embraced 210 new member cooperatives
208 which resulted to 1CISP being recognized as one of the fastest growing cooperative life insurers
209 globally. We are confident that with our aggressive campaign this year, there will be more coops
210 coming in, in the next few months as we embrace our theme for this year's General Assembly,
211 "**LEAP @ 45; Lead, Excel, Advocate and Prosper**".

212
213 As of December 31, 2018, 1CISP is owned and patronized by a total of 3,031 member-
214 cooperatives catering to more than a million individual members. We continually engage new
215 members to expand 1CISP's reach and to be able to share the products and services that existing
216 members are now enjoying.

217 218 **6. Human Resource Development**

219
220 1CISP considers its human resource as its greatest asset. It is our goal to provide capacity
221 development for all personnel keeping the vision in mind, to be "A globally competitive
222 Cooperative Insurance System". In line with this, 1CISP implemented a comprehensive and
223 holistic program that is expected to enhance the skills and capabilities of its personnel. A total
224 of 41 trainings, seminars, workshops, and conferences both domestic and international, were
225 attended by the Board of Directors, top management, department managers, supervisors, rank
226 and file personnel, and marketing team, to update and upgrade their knowledge and
227 proficiencies to contribute to operational excellence. There were a total of ten (10) international
228 trainings and conferences attended by 22 individuals and 23 local/domestic trainings, seminars,
229 and conferences participated in by 50 individuals.

230 231 **7. Cooperative Social Responsibility (CSR)**

232
233 1CISP, through the initiatives of its personnel, strongly supports various activities and projects
234 for social development and nation building. It advocates programs that aim to improve the lives
235 of individuals, communities, and the environment where we feel assistance is of utmost necessity.
236 The following are the various CSR activities conducted by the employees in 2018:

237
238 1CISP employees were organized to form several groups and were tasked to formulate,
239 implement and assess their chosen CSR activities.

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274
- a. 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.
 - b. 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.
 - c. 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.
 - d. 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).
 - e. 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.
- 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.

275 8. Linkages and Network Building

276 *Local*

277
278
279 The 1CISP, in partnership with the FOCCUS Group of Cooperatives, NCCC Chain of Stores and
280 Ateneo de Davao University (AdDU), empowered start-up initiatives among cooperatives for the
281 first leg of Coop Kicks in Mindanao. The program featured entrepreneurship and technology
282 bootcamps, pitching competitions, mentorship, incubation and marketplace support, and access
283 to financing for innovative business ideas and models. The winners received seed funding from
284 the Cooperative partners for the incubation of their projects. The 1CISP will bring the Coop Kicks
285 program in other parts of Mindanao and Visayas.

286
287 For the Luzon leg of Coop Kicks, 1CISP partnered with the **Institute for Climate and Sustainable**
288 **Cities (ICSC)** in launching the pilot **Leadership and ADvocacy School for Cooperatives in**
289 **Renewable Energy and Transformative Economies (LEADS>CREATE)**. The **LEADS>CREATE** is
290 a program designed for young cooperators to build their capacity, ensure that the Cooperative
291 Movement remains at the cutting edge of the movement for social development, and become
292 champions of renewable energy.

293
294 Our partnership with Model Cooperative Network (MCN) in Mindanao produced a total of 25
295 seminars/trainings/workshops provided to our member-cooperatives in Mindanao. The
296 enhancement in the capacity and capability of the Board of Directors and employees of our
297 member-cooperatives will assure their financial viability and sustainability and ensure continued
298 service to their individual members. Our patronizing members enjoy full subsidy while non-
299 patronizing members get 50% subsidy. 1CISP has allocated ₱4 million to support capacity

300 development programs for 2017-2018. Lastly, 1CISP is an active member of the Philippine Life
301 insurance Association (PLIA), Home Office Life Underwriters Association of the Philippines
302 (HOLUAP), People Management Association of the Philippines (PMAP), and Life Insurance Claims
303 Association of the Philippines (LICAP). We actively participate in various activities and events
304 conducted by these associations to learn and share the best practices in the insurance industry.

305 ***International***

306
307
308 1CISP continues to participate in the seminars/workshops being sponsored by The Foundation
309 for the Advancement of Life & Insurance Around the world (FALIA) in Yokohama, Oriental Life
310 Insurance Cultural Development Center (OLIS), the Institute of Actuaries of Japan (IAJ),
311 International Cooperative and Mutual Insurance Federation (ICMIF) and International Cooperative
312 Alliance (ICA). These exchanges of Directors, Officers and Personnel enabled us to participate in
313 knowledge sharing with different countries and formulate the strategic course of 1CISP.

314
315 One significant exchange in 2018 is the visit of Board of Directors and Senior Management of
316 1CISP to the most prominent insurance cooperatives in Japan to benchmark its current practices
317 and adopt their sustainable practices especially in this age of disruption and increasing impact
318 of climate change.

319
320 1CISP also actively promotes young leadership. 1CISP Vice President for Life Operations, Jackelyn
321 P. Ballena, was invited to be part of the Young Leaders Forum (YLF) of ICMIF, and was the only
322 Asian representative in the group. She attended the YLF Meeting and Intelligence Committee
323 Meeting in Helsinki, Finland wherein she was exposed to the current opportunities and challenges
324 of insurance cooperatives and mutuals around the world, with special focus on the latest
325 technologies used. Aside from that, she was given the opportunity to organize the Young Leaders
326 Program in Asia during the Asia Oceania Association (AOA) Seminar 2018 in Hong Kong along
327 with Mr. Yoshikazu Sato (Zenrosai) and the AOA Secretariat. This Young Leaders Program is set
328 to be introduced in the Philippines at the 45th Annual General Assembly of 1CISP.

329 **9. Cooperative Health Management Federation (CHMF)**

330
331
332 The CHMF or "1 Coop Health" sustained its growth and expanded its reach as individual members'
333 enrollment increased to 41,088 coming from 116 member-coops in 2018 compared to 23,843
334 from 81 member coops in 2017. Barely four (4) years in operation, CHMF's remarkable growth
335 showed a tenfold increase in enrollments compared to its first year of operation. This resulted
336 from your active support in marketing the products and services offered by 1 Coop Health.

337
338 In 2018, 1CISP generated a total of **₱4.45million** as gross premiums from the life and accident
339 coverage of their 39,022 individual member-subscribers. The Management continuously assists 1
340 Coop Health in promoting its products and services as part of our commitment to provide
341 affordable and quality risk protection and mitigation schemes for cooperatives.

342 **10. 2018 Theme**

343
344
345 Last year's theme, "***Leadership and Innovation: Sustaining Growth and Empowering***
346 ***Communities***", highlights the two (2) critical factors that ensure the continued growth of 1CISP
347 and strengthen its impact on the communities where our member-cooperatives are present. It is
348 with conviction that 1CISP commits to strive towards excellence and continue to touch the lives
349 of Filipino cooperators.

350
351 1CISP's theme for this year is ***LEAP@45: Lead, Excel, Advocate, and Prosper***. The word LEAP
352 describes the unprecedented success and growth of 1CISP in its 45 years of existence from its
353 rebranding launched last year.

354 1CISP is now **LEADING** its member cooperatives to greater heights, a stage never imagined. The
355 cooperative is continuously **EXCELLING** in providing Risk Mitigation Solutions in areas of Life and
356 General Insurance, as well as in Health Insurance through partnerships and collaborations. In
357 addition, **ADVOCATING** young leadership to shape principle-centered and excellence-oriented
358 future cooperative leaders, and strengthening the human resources of the Cooperatives.

359 Moreover, 1CISP strives that each of its member-cooperatives **PROSPER** through its various

360 capacity and capability development programs. Indeed, 1CISP is living to its advocacy that **A**
361 ***Prosperous Philippines is a Cooperative Philippines.***

362 **11. Other initiatives:**

- 363 • 1CISP continuously extends its credit facility through loans with minimal interest rates as our
- 364 way of support to its member coops.
- 365 • 1CISP started the construction of a 6-storey green building on its 523.70sq.m. lot in Quezon
- 366 City. It is expected to be finished within 2019.
- 367 • 1CISP also started the renovation of its acquired property in Cagayan de Oro which will house
- 368 its CDO branch. The renovation is estimated to be completed by the end of June 2019.
- 369 • 1CISP engages CLIMBS to revive the exploratory talks on the merger to pursue our dream of
- 370 having only one coop insurance that will service the insurance needs of the cooperative sector
- 371 in the country. Feedback from CLIMBS is being awaited.
- 372 • 1CISP launched the Coop Kicks program to introduce the Youth into the Third Path or the
- 373 Cooperative Way.
- 374
- 375
- 376

377 **Questions and Discussions:**

378
379 Mr. Daba raised his 1st question regarding the deposits for subscription to 1CISP. He wanted to clarify
380 if it will also earn dividends. Chairperson Evangelista confirmed that the deposit for subscription to
381 1CISP will earn dividends.

382
383 Mr. Daba raised his 2nd concern regarding the honorarium of the Board of Directors. The gentleman
384 asked how much the current honorarium is and the reason for its slight yearly increase from 2016.

385
386 Chairperson Evangelista clarified that the increase in budget for the honorarium is due to the meetings,
387 seminars and events related to improve the Board's governance over 1CISP. He also clarified that
388 increase in budget is backed up by Board Resolutions and approved by the General Assembly.

389
390 Mr. Daba wanted to clarify, per his assessment of the Board Resolutions, 68% of it are approval of the
391 minutes, approval of reports and other related matters. There were only twenty four (24) to twenty five
392 (25) resolutions that are focused in business development, thirteen (13) about personnel and ten (10)
393 resolutions about fix assets.

394
395 Chairperson Evangelista requested Mr. Daba and the rest of the General Assembly to study the
396 performance of 1CISP in the year 2018. The Chair also invited members to visit and audit 1CISP if there
397 are questions or concerns they wanted to clarify.

398
399 Consequently, Mr. Daba moved for the confirmation of the Joint Report of the Board of Directors and
400 Management detailing the results of 1CISP's operation for the Year 2018 by the general assembly duly
401 seconded severally. Thus, the following Resolution was approved, to wit:

402 **G.A. RESOLUTION NO. 04 S. 2019**

403
404
405 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the Joint Report of the
406 Board of Directors and Management detailing the results of 1CISP's operation
407 for the Year 2018, as presented and discussed,

408
409 **BE, AS IT IS HEREBY, APPROVED.**

410 411 **IX. APPROVAL OF THE 2018 AUDITED FINANCIAL STATEMENT**

412
413 Chairperson Evangelista introduced the representative of 1CISP's External Auditor: Reyes Tacandong
414 & Co., Ms. Carolina Angeles. Conversely, the Chair advised the general assembly to see the 2018
415 Audited Financial Statements, printed in pages 37 to 79 of the Annual Report. The highlights of the
416 2018 AFS are as follows:

419	ASSETS		2018		2017
420	Current Assets				
421	Cash and Cash Equivalents	P	1,074,142,094	P	704,016,339
422	Short-term Investments		464,440,558		333,477,637
423	Insurance Receivables		51,909,947		13,241,718
424	Reinsurance Assets		40,179,634		19,653,111
425	Financial assets at cost		71,861,549		51,861,549
426	Fin. assets at fv through profit or loss		24,167,226		11,070,824
427	Loans and Receivables		46,605,024		22,913,362
428	Other current assets		12,071,616		1,260,479
429	Total Current Assets		1,785,377,648		1,157,495,019
430					
431	Noncurrent Assets				
432	Financial Assets at amortized cost	P	244,245,34	P	258,759,083
433	Financial assets at cost		72,113,062		26,881,501
434	Loans Receivable		367,150,281		52,000,000
435	Property and Equipment:				
436	At revalued amounts		37,745,746		38,946,133
437	At cost		36,370,862		18,504,879
438	Other noncurrent assets		22,086,188		
439	Total Noncurrent Assets		779,711,483		395,091,596
440	TOTAL ASSETS		P 2,565,089,131		P 1,552,586,615
441					
442	LIABILITIES		2018		2017
443	Current Liabilities				
444	Insurance Contract Liabilities	P	423,132,847	P	279,171,020
445	Due to reinsurers		29,935,663		12,251,844
446	Dividend and Patronage Refund Payable		229,898,307		159,625,907
447	Other Current Liabilities		168,096,442		27,202,391
448	Total Current Liabilities		851,063,259		478,251,162
449					
450					
451	Noncurrent Liability				
452	Net Retirement Liability		7,729,472		5,066,291
453	TOTAL LIABILITIES		858,729,731		483,317,453
454					
455	EQUITY		2018		2017
456	Capital Stock	P	1,262,740,100	P	951,029,200
457	Deposit for Share Capital Subscription	P	287,894,966		-
458	Contributed Surplus		85,298		85,298
459	Revaluation Surplus		6,150,000		6,150,000
460	Statutory funds:				
461	General Reserve Fund		81,862,037		60,254,212
462	Optional Fund		29,698,064		27,537,282
463	Cooperative Educ. and Training Fund		20,952,346		12,361,449
464	Community Development Fund		16,913,589		11,851,721
465	Total Equity		1,706,296,400		1,069,269,162
466	TOTAL LIABILITIES AND MEMBER'S EQUITY		P 2,565,089,131		P 1,552,586,615
467					
468	REVENUE		2018		2017
469	Gross Premiums on Insurance Contracts	P	779,904,306	P	553,264,813
470	Reinsurer's share on of GP on ins. Contracts		(76,368,594)		(35,894,823)
471	Net Insurance Premiums		703,535,712		517,369,990
472	Interest Income		38,845,291		15,283,600
473	Other Income		3,783,227		2,295,748
474	TOTAL REVENUES		746,164,230		534,949,338
475					
476					
477					

478	<u>BENEFITS, CLAIMS AND EXPENSES</u>		
479	Benefits and claims on insurance contracts	247,156,033	169,331,311
480	Increase in legal policy reserves	67,300,000	53,000,000
481	Collection cost	64,356,866	51,988,873
482	Salaries and benefits	59,035,907	37,469,229
483	Commission Expense	50,842,149	32,242,079
484	General and administrative expenses	36,894,346	27,175,770
485	Depreciation	4,500,682	3,283,367
486	<u>Total Benefits, Claims and Expenses</u>	<u>530,085,983</u>	<u>374,490,629</u>
487	<u>NET SURPLUS</u>	<u>P 216,078,247</u>	<u>P 160,458,709</u>
488			
489	<u>ALLOCATION OF NET SURPLUS</u>		
490	Dividend and patronage refund payable	168,541,033	131,243,029
491	General reserve fund	21,607,825	16,780,130
492	Cooperative education and training fund	17,286,260	2,808,028
493	Community development fund	6,482,347	4,813,761
494	Optional Fund	2,160,782	4,813,761
495		<u>216,078,247</u>	<u>160,458,709</u>

496
497 Mr. Daba raised his concern regarding the approved budget for 1CISP's new building. He wanted to
498 clarify the difference from the approved budget and actual construction cost of the building.
499 Chairperson Evangelista clarified that the difference will be allotted for the furniture and fixtures of the
500 new building.

501
502 Another query was raised by Mr. Daba regarding the nature of the time deposit of R&B in behalf of
503 1CISP. EVP/COO Ms. Cecilia Laguna clarified that the 82 Million is reclassification of accounts payable,
504 the investments of R&B has corresponding recognized interest in favor of R&B Corporation.

505
506 Consequently, Mr. Daba moved for the approval of the 2018 Audited Financial Statements, duly
507 seconded severally. Thus, the assembly unanimously approved the 2018 AFS, to wit:

508
509
510 **G.A. RESOLUTION NO. 05 S. 2019**

511
512 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the Audited Financial
513 Statements of 1 Cooperative Insurance System of the Philippines Life and
514 General Insurance (1CISP) for Calendar Year ended December 31, 2018, as
515 presented to, and discussed by, the General Assembly,

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

518
519 **X. APPROVAL OF THE AUDIT COMMITTEE REPORT FOR THE YEAR 2018**

520
521 Ms. Wilma L. Gidaya, Chairperson of the Audit Committee, presented the report of the committee
522 under page 80 of the Annual Report. The extent of their audit covered 1CISP's operations for year
523 2018, which includes but was not limited to audit of cash receipts, cash counts, and minutes of
524 meetings of the Board of Directors. She said that the Audit Committee had also discussed its audit
525 findings and recommendations to management which the latter already acted upon.

526
527 No objection or question was raised therein, hence, Ms. Miriam Lajon of Abra Diocesan Teachers and
528 Employees MCP moved for the approval of the report of Audit Committee, duly seconded by
529 Fernanda Maliksi of Talibon Credit Cooperative. Thus, the following Resolution was approved, to wit:

530 **G.A. RESOLUTION NO. 06 S. 2019**

531
532 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the report of the Audit
533 Committee on the financial and operations performances of 1CISP for Calendar
534 Year 2018, as presented and discussed,

535
536 **BE, AS IT IS HEREBY ACCEPTED AND APPROVED.**

537
 538 **XI. APPROVAL OF DISTRIBUTION OF NET SURPLUS FOR THE YEAR 2018**
 539

540 President Miclat presented the following allocation of net surplus for Calendar Year 2018:

541			
542	<u>NET SURPLUS</u>	216,078,247.00	
543			
544	<u>ALLOCATION/DISTRIBUTION:</u>		
545	DIVIDEND AND PATRONAGE/EXP. REFUND	168,541,033.00	78.00%
546			
547	STATUTORY RESERVES:		
548	General Reserve Fund	21,607,825.00	10.00%
549	Reserve for Education & Training	17,286,260.00	8.00%
550	Community Development Fund	6,482,347.00	3.00%
551	Optional Fund	2,160,782.00	1.00%
552		-----	
553	Total:	P216,078,247.00	

554			
555	<u>DISTRIBUTION OF DIVIDEND AND PATRONAGE/EXPERIENCE REFUND:</u>		
556	DIVIDEND RATE	- - - - -	12.00%
557	PATRONAGE/EXPERIENCE REFUND RATE	- - - - -	7.19%

558
 559 No question or comment was raised on the proposed allocation of net surplus, thus, Mr. Ernesto
 560 Victorino of Mandaluyong MPC moved for the approval of the aforesaid appropriations as presented
 561 and discussed, which was severally seconded, thus, the following Resolution was adopted, to wit:

562
 563 **G.A. RESOLUTION NO. 07 S. 2019**

564
 565 **WHEREAS**, as a result of the remarkable performance of 1 Cooperative
 566 Insurance System of the Philippines Life and General Insurance (1CISP) on its
 567 operation for Calendar Year 2018, its Audited Financial Statements recorded a
 568 net surplus of **Php 216,078,247.00**;

569
 570 **WHEREAS**, the Board of Directors in its financial report to the General
 571 Assembly recommended for the approval of the Member-Shareholders the
 572 allocation of net surplus which include statutory/mandatory reserves, land
 573 acquisition and building improvement and/or construction, patronage refund,
 574 experience refund and dividend for preferred and common shares,

575
 576 **WHEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED, AS**
 577 **IT IS HEREBY RESOLVED**, that 1 CISP General Assembly approved the
 578 abovementioned distribution of net surplus as presented and discussed and
 579 the following appropriations for dividend, patronage refund, and experience
 580 refund for the year ended December 31, 2018, to wit:

581
 582 **RESOLVED FURTHER**, that the distribution of cash dividend to 1CISP member-
 583 shareholders shall take effect immediately upon approval by the Insurance
 584 Commission of the allocation of net surplus.

585
 586 **BE, AS IT IS HEREBY, APPROVED.**
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597 **XII. PROPOSED BUDGET FOR THE YEAR 2019**

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599

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

600

601

602

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	

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**1 Cooperative Insurance System of the Philippines
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			6,020,000
<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			1,575,000
Head Office (for the new building)			32,000,000.00
Branch Office (for the newly renovated building)		3	3,000,000.00
Sub-Total			35,000,000.00

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	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			824,000.00

Land/Building/Improvements

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.	5,000,000.00
Renovation of Building	15,000,000.00
Branch Office (Visayas)	
Acquired land & Bldg.	5,000,000.00
Renovation of Building	15,000,000.00
Sub-Total	292,000,000.00
	TOTAL
	335,419,000.00

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Questions and Discussions:

Mr. Daba raised his concerned as there is an increase in expenses for governance, officer’s honorarium, travels, representation expenses and board meeting expenses. He suggested that the expenses for the following may be brought down a bit and increase the budget for claims.

Chairperson Evangelista acknowledged the concern and explained the increase in expenses. Due to the organizations fast growth, the Board needs to catch up and increase its productivity compared before. The Board wants to clear out that as the organization grows, expenses are also expected to increase, and as a result, the revenue grows due to the increase of members. The Chairperson clarified that 1CISP is not a social organization, it is a business.

Ms. Amelita Lachica of Zamboanga Social Welfare and Devt. MPC, suggested the increase of honorarium for the Board of Directors due to the great performance of the cooperative. It was noted by the Board and recommended it to be discussed in the future.

Ms. Lolita Sarmiento of Talisayon MPC moved for the approval of the aforesaid appropriations as presented and discussed, which was severally seconded. With that, the general assembly unanimously approved the proposed budget. Thus, the following Resolution was adopted, to wit:

G.A. RESOLUTION NO. 08 S. 2019

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the proposed Budget for Calendar Year 2019 as presented to, and deliberated on, by the General Assembly of 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP),

BE, AS IT IS HEREBY, APPROVED.

XIII. APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2019

On the recommendation of the Board and management, Ms. Yolanda Briones of Banapra Devt. Cooperative moved for the approval to retain the external audit services of Reyes Tacandong & Co. as 1CISP’s external auditor for Calendar Year 2019, duly seconded severally, thus, the following Resolution was adopted, to wit:

G.A. RESOLUTION NO. 09 S. 2019

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP), re-engage the audit services of Reyes Tacandong & Co. as 1CISP’s Independent Auditors for Calendar Year 2019,

BE, AS IT IS HEREBY, APPROVED.

656 **XIV. PROPOSED AMENDMENTS TO THE ARTICLES OF COOPERATION (AC) AND BY-LAWS (BL) OF**
657 **1CISP**

658

659 Co-op Secretary, Atty. Manzanares, grouped the proposed amendments presentation into three (3)
660 types. First type of amendment is due to the format requirement of CDA in line with CDA's model
661 Bylaws. Second is to conform to the provisions of RA 9520. Third is mainly clerical corrections, spellings
662 and stylistics. As we change and correct the format and typographical errors, we adjusted the numbering
663 and/or labeling of some items. The amendment with regards the increase in capitalization, is a must.
664 Due to the growth of 1CISP, there is a need to increase the authorized capital stock to support the plans
665 for 2019.

666

667 The following are the provisions in the AC and BL for amendments:

668

669 **I. ARTICLES OF COOPERATION**

670

671 Amended Articles of Cooperation
672 of the
673 1 Cooperative Insurance System of the Philippines
674 Life and General Insurance

675

676 KNOW ALL MEN BY THESE PRESENTS:

677

678 We, the undersigned, of legal age, citizens and residents of the Philippines, duly authorized
679 representative of our respective cooperatives, all of legal age and Filipino citizens, this 25th day of
680 January, 1974, in Quezon City, voluntarily associated ourselves together to form, **A SECONDARY**
681 **COOPERATIVE**, under the laws of the Republic of the Philippines.

682

683 AND WE HEREBY CERTIFY:

684

685 **ARTICLE I**
686 **NAME OF THE FEDERATION**

687 xxxx

688 **ARTICLE II**
689 **PURPOSES**

690 xxxx

691 **ARTICLE III**
692 **GOALS**

693

694 **THE GOALS OF THE SYSTEM ARE TO HELP IMPROVE THE QUALITY OF SERVICES OF ITS**
695 **AFFILIATES AND IN FURTHERANCE THERETO SHALL AIM:**

696

697 **A. TO CARRY ON ANY COOPERATIVE ENTERPRISE AUTHORIZED UNDER ARTICLE 6 OF RA 9520**
698 **THAT COMPLEMENTS, AUGMENT, SUPPLEMENTS BUT DOES NOT CONFLICT, COMPETE WITH**
699 **NOR SUPPLANT THE BUSINESS OR ECONOMIC ACTIVITIES OF ITS AFFILIATES;**

700

701 **B. TO CARRY ON, ENCOURAGE AND ASSIST EDUCATIONAL AND ADVISORY WORK RELATING**
702 **ITS AFFILIATE COOPERATIVES;**

703

704 **C. TO RENDER SERVICES DESIGNED TO ENCOURAGE SIMPLICITY, EFFICIENCY, AND ECONOMY**
705 **IN THE CONDUCT OF THE BUSINESS OF ITS AFFILIATES AND TO FACILITATE THE**
706 **IMPLEMENTATION OF THEIR BOOKKEEPING, ACCOUNTING, AND OTHER SYSTEMS AND**
707 **PROCEDURES;**

708

709 **D. TO PRINT, PUBLISH, AND CIRCULATE ANY NEWSPAPER OR OTHER PUBLICATION IN THE**
710 **INTEREST OF ITS AFFILIATES AND ENTERPRISES;**

711

712 **E. TO COORDINATE AND FACILITATE THE ACTIVITIES OF ITS AFFILIATE COOPERATIVES;**

713

714

715 **F. TO ENTER INTO JOINT VENTURES WITH NATIONAL OR INTERNATIONAL COOPERATIVES IN**
716 **THE MANUFACTURE AND SALE OF PRODUCTS AND/OR SERVICES IN THE PHILIPPINES AND**
717 **ABROAD; AND**

718
719 **G. TO PERFORM SUCH OTHER FUNCTIONS AS MAY BE NECESSARY TO ATTAIN ITS OBJECTIVES.**

720
721 **ARTICLE IV**
722 **POWERS AND CAPACITIES**

723
724 **THAT THE POWERS, RIGHTS AND CAPACITIES OF THE SYSTEM ARE THOSE PRESCRIBED**
725 **UNDER ARTICLE 9 OF REPUBLIC ACT 9520.**

726
727 **A. TO THE EXCLUSIVE USE OF ITS REGISTERED NAME;**

728
729 **B. TO SUE AND BE SUED;**

730
731 **C. OF SUCCESSION;**

732
733 **D. TO AMEND ITS ARTICLES OF COOPERATION IN ACCORDANCE WITH THE PROVISIONS OF**
734 **RA 9520;**

735
736 **E. TO ADOPT BYLAWS NOT CONTRARY TO LAW, MORALS OR PUBLIC POLICY, AND TO AMEND**
737 **AND REPEAL THE SAME IN ACCORDANCE WITH RA 9520;**

738
739 **F. TO PURCHASE, RECEIVE, TAKE OR GRANT, HOLD, CONVEY, SELL, LEASE, PLEDGE,**
740 **MORTGAGE, AND OTHERWISE DEAL WITH SUCH REAL AND PERSONAL PROPERTY AS THE**
741 **TRANSACTION OF THE LAWFUL AFFAIRS OF THE COOPERATIVE MAY REASONABLY AND**
742 **NECESSARILY REQUIRE, SUBJECT TO THE LIMITATIONS PRESCRIBED BY LAW AND THE**
743 **CONSTITUTION;**

744
745 **G. TO ENTER INTO DIVISION, MERGER, OR CONSOLIDATION, AS PROVIDED UNDER RA 9520;**

746
747 **H. TO AVAIL OF LOANS, BE ENTITLED TO CREDIT AND TO ACCEPT AND RECEIVE GRANTS,**
748 **DONATIONS AND ASSISTANCE FROM FOREIGN AND DOMESTIC SOURCES SUBJECT TO THE**
749 **CONDITIONS OF SAID LOANS, CREDITS, GRANTS, DONATIONS OR ASSISTANCE THAT WILL**
750 **NOT UNDERMINE THE AUTONOMY OF THE COOPERATIVE. THE AUTHORITY, UPON WRITTEN**
751 **REQUEST, SHALL PROVIDE NECESSARY ASSISTANCE IN THE DOCUMENTARY REQUIREMENTS**
752 **FOR THE LOANS, CREDIT, GRANTS, DONATIONS AND OTHER FINANCIAL SUPPORT;**

753
754 **I. TO AVAIL PREFERENTIAL RIGHTS GRANTED TO COOPERATIVES UNDER RA 7160,**
755 **OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE, AND OTHER LAWS, PARTICULARLY**
756 **THOSE IN THE GRANT OF FRANCHISES TO ESTABLISH, CONSTRUCT, OPERATE AND MAINTAIN**
757 **FERRIES, WHARVES, MARKETS OR SLAUGHTERS HOUSES AND TO LEASE PUBLIC UTILITIES,**
758 **INCLUDING ACCESS TO EXTENSION AND ON-SITE RESEARCH SERVICES AND FACILITIES**
759 **RELATED TO AGRICULTURE AND FISHERY ACTIVITIES; AND**

760
761 **J. TO EXERCISE SUCH OTHER POWERS GRANTED UNDER RA 9520 OR NECESSARY TO CARRY**
762 **OUT ITS PURPOSES AS STATED IN THIS ARTICLES OF COOPERATION.**

763
764 **ARTICLE V**
765 **TERM OF EXISTENCE**

766 xxxx

767
768 **ARTICLE VI**
769 **AREA OF OPERATION**

770 xxxx

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772 **ARTICLE VII**
773 **NAME AND ADDRESS OF COOPERATORS**

774 xxxx

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ARTICLE VIII
COMMON BOND OF MEMBERSHIP

THE SYSTEM IS COMPOSED OF DULY REGISTERED COOPERATIVES IN THE PHILIPPINES, WILLING TO PATRONIZE THE SERVICES OF THE SYSTEM, AND POSSESS ALL THE QUALIFICATIONS AND NONE OF THE DISQUALIFICATIONS PROVIDED FOR IN THE BY-LAWS.

ARTICLE IX
BOARD OF DIRECTORS

Xxxx

ARTICLE X
CAPITALIZATION

The capital stock of this System is **FOUR BILLION PESOS** (Php **4,000,000,000.00**) divided into:

- A. **THREE BILLION SEVEN HUNDRED FIFTY MILLION PESOS (Php 3,750,000,000.00) worth of common shares or equivalent to 37,500,000** shares with par value of Php 100 per share. Common shares shall be issued only to regular members; and
- B. xxxx

ARTICLE XI
SUBSCRIBED SHARE CAPITAL

The amount of capital stock which has been actually subscribed is **ONE BILLION FOUR HUNDRED NINETY TWO MILLION TWO HUNDRED THIRTY THREE THOUSAND TWENTY TWO AND 83/100 (P1,492,233,022.83)** and hereto attached as Annex "G" the list of member-cooperatives which have subscribed for the number of shares and the amount of their capital stock.

xxxx

ARTICLE XII
PAID-UP SHARE CAPITAL

xxxx

ARTICLE XIII
ARBITRAL CLAUSE

xxxx

BE IT KNOWN THAT:

xxxx

II. BY-LAWS

Amended By-laws
of
1 Cooperative Insurance System of the Philippines
Life and General Insurance

KNOW ALL MEN BY THESE PRESENTS:

xxxx

ARTICLE I
POWERS AND PURPOSES

xxxx

835 **ARTICLE II**
836 **SHARES OF STOCK**

837 **Section 1. xxxx**

838
839 **Section 2. xxxx**

840
841 xxxx

842
843 xxxx

844
845 **Section 3. xxxx**

846
847
848 **ARTICLE III**
849 **MEMBERSHIP**

850
851 **Section 1. Membership.** – The following may qualify as regular members:

- 852
853 1. Duly registered cooperatives and their federations or unions; and
854
855 2. Duly registered trade unions, federations and other non-government organizations with
856 cooperative orientation;

857
858
859 **Section 2. ASSOCIATE MEMBERS.** – All members not falling under the immediately preceding
860 section shall be considered associate members, including policy holders of the System who are
861 natural persons, who may be accepted as associate members, subject to such rules and regulations
862 as may be set by the Board of Directors.

863
864 **SECTION 3. REQUIREMENTS FOR MEMBERSHIP – A MEMBER MUST HAVE COMPLIED WITH THE**
865 **FOLLOWING REQUIREMENTS:**

- 866
867 a. **APPROVED APPLICATION OF MEMBERSHIP;**
868
869 b. **BOARD RESOLUTION INDICATING MEMBERSHIP AND SHARE**
870 **CAPITAL CONTRIBUTION TO THIS FEDERATION;**
871
872 c. **CERTIFICATION OF LINE OF BUSINESS ACTIVITIES ENGAGED IN;**
873 **AND**
874
875 d. **SUBSCRIBED AND PAID REQUIRED MINIMUM SHARE CAPITAL**
876 **AND MEMBERSHIP FEE.**

877
878 **SECTION 4. MINIMUM SHARE CAPITAL REQUIREMENT. AN APPLICANT COOPERATIVE FOR**
879 **MEMBERSHIP SHALL SUBSCRIBE AT LEAST ONE THOUSAND (1,000) SHARES AND PAY THE**
880 **VALUE OF AT LEAST ONE HUNDRED (100) SHARES UPON APPROVAL OF ITS MEMBERSHIP.**

881
882 **Section 5. Rights, Privileges, and Limitations of Members.** xxxx

883
884 **Section 6. Liability of Members.** – xxxx

885
886 **Section 7. Withdrawal.** – xxxx

887
888 **Section 8. Expulsion.** – xxxx

889
890 **Section 9. Death, Dissolution, Liquidation, Insolvency, or Inactivity.** – xxxx

891
892 **Section 10. Appraisal and Payment of Member's Interest Upon Termination of Membership.** –
893 xxxx

894

ARTICLE IV
BOARD OF DIRECTORS

895
896
897
898 Section 1. **POWERS – THE BOARD OF DIRECTORS SHALL BE RESPONSIBLE FOR THE**
899 **STRATEGIC PLANNING, DIRECTION-SETTING AND POLICY-FORMULATION ACTIVITIES OF THE**
900 **SYSTEM.**

901
902 **xxxx**

903
904 **Section 2-B. Independent Director.** — An independent director is a person whose cooperative or
905 organization he/she is representing must not own a substantial share in the capital stock of the
906 System and who is not affiliated with any other cooperative, union, federation, or other organizations
907 the activities of which and/or his/her affiliations therein might significantly interfere or influence
908 his/her independent judgment, or give rise to a conflict of interest, in carrying out his/her duties and
909 responsibilities as an independent director for the exclusive benefit of the System and one who also:

910
911 a) **IS NOT OR WAS NOT A REGULAR DIRECTOR, OFFICER OR EMPLOYEE OF THE**
912 **SYSTEM, ITS SUBSIDIARIES, AFFILIATES OR RELATED COMPANIES DURING THE**
913 **PAST THREE (3) YEARS COUNTED FROM THE DATE OF HIS**
914 **ELECTION/APPOINTMENT;**

915
916 b) xxxx

917
918 c) xxxx

919
920 d) **IS NOT AN OWNER OF MORE THAN 2/100 of 1% OF THE OUTSTANDING**
921 **SHARES THE COOPERATIVE WITH SHARES OF STOCK SUFFICIENT TO ELECT**
922 **ONE (1) SEAT IN THE BOARD OF DIRECTORS OF THE COVERED ENTITY, OR IN**
923 **ANY OF ITS RELATED COMPANIES OR OF ITS MAJORITY COOPAERTIVE**
924 **SHAREHOLDERS;**

925
926 e) **IS NOT A RELATIVE BY AFFINITY OR CONSAGUINITY WITHIN THE FOURTH**
927 **(4TH) DEGREE OF A DIRECTOR, OFFICER, OR STOCKHOLDER HOLDING SHARES**
928 **OF STOCK SUFFICIENT TO ELECT ONE (1) SEAT IN THE BOARD OF THE COVERED**
929 **ENTITY OR ANY OF ITS RELATED COMPANIES OR OF ANY OF ITS SUBSTANTIAL**
930 **STOCKHOLDERS; AND**

931
932 f) **IS NOT OR WAS NOT RETAINED AS PROFESSIONAL ADVISER, AUDITOR,**
933 **CONSULTANT, AGENT OR COUNSEL OF THE COVERED ENTITY, ANY OF ITS**
934 **RELATED COMPANIES OR ANY OF ITS SUBSTANTIAL SHAREHOLDERS, EITHER**
935 **IN HIS PERSONAL CAPACITY OR THROUGH HIS FIRM DURING THE PAST THREE**
936 **(3) YEARS COUNTED FROM THE DATE OF HIS ELECTION/APPOINTMENT**
937

938 Section 2-C. **QUALIFICATIONS OF AN INDEPENDENT DIRECTOR. – AN INDEPENDENT**
939 **DIRECTOR SHALL HAVE THE FOLLOWING MINIMUM QUALIFICATIONS:**

940
941 1. **HE SHALL BE AT LEAST A COLLEGE GRADUATE OR HE SHALL HAVE BEEN**
942 **ENGAGED OR EXPOSED TO THE BUSINESS OF THE COOPERATIVE FOR AT LEAST**
943 **FIVE (5) YEARS; AND**

944
945 2. **HE SHALL POSSESS PROVEN INTEGRITY, PROBITY AND INDEPENDENCE.**
946

947 **Section 2-D. Disqualifications of Directors.** – The following are disqualified to become directors:

948
949 a. xxxx

950
951 b. xxxx

952
953 **xxxx**

955 **Section 3-A. TERM LIMIT OF INDEPENDENT DIRECTORS. AN INDEPENDENT DIRECTOR SHALL**
956 **SERVE FOR A MAXIMUM CUMULATIVE TERM OF NINE (9) YEARS.**

957
958 **A NEWLY ELECTED INDEPENDENT DIRECTOR SHALL SERVE 5 CONSECUTIVE YEARS.**

959
960 **AFTER COMPLETION OF THE FIVE-YEAR SERVICE, AN INDEPENDENT DIRECTOR HAS TO**
961 **UNDERGO COOLING OFF PERIOD OF TWO (2) YEARS.**

962
963 xxxx

964
965 An independent director re-elected after the cooling-off period can serve for another **FOUR (4)**
966 **CONSECUTIVE YEARS.** After serving for **A TOTAL OF 9 YEARS ON AGGREGATE,** the independent
967 director shall be perpetually **BANNED** from being elected as such by the 1CISP, **HOWEVER, MAY**
968 **CONTINUE THEREIN AS A NON-INDEPENDENT DIRECTOR.**

969
970 xxxx

971
972 **Section 5. Vacancies.** – A vacancy in the position of director may occur by:

- 973
974 a. expiration of term;
975
976 b. death;
977
978 c. resignation;
979
980 d. removal from office for lawful or authorized causes;
981
982 e. incapacity;
983
984 f. withdrawal of his/her representative capacity by the concerned member-organization;
985 and/or
986
987 g. the inactivity, dissolution, expulsion, or suspension of voting rights of the organization
988 he/she represents.
989

990 **VACANCY OCCURING IN THE BOARD OF DIRECTORS, EXCEPT AS MENTIONED IN PARAGRAPH**
991 **(A) ABOVE,**

992
993 **1. MAY BE FILLED-UP BY A MAJORITY VOTE OF THE REMAINING DIRECTORS,**

994
995 **IF STILL CONSTITUTING A QUORUM; OTHERWISE, SUCH VACANCY SHALL BE**
996 **FILLED BY THE GENERAL ASSEMBLY IN A REGULAR OR SPECIAL MEETING**
997 **CALLED FOR THE PURPOSE. THE ELECTED DIRECTOR SHALL SERVE ONLY FOR**
998 **THE UNEXPIRED TERM OF HIS PREDECESSOR IN OFFICE.**

999
1000 **IN THE EVENT THAT THE GENERAL ASSEMBLY FAILED TO MUSTER A QUORUM**
1001 **TO FILL THE POSITIONS VACATED BY DIRECTORS WHOSE TERM HAVE EXPIRED**
1002 **AND SAID DIRECTORS REFUSE TO CONTINUE THEIR FUNCTIONS ON A HOLD-**
1003 **OVER CAPACITY, THE REMAINING MEMBERS OF THE BOARD TOGETHER WITH**
1004 **THE MEMBERS OF THE AUDIT COMMITTEE SHALL DESIGNATE, FROM THE**
1005 **QUALIFIED REGULAR MEMBERS OF THE GENERAL ASSEMBLY, THEIR**
1006 **REPLACEMENTS WHO SHALL SERVE TEMPORARILY AS SUCH UNTIL THEIR**
1007 **SUCCESSORS SHALL HAVE BEEN ELECTED AND QUALIFIED IN A REGULAR OR**
1008 **SPECIAL GENERAL ASSEMBLY MEETING CALLED FOR THE PURPOSE.**

1009
1010 2. xxxx

1011
1012 3. xxxx
1013

1014 4. **IF A VACANCY OCCURS IN ANY ELECTIVE COMMITTEE IT SHALL BE FILLED BY**
1015 **THE BOARD OF DIRECTORS WITH THE RECOMMENDATION OF THE REMAINING**
1016 **MEMBERS OF THE SAID COMMITTEE, IF STILL CONSTITUTING A QUORUM.**
1017

1018 Section 6. xxxx

1019
1020 Section 7. xxxx

1021
1022 Section 8. xxxx

1023
1024 Section 9. xxxx

1025 Section 10. xxxx

1026 **ARTICLE VI – A**
1027 **COMMITTEES**

1028
1029 **xxxx**
1030

1031 **Section 6. GENDER AND DEVELOPMENT COMMITTEE. – A GENDER AND DEVELOPMENT**
1032 **COMMITTEE IS HEREBY CREATED AND SHALL BE COMPOSED OF THREE (3) MEMBERS,**
1033 **PROVIDED THAT AT LEAST ONE MEMBER SHALL COME FROM THE BOARD. THE COMMITTEE**
1034 **SHALL ELECT FROM AMONG THEMSELVES A CHAIRPERSON. THE COMMITTEE MEMBERS SHALL**
1035 **HOLD OFFICE UNTIL REPLACED BY THE BOARD.**
1036

1037 **xxxx**

1038
1039 **xxxx**

1040 **ARTICLE VIII**
1041 **RESERVES AND ALLOCATION OF SAVINGS**

1042
1043 **Section 1. Reserves and Allocation of Savings. – xxxx**

1044
1045 A) **xxxx.**

1046
1047 B) **xxxx**

1048
1049 C) **xxxx**

1050 D) **Optional Fund. THE SYSTEM SHALL ALLOCATE A MAXIMUM OF SEVEN PERCENT**
1051 **(7%) FOR LAND BUILDING AND ANY OTHER NECESSARY FUND.**
1052

1053 **xxxx**

1054 **ARTICLE IX**
1055 **DISSOLUTION AND LIQUIDATION**

1056
1057 **Section 1. Dissolution and Liquidation. –The dissolution and liquidation of the System shall**
1058 **be effected in the following manner:**

1059
1060 a) By resolution adopted and signed by at least **THREE-FOURTHS (3/4)** of all
1061 members entitled to vote in a regular or special meeting called for the purpose;
1062 and

1063
1064 b) xxxx

1065
1066 **xxxx**

1067 **ARTICLE XI**
1068 **AMENDMENTS**

1069
1070 **SECTION 1. AMENDMENTS. – THESE BY-LAWS MAY BE AMENDED, REPEALED, OR**
1071 **ALTERED, IN WHOLE OR IN PART, IN ANY GENERAL OR SPECIAL MEETING OF THE**
1072 **MEMBERS CALLED FOR THE PURPOSE BY A VOTE OF TWO-THIRDS (2/3) OF THE MEMBERS**
1073 **ENTITLED TO VOTE.**

- 1129 - Region 4 (Lucena or Calapan)
- 1130 - Region 8 (Tacloban City)
- 1131 - Region 9 (Zamboanga or Dipolog)
- 1132 - Region 12 (General Santos City)
- 1133 • Availability of wide range of selection of risk protection and mitigation solutions
- 1134 • Provide more accessibility to wide range of selection of risk protection and mitigation solutions through digital technology (website and IOS/android application)
- 1135 • Availability of new premium payment facility
- 1136 • Implement newly approved Customer Service (Handling Objections) Manual – include here social media strategies (contents strategy and response strategy)
- 1137 • Design and implement Customer Rewards System
- 1138 • Establish strong partnership with regulators
- 1139
- 1140
- 1141

1142 **Learning and Growth Perspective**

- 1143 • Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.
- 1144 • Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.
- 1145 • Continuous capacity building of members during owners’ forum and assembly meetings.
- 1146 • Encourage and empower young leaders to play a role in coop movement through various activities
- 1147 • Educational support to qualified employees thru enrolment in St. Mary’s University of Canada
- 1148
- 1149
- 1150
- 1151

1152 *Note: Learning and growth is focused on holistic development to ensure optimum productivity (for employees and agents) and high retention.*

1153 **2020 Strategies**

1154 **Financial Perspective**

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

1158 **Internal Business Process Perspective**

- 1159 • Preparation for ISO certification
- 1160 • Explore other business lines outside of the core business
- 1161
- 1162

1163 **Customer Perspective**

- 1164 • Utilize web application as part of Integrated Management System (IMS) to keep agents and customers updated of insurance applications
- 1165 • Establish fully operating branch in Iloilo
- 1166 • Form merger and alliances domestically
- 1167
- 1168

1169 **Learning and Growth Perspective**

- 1170 • Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.
- 1171 • Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.
- 1172 • Continuous capacity building of members during owners’ forum and assembly meetings.
- 1173 • Encourage and empower young leaders to play a role in coop movement through various activities
- 1174
- 1175
- 1176
- 1177

1178 *Note: Learning and growth is focused on holistic development to ensure optimum productivity (for employees and agents) and high retention.*

1184 **2021 Strategies**

1185

1186

Financial Perspective

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

1187

1188

1189

Internal Business Process Perspective

1190

- Strong investment and asset management group
- Be ISO Certified (Actuarial and Reinsurance, Underwriting Department, Claims Department)

1191

1192

1193

Customer Perspective

1194

- Establish fully operating branch in North Luzon
-Baguio Branch and La Union (Satellite Office)

1195

1196

- Promote 1CISP as an insurance of choice
- Scan opportunities in the ASEAN Market

1197

1198

1199

Learning and Growth Perspective

1200

- Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.

1201

- Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.

1202

1203

- Continuous capacity building of members during owners' forum and assembly meetings.

1204

1205

- Encourage and empower young leaders to play a role in coop movement through various activities

1206

1207

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

1208

1209

1210

1211

2022 Strategies

1212

1213

Financial Perspective

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

1214

1215

Internal Business Process Perspective

1216

- Be ISO Certified (other departments)

1217

1218

Customer Perspective

1219

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

1220

1221

1222

1223

Learning and Growth Perspective

1224

- Continuous learning and development of employees and agents through internal and external trainings as well as international trainings.

1225

- Continuous capacity building of Board of Directors and Committee members regarding 1CISP business lines.

1226

1227

- Continuous capacity building of members during owners' forum and assembly meetings.

1228

1229

- Encourage and empower young leaders to play a role in coop movement through various activities

1230

1231

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

1232

1233

1234 **2023 Strategies**

1235

1236 **Financial Perspective**

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

1237

1238 **Internal Business Process Perspective**

- 1239
 - Be ISO Certified (Non-Life Division and 1CISP CDO Branch)

1240

1241 **Customer Perspective**

- 1242
 - Form partnerships in the ASEAN Market

1243

1244 **Learning and Growth Perspective**

- 1245
 - 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

1250

1251 *Note: Learning and growth is focused on holistic development to ensure optimum productivity (for employees and agents) and high retention.*

1252

1253 **Questions and Discussions:**

1254 Fr. Anton Pascual of Simbayanan ni Maria MPC asked the status of 1CISP and CLIMBS proposed merger. Chairperson Evangelista responded by saying that 1CISP is very positive in merging with CLIMBS. The Board even created a Merger Committee. 1CISP is very willing to continue talks with the possible merger with CLIMBS.

1255

1256 Thereafter, Ms. Amelita Lachica of Zamboanga Social Welfare Devt. MPC moved for the approval of the Five-Year Strategic Plan, duly seconded severally. With no further questions, the Assembly unanimously approved the Five-Year Strategic Plan for 2019 to 2023, thus, the following Resolution was adopted, to wit:

1265

G.A. RESOLUTION NO. 11 S. 2019

1266

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Five Year Strategic Plan for year 2019 to 2023 of 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP), as presented and discussed,

1270

BE, AS IT IS HEREBY, APPROVED

1271

1272 **XVI. PRESENTATION OF ELECTION GUIDELINES**

1273

1274 Mr. Danilo M. Capili, Chairperson of the Election Committee (ELECOM), informed the general assembly that they will be voting for three (3) Board of Directors, one (1) Election Committee member and one (1) Audit Committee member. In compliance with the by-laws, the candidates must be physically present to qualify. Due to this requirement, Mr. Capili called on the candidates and confirmed their presence. Also, Mr. Capili clarified that the casting of votes will be in a "corporate cumulative" voting manner. For the Board Directorship, the elected candidates will serve for two (2) years until 2021.

1282

1283 Candidates for the Board Directorship:

- 1284
 1. Ms. Veronica Large of Xavier University Community Credit Cooperative (XUCCCO)
 2. Mr. Nestor Ortigoza of King MPC
 3. Fr. Anton Pascual of Simbayanan ni Maria MPC
 4. Engr. Raymond Salvador of San Dionisio Credit Cooperative

1288

1289 Candidates for Election Committee membership:
1290 1. Frederico Blanco of San Francisco Growth Enhancement MPC (SAFRAGEMC)
1291

1292 Candidates for Audit Committee membership:
1293 1. Marites Bartolome of Mariveles Public Market Development Cooperative
1294

1295 All candidates were present and their campaign videos were presented to the General Assembly.
1296

1297 Accordingly, Mr. Frederico Blanco of San Francisco Government Employees MPC moved to dispense
1298 the reading of the election guidelines, which was severally seconded. No question or objection was
1299 raised therein, thus, the assembly unanimously adopted the following Resolution, to wit:
1300

1301 **G.A. RESOLUTION NO. 12 S. 2019**
1302

1303 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that 1CISP member-
1304 shareholders approved presentation of election guidelines, as presented,
1305

1306 **BE, AS IT IS HEREBY, APPROVED.**
1307

1308 **XVII. ELECTION OF BOARD OF DIRECTORS AND COMMITTEE MEMBERS**
1309

1310 Mr. Capili announced the election for the following vacant positions:

- 1311 • 3 Regular Members of the Board of Directors
- 1312 • 1 Members of the Election Committee
- 1313 • 1 Members of the Audit and Inventory Committee
1314

1315 **For Regular Members of the Board of Directors:**

Name	Cooperative/Organization Represented
1. Veronica Large	Xavier University Community Credit Cooperative (XUCCCO)
2. Nestor Ortigoza	King MPC
3. Anton Pascual	Simbayanan ni Maria MPC
4. Raymond Salvador	San Dionisio Credit Cooperative

1316 **For Members of the Election Committee:**

Name	Cooperative/Organization Represented
1. Frederico Blanco	San Francisco Growth Enhancement MPC (SAFRAGEMC)

1317 **For Members of the Audit and Inventory Committee:**

Name	Cooperative/Organization Represented
1. Marites Bartolome	Mariveles Public Market Development Cooperative

1320 **XVIII. ANNOUNCEMENT OF ELECTION RESULT BY THE ELECOM**
1321

1322 After an hour, the ELECOM announced and the result of the election, as follows:
1323

1324 **Regular Members of the Board of Directors**

1325 1. Nestor D. Ortigoza	4,139,474
1326 2. Engr. Raymond Joseph L. Salvador	3,521,595
1327 3. Fr. Antonio CT Pascual	2,603,737
1328 4. Maria Veronica I. Large	142,067

1329 **Regular Members of the Election Committee**

1330 1. Frederico A. Blanco	10,406,873
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1331 **Regular Members of the Audit & Inventory**

1332 1. Marites M. Bartolome	10,406,873
------------------------------	------------

1338 Therefore, based on the foregoing the following are hereby declared winners and will assume their
1339 post as **REGULAR MEMBERS OF THE BOARD OF DIRECTORS** for a period of two (2) years, to wit:

- 1340 **1. Nestor D. Ortigoza**
1341 **2. Engr. Raymond Joseph L. Salvador**
1342 **3. Fr. Antonio CT. Pascual**
1343

1344 Therefore, based on the foregoing the following are hereby declared winners and will assume their
1345 post as **REGULAR MEMBERS OF THE ELECTION COMMITTEE**, to wit:

- 1346 **• Frederico A. Blanco**
1347

1348 Therefore, based on the foregoing the following are hereby declared winners and will assume their
1349 post as **REGULAR MEMBERS OF THE AUDIT & INVENTORY**, to wit:

- 1350 **• Marites M. Bartolome**
1351

1352 After the proclamation of winners, Mr. Capili turned over the floor to Chairman Evangelista.
1353

1354 **XIX. NEW BUSINESS**
1355

1356 Chairperson Evangelista asked Atty. Manzanares if there are unfinished or new business.
1357

1358 Atty. Manzanares confirmed that there is only one additional business to be discussed by President
1359 Roy S. Miclat regarding the Joint Communique of 1CISP and NATCCO.
1360

1361 Mr. Roy S. Miclat solicited a motion to authorize the Board and Management of 1CISP to start
1362 exploratory talks with NATCCO on possible consolidation efforts or any business undertaking.
1363

1364 Accordingly, Ms. Amelita Lachica of Zamboanga Social Welfare Devt. MPC moved for the approval
1365 of the 1CISP – NATCCO Consolidation talks which was severally seconded. No question or objection
1366 was raised therein, thus, the assembly unanimously adopted the following Resolution, to wit:
1367

1368 **G.A. RESOLUTION NO. 13 S. 2019**
1369

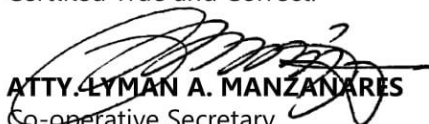
1370 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that 1CISP member-
1371 shareholders approved the Board and Management to start consolidation
1372 talks with NATCCO,
1373

1374 **BE, AS IT IS HEREBY, APPROVED.**
1375

1376 **XX. ADJOURNMENT**
1377

1378 With no other matters to be discussed, the assembly meeting was adjourned at 2:01 p.m.
1379

1380 Certified True and Correct:

1381 
1382 **ATTY. LYMAN A. MANZANARES**
1383 Co-operative Secretary
1384

1385 Attested:
1386

1387 
1388 **BGEN. TEODORO P. EVANGELISTA (RET)**
1389 Chairperson
1390
1391
1392

2019 SUMMARY OF BOARD RESOLUTIONS

BR Number	Date Approved	Board Resolution
001 S. 2019	25 Jan 19	Approval of the agenda.
002 S. 2019	25 Jan 19	Approval of the minutes of the board meeting held on December 11, 2019.
003 S. 2019	25 Jan 19	Acceptance of the President's Report.
004 S. 2019	25 Jan 19	Approval of P1 million budget as support to the Philippine Cooperative Center.
005 S. 2019	25 Jan 19	Approval of property acquisition at Matahimik St. corner Maningning Ext. with 745.50 sqm. Lot 1 and the property at Maningning Ext. with 775.70 sqm. Lot 3; and authorizing President Roy S. Micalat for the price negotiation.
006 S. 2019	25 Jan 19	Approval of share capital withdrawal of Network Consolidated Cooperative Bank with 1CISP.
007 S. 2019	25 Jan 19	Approval of the Election Guidelines for the 45 th Annual General Assembly.
008 S. 2019	25 Jan 19	Approval of the settlement for the labor case of Torres et al.
009 S. 2019	25 Jan 19	Approval of the MOA with TraXion Tech Inc.
010 S. 2019	25 Jan 19	Approval of investments to the following cooperatives: <ol style="list-style-type: none"> 1. Mariveles Commercial Center MPC - P500,000 2. Lingap Baler MPC - P1 million 3. Kabankalan-Ilog Teachers & Employees MPC - P1 million 4. Bontog Sang-Birhen MPC - P1 million 5. Pinili Development Cooperative - P1,000,000 6. King Multipurpose Cooperative - P10 million 7. Antique Nat'l School Teachers & Employees Cooperative - P3 million 8. Dumalag Public School Teachers & EMPC - P2 million
011 S. 2019	25 Jan 19	Approval of opening of savings and checking accounts to Chinabank, BDO, Landbank, BPI and UCPB for the transfer of funds from R&B account.
012 S. 2019	25 Jan 19	Approval of financial support to Dir. Rolan F. Literatus amounting to P50,000 to cover the travelling costs for his fieldworks in relation to his research paper.
013 S. 2019	25 Jan 19	Approval of credit assistance to Cooperative Health Management Federation (CHMF) amounting to P50 million payable in 15 years and P10 million additional investment to CHMF.
014 S. 2019	13 Feb 19	Approval of the agenda.
015 S. 2019	13 Feb 19	Approval of the minutes of the board meeting held on January 25, 2019.
016 S. 2019	13 Feb 19	Approval of Management's request to handle the negotiation in relation to 1Koopmart with a P1 million investment.
017 S. 2019	13 Feb 19	Approval to authorize President Roy S. Micalat to go into negotiation with Visayas Cooperative Development Center (VICTO) in the acquisition of 800 sqm lot.
018 S. 2019	13 Feb 19	Acceptance of the President's Report.
019 S. 2019	13 Feb 19	Approval of inclusion of five (5) representatives from the top cooperatives in the 1CISP Team Building.
020 S. 2019	13 Feb 19	Acceptance of 1CISP International Trainings.
021 S. 2019	13 Feb 19	Approval of investments through time deposits to the following cooperatives: <ol style="list-style-type: none"> 1. KITEMCO - P2 million 2. Roxas City Government MPC - P1 million 3. Cornerstone Development Cooperative - P300,000 4. PERA MPC - P50 million; and Approval of opening of savings account to ACDI MPC.

022 S. 2019	13 Feb 19	Approval of distribution of net surplus following the appropriations for dividend, patronage refund, and experience refund for the year ended December 31, 2018.
023 S. 2019	13 Feb 19	Approval of Healthcare Assistance Benefit to qualified dependents of 1CISP employees and setting-up a Health Care Assistance Fund amounting to P100,000 per month.
024 S. 2019	13 Feb 19	Approval of the Incentive Plan for Marketing Personnel.
025 S. 2019	13 Feb 19	Approval of the Annual Value Sharing.
026 S. 2019	13 Feb 19	Designation of Dir. Nestor D. Ortigoza as official representative of 1CISP on the general assembly of Cooperative Bank of Palawan dated March 16, 2019.
027 S. 2019	13 Feb 19	Designation of Dir. Benjamin T. Que as alternate representative of Dir. Armen A. Cuenca to represent 1CISP on the general assembly of Banco Cooperativa de Zamboanga dated March 30, 2019.
028 S. 2019	13 Feb 19	Approval of increase in the per diem of the Board of Directors, Coop Officers and all committee members in attending various activities representing 1CISP from P1,000 to P2,000.
029 S. 2019	13 Feb 19	Approval of campaign support to cooperative party-lists amounting to P200,000 per party-list.
030 S. 2019	28 Mar 19	Approval of the agenda.
031 S. 2019	28 Mar 19	Approval of the minutes of the board meeting held on February 13, 2019.
032 S. 2019	28 Mar 19	Approval to start the discussion on a possible consolidation with NATCCO.
033 S. 2019	28 Mar 19	Acceptance of the President's Report.
034 S. 2019	28 Mar 19	Designation of Dir. Senen C. Bacani to lead the checking and further validation of TraXion Tech Inc.
035 S. 2019	28 Mar 19	Approval of application of 1CISP before the Philippine Supreme Court through its Office of the Court Administrator for accreditation and authority to transact business involving surety bonds for criminal and civil cases.
036 S. 2019	28 Mar 19	Approval to transfer the funds of FICCO MBA from all its banks to 1CISP account as a result of its merger.
037 S. 2019	28 Mar 19	Approval to increase the initial capitalization from P2.5 Billion to P4 Billion.
038 S. 2019	28 Mar 19	Approval of 1CISP CDO Branch to open an account with Chinabank intended for Life Operations.
039 S. 2019	28 Mar 19	Approval of investment through time deposit to Madella Integrated (MIFSADECO) amounting to P2.5 Million.
040 S. 2019	28 Mar 19	Approval of opening an NRoSS account with Bank of Commerce for maturing government securities.
041 S. 2019	28 Mar 19	Approval of opening of savings account with Pinoy Lingap-Damayan MPC to accommodate future premium remittances of the cooperative.
042 S. 2019	28 Mar 19	Approval of pulling out 1CISP's investment stocks with AP Securities to realize gain.
043 S. 2019	28 Mar 19	Approval of pulling out 1CISP's mutual fund investment with NCM Mutual Fund to realize gain.
044 S. 2019	28 Mar 19	Approval of pulling out 1CISP's investment stocks with BDO Private Bank to realize gain.
045 S. 2019	28 Mar 19	Approval to retain savings account in the cooperative amounting to: <ol style="list-style-type: none"> 1. P100,000 for accounts with below P1,000,000; 2. P500,000 for accounts with P1,000,000 to P5,000,000; 3. P1,000,000 for accounts with above P5,000,000; Any amount exceeding the retentions shall be withdrawn and be used for time deposit placement.
046 S. 2019	28 Mar 19	Approval of three (3) day additional leave benefit to regular employees.

047 S. 2019	28 Mar 19	Designation of Dir. Nestor D. Ortigoza as official representative of 1CISP on the 26 th General Assembly of Cooperative Bank of Negros Oriental dated June 29, 2019.
048 S. 2019	28 Mar 19	Designation of Dir. Benjamin T. Que as official representative of 1CISP on the 21 st General Assembly of Philippine Cooperative Central Fund Federation dated May 4-5, 2019.
049 S. 2019	11 Apr 19	Approval of the agenda.
050 S. 2019	11 Apr 19	Approval of the minutes of the board meeting held on March 28, 2019
051 S. 2019	11 Apr 19	Approval to allow Management to take action on the 272 sqm. office space at the 31 st floor of the Ayala Premier building located in North Triangle, Quezon City.
052 S. 2019	11 Apr 19	Approval to close the R&B savings account under Chinabank and open a new savings account under the name of 1CISP.
053 S. 2019	11 Apr 19	Designation of Ms. Aiza G. Malonzo - VP for Admin and Finance as member of the Board of Directors to Banco Cooperativa de Zamboanga representing 1CISP.
054 S. 2019	11 Apr 19	Approval to close the FICCO MBA savings account.
055 S. 2019	13 Apr 19	Appointment of 1CISP Chairperson and Vice-Chairperson: 1. Dir. BGen. Teodoro P. Evangelista (Ret) - Chairperson 2. Dir. Imelda S. Magabilen - Vice-Chairperson
056 S. 2019	13 Apr 19	Re-appointment of Mr. Roy S. Miclat as President & CEO and Ms. Cecilia M. Laguna as EVP & COO.
057 S. 2019	13 Apr 19	Re-appointment of Atty. Lyman A. Manzanares as Co-operative Secretary and Ms. Leonila R. Medina as Treasurer.
058 S. 2019	13 Apr 19	Approval of the composition of Board Committees.
059 S. 2019	21 May 19	Approval of the agenda.
060 S. 2019	21 May 19	Approval of the P100 million investment to TraXion Tech Inc. and designation of Dir. Senen C. Bacani as 1CISP official representative.
061 S. 2019	21 May 19	Approval of the transition period of the board of directors representing 1CISP to various cooperatives and affiliates wherein the current official representative will retain its representation until the general assembly time of such cooperatives and affiliates.
062 S. 2019	21 May 19	Approval of participation of the Management in the Technical Working Group for the development of climate risk insurance.
063 S. 2019	21 May 19	Approval of the minutes of the board meeting held on April 11, 2018.
064 S. 2019	21 May 19	Approval to authorize the Management to pursue the exploration with Cosmopolitan CLIMBS Life Plan Inc.
065 S. 2019	21 May 19	Acceptance of the President's Report.
066 S. 2019	21 May 19	Approval of loan application of Medical Mission Group amounting to P35 million payable in 5 years.
067 S. 2019	21 May 19	Approval of loan application of Capiz Provincial MPC amounting to P5 million payable in 1 year.
068 S. 2019	21 May 19	Approval of investments through time deposit to various cooperatives: 1. Leyte Area MPC - P1 million 2. Urban Peoples Development MPC - P500,000 3. Aparicio Agrarian Reform MPC - P1 million
069 S. 2019	21 May 19	Approval of closing and opening of savings account to St. Martin of Tours Credit and Development Cooperative for the purpose of updating the account name of 1CISP.
070 S. 2019	21 May 19	Confirmation of pre-approved time deposits to various cooperatives: 1. PNP Employees And Retirees MPC - P1 million

		2. Agdao Multi-Purpose Cooperative - P10 million
071 S. 2019	21 May 19	Approval of share capital withdrawal of Public Attorney's Office Credit Cooperative.
072 S. 2019	19 Jun 19	Approval of the agenda.
073 S. 2019	19 Jun 19	Approval of the minutes of the board meeting held on May 21, 2019 and June 7, 2019.
074 S. 2019	19 Jun 19	Approval of P500,000 annual support to the Youth Servant Leadership and Education Program of Caritas Manila.
075 S. 2019	19 Jun 19	Approval of partnership with SCCI Consortium.
076 S. 2019	19 Jun 19	Acceptance of the President's Report.
077 S. 2019	19 Jun 19	Approval of ICMIF invitation to Ms. Jackelyn P. Ballena as one of the panelist for the plenary session during the ICMIF Biennial Conference.
078 S. 2019	19 Jun 19	Approval of 1CISP Young Leaders Program with a P1.5 million budget for the 3- year plan.
079 S. 2019	19 Jun 19	Approval of additional 30 working days extension for the renovation of CDO building.
080 S. 2019	19 Jun 19	Approval of budget amounting to P5.2 million to support the remaining international training engagements of 1CISP.
081 S. 2019	19 Jun 19	Approval of P5 million equity to Memorial Services Cooperative Federation.
082 S. 2019	19 Jun 19	Approval of P500,000 time deposit to Polo Samahang Nayon MPC.
083 S. 2019	19 Jun 19	Approval of hiring of Mr. Mark Anthony B. Kionisala as Internal Auditor.
084 S. 2019	19 Jun 19	Approval of the following persons and be authorized to request certification from the Insurance Commission (IC) in relation to CARI and surety bonds for the purpose of government projects/properties: <ol style="list-style-type: none"> 1. BGen. Teodoro P. Evangelista (Ret), Chairperson 2. Mr. Roy S. Miclat, President & CEO 3. Ms. Cecilia M. Laguna, EVP & COO 4. Mr. Armando D. Gutierrez Jr., VP for Non-Life Operations
085 S. 2019	24 Jul 19	Approval of the agenda.
086 S. 2019	24 Jul 19	Approval of the minutes of the board meeting held on June 19, 2019.
087 S. 2019	24 Jul 19	Approval to convene the committee for R&B Inc. merger headed by Ms. Aiza G. Malonzo with one representative from ACDI MPC and San Dionisio Credit Cooperative together with the Audit Committee.
088 S. 2019	24 Jul 19	Approval to authorize President Roy S. Miclat to sign the Tripartite MOA with USTP and FICCO in relation to Coop Kicks in Cagayan De Oro.
089 S. 2019	24 Jul 19	Approval to support the trainings for cooperatives to be conducted by MCN.
090 S. 2019	24 Jul 19	Acceptance of the President's Report.
091 S. 2019	24 Jul 19	Approval to allow the Management to purchase needed materials related to the renovation of the CDO building.
092 S. 2019	24 Jul 19	Approval to focus on the development of core insurance platform.
093 S. 2019	24 Jul 19	Approval of establishment of additional 8 satellite offices including mandatory requirements and one (1) manpower per offices in Baguio, Nueva Vizcaya, Aklan, Bohol, Leyte, GenSan, Kidapawan and Tagum.
094 S. 2019	24 Jul 19	Approval to purchase an iPad (wifi-enabled) for all members of the Board and Coop Officers to implement the paperless approach for board meetings.
095 S. 2019	24 Jul 19	Approval of time deposit to Zamboanga Edwin Andrews Airbase MPC amounting to P5 million.
096 S. 2019	24 Jul 19	Approval of time deposit to MAHESECO amounting to P3 million.
097 S. 2019	24 Jul 19	Approval of opening of savings account to Bohol Diocesan MPC for premium remittances.

098 S. 2019	24 Jul 19	Approval of hiring of two (2) 1CISP Legal Officers, Atty. Grace Arrojado and Atty. Grace Mepa.
099 S. 2019	24 Jul 19	Confirmation of the following approved online board resolutions: <ol style="list-style-type: none"> 1. OBR 001 s. 2019 dated June 1, 2019 – Implementation of HR Training in Tagaytay on June 3-5, 2019. 2. OBR 002 s. 2019 dated June 21, 2019 – Update of Signatories for Metrobank (Velez Branch). 3. OBR 003 s. 2019 dated June 28, 2019 – Authorized Signatories for the Building Permit. 4. OBR 004 s. 2019 dated July 2, 2019 – P50 million loan of Mission Hospital Pasig and P50 million equity infusion to CHMF. 5. OBR 005 s. 2019 dated July 12, 2019 – Establishment of Naga Satellite Office. 6. OBR 006 s. 2019 dated July 16, 2019 – Participation of Audit Committee in the ICD Training.
100 S. 2019	24 Jul 19	Approval of application on Judicial Bonds to Supreme Court.
101 S. 2019	02 Aug 19	Approval of the agenda.
102 S. 2019	02 Aug 19	Approval of closure of FICCO MBA account in BPI and release the funds via Manager's check payable to 1CISP.
103 S. 2019	02 Aug 19	Approval of P10 million time deposit to King Multipurpose Cooperative.
104 S. 2019	02 Aug 19	Approval of sponsorships amounting to P50,000 for each Pillar Regional Conference in Davao City on August 15, 2019 and Iloilo City on September 27, 2019.
105 S. 2019	02 Aug 19	Approval of participation of 1CISP Board, Officers and Staff in Designing and Implementing Balanced Scorecard (BSC) Seminar-Workshop 2019 on September 20, 2019 at AIM Conference Center, Makati City.
106 S. 2019	02 Aug 19	Appointment of Dir. Senen C. Bacani and Dir. Raymond Joseph L. Salvador to be members of the Board of Directors of TraXion Tech Inc.
107 S. 2019	02 Aug 19	Approval to invite at least one (1) of IT Specialist from ACDI MPC, FICCO and San Dionisio Credit Cooperative as IT Observer and assist the 1CISP DX Team on the ongoing negotiation with TraXion.
108 S. 2019	02 Aug 19	Approval of the letter of authority to seek from the Insurance Commission and allow 1CISP to issue judicial bonds in favor of the government.
109 S. 2019	23 Aug 19	Approval of the Agenda.
110 S. 2019	23 Aug 19	Approval of the minutes of the board meeting held on July 24, 2019.
111 S. 2019	23 Aug 19	Approval of the minutes of the board meeting held on August 2, 2019.
112 S. 2019	23 Aug 19	Approval of the creation of committee for the valuation of R&B Inc.: <ol style="list-style-type: none"> 1. Dir. Armen A. Cuenca as Chairperson 2. Dir. Marilou R. Almario as Member 3. Treasurer Leonila R. Medina as Member 4. CPA from 1CISP as Member 5. CPA from ACDI MPC as Member 6. CPA from San Dionisio Credit Cooperative as Member 7. CPA from FICCO as Member
113 S. 2019	23 Aug 19	Approval of transfer of investment funds from Deposit for Additional Share of Stocks (DSS) to 1CISP Non-Life Unit amounting to P289,445,357.37 in compliance of its minimum capital requirement.
114 S. 2019	23 Aug 19	Approval of the proposed organizational structure of Sales and Marketing Division and the movement of personnel from 1CISP Planning Department (CPD) to Sales and Marketing Division.

115 S. 2019	23 Aug 19	Approval of the 1% monthly override commission of Regional Area Managers (RAMs) from the net group production effective January 2020.
116 S. 2019	23 Aug 19	Confirmation of the two (2) internal auditors, Ms. Quinnie Cabanez and Ms. Aileen Cayetano.
117 S. 2019	23 Aug 19	Acceptance of the President's Report.
118 S. 2019	23 Aug 19	Approval to allow 1CISP CDO Branch Office in the procurements of not more than P20,000 OSM.
119 S. 2019	23 Aug 19	Approval of the Proposed Codified Approving and Signing Authority (CASA).
120 S. 2019	23 Aug 19	Approval to authorize President Roy S. Mclat, EVP/COO Cecilia M. Laguna, and VP Armando DL. Gutierrez Jr. to defend Civil Case No. R-CDO-19-03111-CV and to act as authorized signatory in the verification and certification of non-forum shopping and other necessary court papers and to allow the President to engage the professional services of legal counsel/s for such purpose, for and in behalf of 1CISP and/or RBIC;
121 S. 2019	23 Aug 19	Appointment of Dir. Nestor D. Ortigoza as official representative of 1CISP on the Special Assembly of Cooperative Bank of Palawan dated September 7, 2019.
122 S. 2019	23 Aug 19	Approval of sponsorship to Mindanao Cooperative Summit on September 4-5, 2019 amounting to P200,000.
123 S. 2019	23 Aug 19	Approval of designation of Ms. Jackelyn P. Ballena as YLF Chairperson.
124 S. 2019	23 Aug 19	Approval of participation of 1CISP delegates in the AOA General Meeting on November 14, 2019 in New Zealand.
125 S. 2019	23 Aug 19	Confirmation of the approved online board resolutions: <ol style="list-style-type: none"> 1. OBR 007 s. 2019 dated August 1, 2019 – Outdoor glass work for the new 1CISP building. 2. OBR 008 s. 2019 dated August 9, 2019 – Approval of per diem of Mr. Armando DL. Gutierrez Jr. in attending the 2019 Strategic Business Planning in Nagoya, Japan. 3. OBR 009 s. 2019 dated August 16, 2019 – 1CISP's application to Meralco, Manila Water Corp and PLDT for its new building located at 11 Mapagbigay St., Brgy. Pinyahan, Central District, Diliman, Quezon City.
126 S. 2019	23 Aug 19	Approval to continue with the scoping engagement with TraXion and identify the appropriate cost.
127 S. 2019	23 Aug 19	Approval of the following time deposits to the cooperatives: <ol style="list-style-type: none"> 1. Police Regional Office 6 Development Cooperative - P1 million 2. Samal Island MPC - P5 million
128 S. 2019	23 Aug 19	Approval of opening of savings account to the following cooperative and banks intended for premium remittances: <ol style="list-style-type: none"> 1. Koopking MPC 2. Landbank of the Philippines - CDO 3. Banco De Oro - CDO
129 S. 2019	23 Aug 19	Approval of the Agents Emergency Loan.
130 S. 2019	23 Aug 19	Confirmation of designation of Mr. Joel L. Canuel as member of the Audit Committee.
131 S. 2019	23 Aug 19	Approval of the P10 Million additional equity in the form of common shares to Network Consolidated Cooperative Bank.
132 S. 2019	23 Aug 19	Approval to authorize President Roy S. Mclat to have an exploratory talk with Malayan Insurance for possible partnership.
133 S. 2019	18 Sep 19	Approval of the agenda.
134 S. 2019	18 Sep 19	Approval of the minutes of the board meeting held on August 23, 2019

135 S. 2019	18 Sep 19	Approval of the minutes of the 45 th Annual General Assembly and organizational meeting held on April 13, 2019.
136 S. 2019	18 Sep 19	Approval of application for membership of the eight (8) new member-coops for the month of August 2019 and acceptance of their paid-up capital: <ol style="list-style-type: none"> 1. Cooperative Health Management Federation - P5 million 2. United Christians MPC - P100,000 3. BIR RR3 Employees MPC - P200,000 4. Providers MPC - P500,000 5. Abucay Teachers And Employees - P100,000 6. Imus Cooperative Federation - P100,000 7. Pinoy Credit Cooperative - P10,000 8. Makilala Senior Citizen MPC - P20,000
137 S. 2019	18 Sep 19	Approval of P100,000.00 Platinum Sponsorship to support the Metro Manila Cooperative Union Congress on October 16-17, 2019 at Windford Hotel, Sta. Cruz, Manila.
138 S. 2019	18 Sep 19	Approval of application of membership with BCMAP, authorizing President Roy S. Miclat to appoint the official representative and alternate representative of 1CISP; and to pursue partnership with UP ISSI with their HANDA Program in relation to the business continuity plan.
139 S. 2019	18 Sep 19	Approval to continue the negotiation on 1KLA Program.
140 S. 2019	18 Sep 19	Acceptance of the President's Report.
141 S. 2019	18 Sep 19	Approval of the OSM for the 1CISP Building amounting to P4.1 million.
142 S. 2019	18 Sep 19	Approval of the policy on conducting meetings for the appointed committees which is in a quarterly basis or as necessary.
143 S. 2019	18 Sep 19	Approval to limit the members to put in capital up to 40% of the former's authorized capital share.
144 S. 2019	18 Sep 19	Approval to allow Chairperson BGen. Teodoro P. Evangelista (Ret) to sign the conformity of the letter from TraXion.
145 S. 2019	18 Sep 19	Approval of the additional provisions and revisions on the Codified Approving and Signing Authority (CASA).
146 S. 2019	18 Sep 19	Approval of the recommendations of the Investment and Credit Committee: <ol style="list-style-type: none"> 1. Revisions on Credit Assistance Policy 2. Denial of the loan application of a member-cooperative due to non-compliance of the requirements. 3. Additional Provisions on the Investment Policy. 4. Placement of time deposit to Surallah North District Public School Teachers MPC amounting to P1 million.
147 S. 2019	18 Sep 19	Approval of loan application of 1CISP to Consolidated Cooperative Bank amounting to P79 million payable in 3 months and Cooperative Bank of Palawan amounting to P51 million payable in 3 months to fund the transfer requirement of Non-Life Unit.
148 S. 2019	18 Sep 19	Approval of opening of accounts to Metrobank V. Luna (For Non-Life) and ChinaBank – Palanca (For Life) for proper monitoring of Life and Non-Life Accounts.
149 S. 2019	18 Sep 19	Appointment of Ethics Committee effective September 18, 2019 and shall serve for a period of 1 year: <ol style="list-style-type: none"> 1. Ms. Madeline A. Lagazo - Claveria Grassroots MPC 2. Ms. Athena A. Caragay - KoopKing MPC 3. Mr. Roger R. Manlangit - Barangka Credit Cooperative
150 S. 2019	18 Sep 19	Re-appointment of Gender and Development Committee effective September 18, 2019 and shall serve for a period of 1 year:


		<ol style="list-style-type: none"> 1. Dra. Jovita V. San Mateo - San Jose Del Monte Savings & Credit Cooperative 2. Ms. Gemma D. Pena - Murphy Development Cooperative 3. Ms. Angelita S. Ramos - Simbayanan ni Maria MPC
151 S. 2019	18 Sep 19	<p>Re-appointment of Mediation and Conciliation Committee effective September 18, 2019 and shall serve for a period of 1 year:</p> <ol style="list-style-type: none"> 1. Mr. Antonio LL. Sayo - Alay Buhay Community Development Foundation 2. Atty. Raul Macatangay - Bureau of Fire Protection MPC 3. Ms. Jocelyn P. Rivera - Kapit Bisig sa Pag-unlad MPC
152 S. 2019	18 Sep 19	<p>Confirmation of the approved online board resolutions:</p> <ol style="list-style-type: none"> 1. OBR 010 S. 2019 dated August 28, 2019 - Sponsorship for the National Agriculture Cooperative Summit amounting to P200,000. 2. OBR 011 S. 2019 dated August 30, 2019 - Designation of Ms. Sarah Mae C. Buksh and Mr. Edwin C. Buena as delegates in the 29th Pacific Insurance Conference on Nov. 17-20, 2019. 3. OBR 012 S. 2019 dated September 4, 2019 - Designation of Ms. Cherry P. Dejucos, Regional Area Manager of Region 5 as official representative of 1CISP on the NCCB Local Assembly. 4. OBR 013 S. 2019 dated September 6, 2019 - Approval of per diem of President Roy S. Miclat in attending the MEFIN Private-Public Dialogue in Mongolia on September 17-18, 2019.
153 S. 2019	18 Sep 19	<p>Approval to nominate the authorized representatives in crafting the IRR and nominees to seat in the CDA Board:</p> <ol style="list-style-type: none"> 1. Ms. Leonila R. Medina as Authorized Representative in the Technical Working Group and as nominee to seat in the CDA Board (Education and Advocacy). 2. Dir. Raymond Joseph L. Salvador as Authorized Representative in the Nominating Group for the processing of nominees to the CDA Board of Directors. 3. Mr. Isagani B. Daba as nominee to seat in the CDA Board (Financial). 4. Mr. Garibaldi Leonardo as nominee to seat in the CDA Board (Financial). 5. Dir. Nestor D. Ortigoza as nominee to seat in the CDA Board (Financial). 6. Dir. Senen C. Bacani as nominee to seat in the CDA Board (Agriculture).
154 S. 2019	18 Sep 19	Approval of P4.345 million for the purchase of one (1) mobile clinic for Cooperative Health Management Federation (CHMF).
155 S. 2019	23 Oct 19	Approval of the agenda.
156 S. 2019	23 Oct 19	Approval of the minutes of the board meeting held on September 18, 2019.
157 S. 2019	23 Oct 19	<p>Approval of application for membership of the two (2) new member-coops for the month of September 2019 and acceptance of their paid-up capital:</p> <ol style="list-style-type: none"> 1. Cruzian MPC - P10,000 2. Catmon MPC - P25,000
158 S. 2019	23 Oct 19	Approval of 1KLA program with a budget amounting to P1.875 million. The Annual Coop HR Summit and other succeeding program after the graduation of 1KLA scholars will be undertaken and facilitated by the Union of Metro Manila Cooperatives (UMMC).
159 S. 2019	23 Oct 19	Approval of OSM for the CDO Building Renovation.
160 S. 2019	23 Oct 19	Approval of TraXion Project with some clarifications on the contract.
161 S. 2019	23 Oct 19	Approval to continuously consult with IT Observers from ACIDI MPC and San Dionisio Credit Cooperative in relation to TraXion Project.
162 S. 2019	23 Oct 19	Approval of time deposit to Guimaras Employees MPC amounting to P1 million.

163 S. 2019	23 Oct 19	Approval of time deposit to Mapag-ampon Parish MPC amounting to P1 million.
164 S. 2019	23 Oct 19	Approval of time deposit to City Hall Employees Multi-Purpose Cooperative amounting to P7 million.
165 S. 2019	23 Oct 19	Approval to increase the credit limit of the Metrobank credit card from P500,000 to P1 million due to the volume of transactions.
166 S. 2019	23 Oct 19	Appointment of President Roy S. Miclat as authorized representative to KoopKing MPC savings account.
167 S. 2019	23 Oct 19	Confirmation of denial of investment requests of various cooperatives due to non-compliance of the requirements.
168 S. 2019	23 Oct 19	Approval of setting up a P20 million provision annually to build up a reserve for probable losses.
169 S. 2019	23 Oct 19	Approval to adapt the proposed Board guidance for Management in crafting the Five-Year Strategic Plan.
170 S. 2019	23 Oct 19	Designation of VP Sylvia R. Quinesio as official representative of 1CISP on the Economic Briefing for Insurance Industry Executives Seminar on Nov. 15, 2019.
171 S. 2019	23 Oct 19	Confirmation of the approved online board resolutions: <ol style="list-style-type: none"> 1. OBR 014 S. 2019 dated September 19, 2019 - Approval of Ms. Juliet B. Saavedra of ACDI MPC as one of 1CISP delegate in the 29th Pacific Insurance Conference. 2. OBR 015 S. 2019 dated September 23, 2019 - Approval of additional budget for 1CISP Delegates in the ICMIF Biennial Conference in New Zealand on Nov. 8-18, 2019. 3. OBR 016 S. 2019 dated September 23, 2019 - Approval of 1CISP's payment for the monetary awards of Labor Case Torres, et. al v. 1CISP. 4. OBR 017 S. 2019 dated October 15, 2019 - Designation of Ms. Erlin T. Pasaylo as official representative of 1CISP on the Special Assembly of National Teachers and Employees Cooperative Bank on October 19, 2019.
172 S. 2019	23 Oct 19	Approval of P25,000 financial support to be given to Mr. Nicolas Veronilla.
173 S. 2019	23 Oct 19	Approval of the MSCF's request for technical assistance from 1CISP on how to become a pre-need company.
174 S. 2019	23 Oct 19	Approval of authorization to use the short name "1CISP" to BDO checks.
175 S. 2019	26 Nov 19	Approval of the agenda.
176 S. 2019	26 Nov 19	Approval of application for membership of the two (2) new member-coops for the month of October 2019 and acceptance of their paid-up capital: <ol style="list-style-type: none"> 1. NHA Employees MPC - P300,000 2. Aroma Service Cooperative - P2,500
177 S. 2019	26 Nov 19	Acceptance of the President's Report.
178 S. 2019	26 Nov 19	Approval of the fitout to be contracted with CKI Builders & Engineering Services in the amount of P33.5 million.
179 S. 2019	26 Nov 19	Approval of additional payment for the Interior Designer amounting to P320,000 with a terms of payment of 75% initial and 25% full payment.
180 S. 2019	26 Nov 19	Approval of the ground floor revised layout; 2 nd floor revised layout to be used as office area for the marketing; and the multi-purpose hall revised layout and design.
181 S. 2019	26 Nov 19	Approval of the blessing and office inauguration of CDO Building on December 18, 2019 with a budget amounting to P100,000.
182 S. 2019	26 Nov 19	Approval of changes of provisions in accordance with the comments of CDA on the amendments to 1CISP Articles of Cooperation and By-laws.

183 S. 2019	26 Nov 19	Approval of TraXion Contract subject to insertion of the penalty clause with some clarifications.
184 S. 2019	26 Nov 19	Approval of application of membership to International Cooperative Alliance with a registration fee of P100,000 or USD2,083.62.
185 S. 2019	26 Nov 19	Approval of application to print Official Receipts and Billing Statements before the Bureau of Internal Revenue RDO 033.
186 S. 2019	26 Nov 19	Approval of the date, venue, initial budget of P13 million and the initial program of the 1CISP 46 th Annual General Assembly on April 3-4, 2020 at Novotel, Cubao, Quezon City.
187 S. 2019	26 Nov 19	Confirmation of the approved online board resolutions: <ol style="list-style-type: none"> 1. OBR 018 S. 2019 dated November 5, 2019 - Approval of P1 million relief for the brothers and sisters in Mindanao through King MPC and allocation of P2 million for rehabilitation of 1CISP cooperative members. 2. OBR 019 S. 2019 dated October 31, 2019 - Hiring of Mr. John Claude L. Ramos as Internal Auditor 3. OBR 020 S. 2019 dated November 11, 2019 - Approval of Mr. Lorenzo Samuya as additional signatory in CDO Branch's Bank Transactions in the absence of the Board of Directors.
188 S. 2019	26 Nov 19	Approval of the recommendation of Investment and Credit Committee: <ol style="list-style-type: none"> 1. Approval to avail the Metrobank payment facilities for coop members to remit their premium and receive their claims payment; 2. Approval of closure of BPI Savings/Current Account-FICCO MBA; release of funds via manager's check payable to 1CISP; to sign any instructions in connection therewith by designated 1CISP Officers and a letter of instruction from the designated 1CISP Officer as regards to actual closure and release of the balance to 1CISP via manager's check.
189 S. 2019	26 Nov 19	Approval of opening of savings account to Mapag-ampon Multipurpose Cooperative and Saytan Savings and Credit Cooperative to accommodate premium remittances.
190 S. 2019	26 Nov 19	Approval of back-to-back loan to Bataan Cooperative Bank in the amount of P7.5 million.
191 S. 2019	26 Nov 19	Approval of the following recommendations of Investment and Credit Committee: <ol style="list-style-type: none"> 1. Approval of the new structure for investment team. 2. Enrollment of investment personnel on chartered financial analysis or other similar short courses. 3. Clean up savings to cooperatives at least once a year. 4. Invite an outsider as advisor or associate and be a committee member.
192 S. 2019	26 Nov 19	Approval of Christmas bonus for 1CISP Board of Directors, Officers, committee members, employees and agents.
193 S. 2019	26 Nov 19	Approval of transfer of electricity, water, telephone and internet accounts from CDO Office to the new 1CISP CDO Branch Office.
194 S. 2019	18 Dec 19	Approval of the agenda.
195 S. 2019	18 Dec 19	Approval to authorize the Management in assisting the MSCF in seeking the organizational requirements from the Insurance Commission.
196 S. 2019	18 Dec 19	Approval of the minutes of the board meeting held on October 23, 2019 and November 26, 2019.
197 S. 2019	18 Dec 19	Approval of application for membership of the five (5) new member-coops for the month of November 2019 and acceptance of their paid-up capital: <ol style="list-style-type: none"> 1. APEX Multi-Purpose Cooperative - P500,000 2. Jeannie's Touch Multi-Purpose Cooperative - P50,000

		<ul style="list-style-type: none"> 3. Makilala Multi-purpose Cooperative - P100,000 4. Nuestra Señora De Regla Consumer Cooperative - P100,000 5. NCCC Associates Credit Cooperative - P1,000
198 S. 2019	18 Dec 19	Acceptance of the President's Report.
199 S. 2019	18 Dec 19	Approval of the proposed incentive for Non-Life.
200 S. 2019	18 Dec 19	Approval to allow 1CISP to bundle the CHMF ward plan with 1CISP GYRT plan and engage with Maria Health.
201 S. 2019	18 Dec 19	Approval of the date and venue of the 2020 Christmas Party which will be held on December 4, 2020 at Vikings Venue MOA and a reservation fee of P20,000 to be organized by the Non-Life Division.
202 S. 2019	18 Dec 19	Approval of the adjustments on the 1CISP Strategic Plan 2020-2024.
203 S. 2019	18 Dec 19	Approval of the renewal of Directors and Officers Liability Insurance with Malayan Insurance.
204 S. 2019	18 Dec 19	<p>Approval of P500,000 to help meet the relief and rehabilitation of the following six (6) parishes in Mindanao that were severely damaged during the earthquake:</p> <ul style="list-style-type: none"> 1. Sto. Nino de Cebu Parish Makilala 2. San Isidro Labrador Parish Rectory 3. Our Lady of Mediatrix of All Grace Cathedral Rectory 4. St. Joseph the Worker Parish 5. Holy Family Parish Bulakanon 6. San Miguel Archangel Quasi-Parish
205 S. 2019	18 Dec 19	Approval of the revisions on the 1CISP Codified Approving and Signing Authority (CASA).
206 S. 2019	18 Dec 19	Approval of 1CISP employees' salary adjustments.
207 S. 2019	18 Dec 19	Approval of full payment for the acquisition of ducted type air-conditioning (VRV Ac Units-Daikin Brand) for the new building.
208 S. 2019	18 Dec 19	Approval of pulling-out 1CISP's investments to AP Securities and BDO Securities with cut-off date December 31, 2019.
209 S. 2019	18 Dec 19	Approval of time deposit to Silangan MPC amounting to P5 million.
210 S. 2019	18 Dec 19	Approval of opening of savings account to Camarines Norte Development Cooperative to accommodate premium remittances.
211 S. 2019	18 Dec 19	Approval of P120 million investment to Chinabank.
212 S. 2019	18 Dec 19	Approval of TraXion Contract and authorizing President Roy S. Miclat to sign in behalf of 1CISP.
213 S. 2019	18 Dec 19	<p>Confirmation of the approved online board resolution:</p> <ul style="list-style-type: none"> 1. OBR 021 S. 2019 dated December 2, 2019 - Approval of the Proposed 46th Annual General Assembly Theme.
214 S. 2019	18 Dec 19	Approval to give P10,000.00 initial CETF to MSCF and patronize their products.
215 S. 2019	18 Dec 19	Approval to contribute CETF amounting to P100,000.00 and pay the P100,000.00 annual dues to Philippine Cooperative Center.

Certified True and Correct:


ATTY. LYMAN A. MANZANARES
 Co-operative Secretary

Attested:


BGEN. TEODORO P. EVANGELISTA (RET)
 Chairperson

A DECADE OF



RETROGRESSION AND RESURGENCE

WE REMEMBER



2010

Assets: P140.78million
Net Surplus: P17.22million

- Manpower: 61 employees
- Inauguration of new area office in Region 3, Pampanga

2011

Assets: P176.18million
Net Surplus: P41.20million

- Manpower: 84 employees
- Inauguration of New Area Office in Davao City
 - ICISP was once again recognized by the Insurance Commission as one of its Microinsurance partners and providers.

2012

Assets: P152.72million
Net Surplus: (P9.23million)

- Manpower: 80 employees
- ICISP had capital deficiency
 - ICISP was able to secure approval of the following insurance plans
 1. Student Insurance Plan
 2. Mag-anak ni Juan Family Protection
 3. ICard 50
Personal Accident Insurance Plan
 4. Repricing of Endowment Plan

2013

Assets: P232.66million
Net Surplus: (P1.38million)

- Manpower: 33 employees
- ICISP's share capital was written down
 - Paid the employees who resigned, retired, and separated from ICISP due to the cooperative's financial losses

WE REMEMBER



2014

Assets: P400.76million
Net Surplus: P62.02million

Manpower: 39 employees

- From consecutive losses in 2012 and 2013, ICISP made a huge turn-around in 2014, posting a net surplus of P62.02million with a dividend rate of 13%.

2015

Assets: P599.05million
Net Surplus: P88.81million

Manpower: 48 employees

- ICISP was one of the major sponsors in the celebration of the Philippine Cooperative Centennial Year at the Philippine Trade Training Center

2016

Assets: P1.04billion
Net Surplus: P116.01million

Manpower: 56 employees

- Actively participated in the Technical Working Group on Distribution Channels & Consumer Protection for Microinsurance
- ICISP's 42nd Annual General Assembly happened in Cebu
- Conducted eight (8) CSR activities

2017

Assets: P1.55billion
Net Surplus: P160.46million

Manpower: 70 employees

- Participated in nine (9) local and seven (7) international trainings
- ICISP's first international team building in Hong Kong

WE REMEMBER



2018

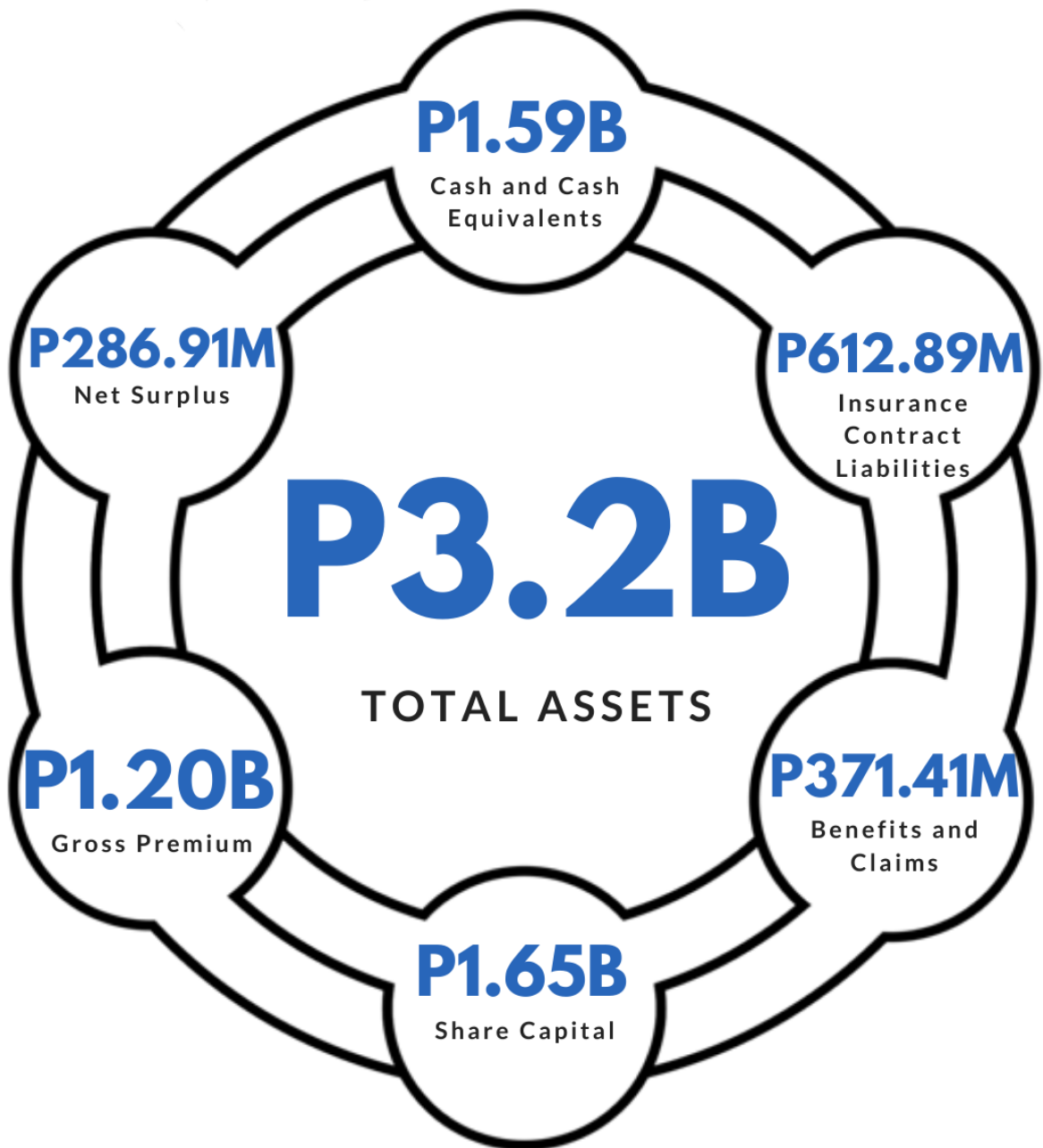
Assets: P2.56billion
Net Surplus: P216.08million

Manpower: 93 employees

- 1CISP secured its license from the Insurance Commission to operate as Life and General Insurance.
- 1CISP amended its name, CISP, to **1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE** or **1CISP**
- 1CISP rebranded its logo which signifies the six pillars
- 1CISP launched three (3) trailblazing projects: Coop Kicks, 1 Koop Leaders Academy and 1 Koop Mart
- 1CISP shared its new advocacy: *"A Prosperous Philippines, is a Cooperative Philippines"*
- 1CISP's 44th Annual General Assembly was conducted for 2 days in Pampanga with the theme, "Leadership and Innovation: Sustaining Growth, Empowering Communities"
- 1CISP's second international team building in Bangkok, Thailand
- 1CISP became a platinum sponsor in the 14th National Cooperative Summit



WE GROW THE BUSINESS



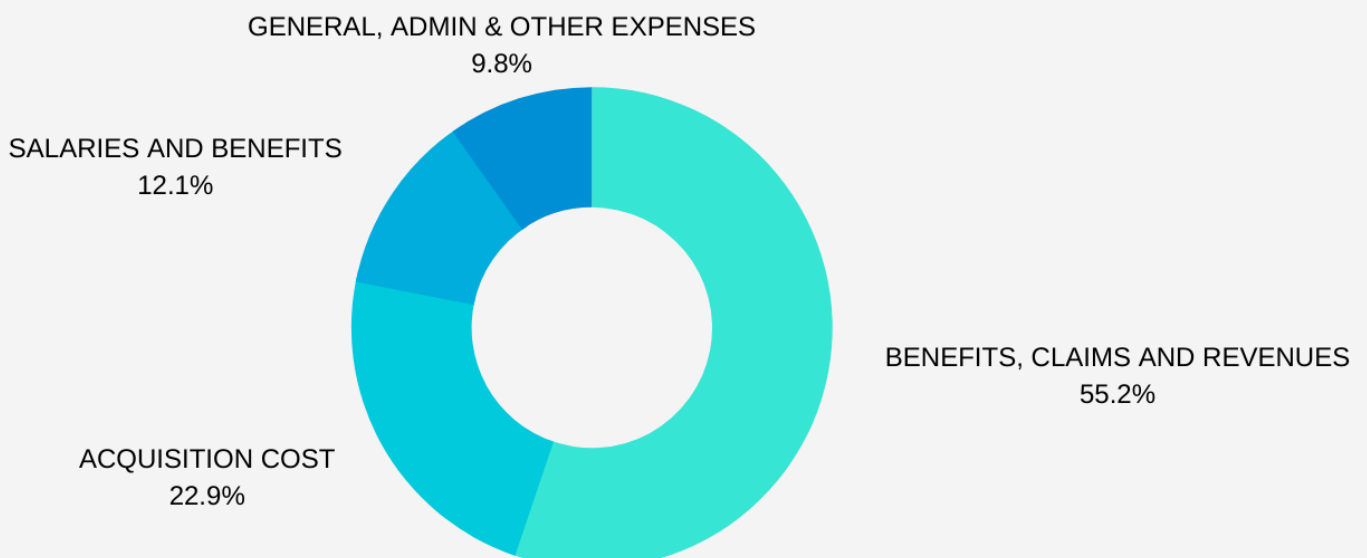
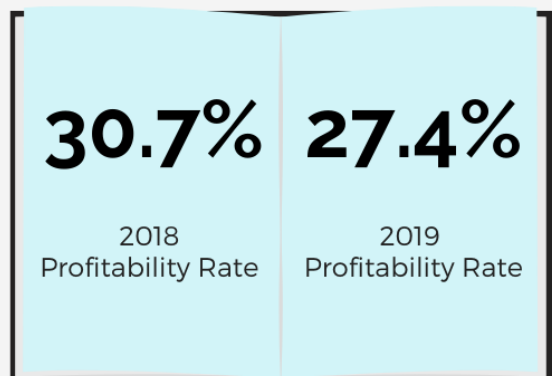
ICISP recorded another milestone as it breached its three-billion peso mark in assets in the fourth quarter of 2019. The total assets at the end of 2019 has reached P3.2 billion, a hefty 34.6% increase from the previous year's 2.57billion.

WE MANAGE OUR FINANCES

ICISP ended 2019 with a record-high growth in terms of gross premiums. For the first time in the coop's financial history, the first billion-peso mark in gross premiums has been recorded. This only shows the continued trust and confidence of the members in the fastest-growing insurance cooperative in the country.

P1.20B

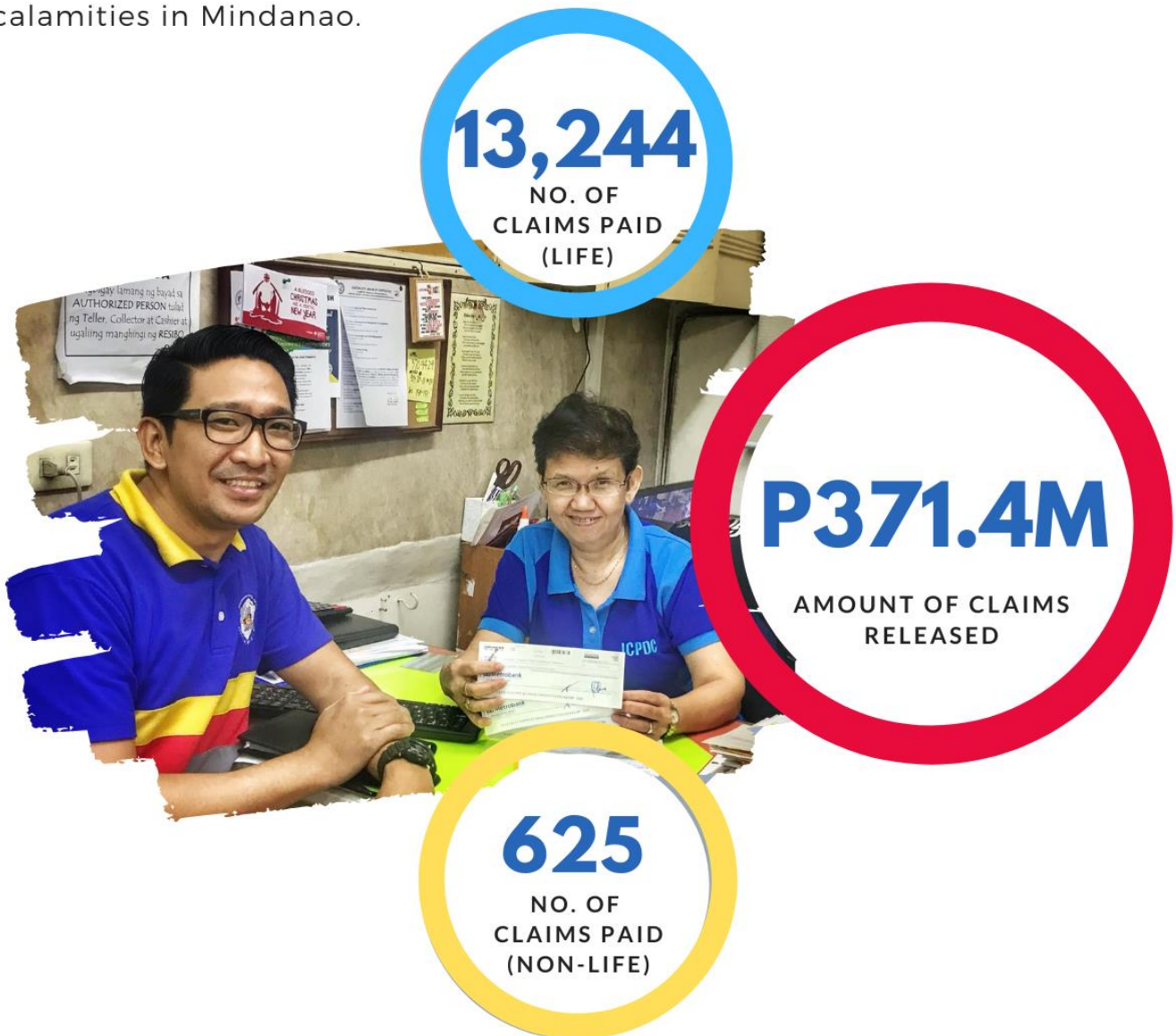
Gross Premium



WE ARE HAPPY TO SERVE YOU

In 2019, ICISP received 13,244 life insurance claims, handled by 9 Claims Analysts. The ICISP Claims Department reported that cardiovascular disease is the common cause of death with 974 claims filed which amounted to P71.23million. The different types of cardiovascular diseases include heart disorders, myocardial infarction, and heart attack. Experts say that healthy lifestyle and dietary modification can reduce the risk of heart disease.

On the other hand, the Non-Life Division reported a total of 625 claims paid, 88% of which is under the HomeProtect plan due to the series of calamities in Mindanao.



**WE KEEP OUR
NUMBERS HIGH**

3,467

1CISP Member-Cooperatives

The year 2019 has seen a rise in brand loyalty. The members felt engaged and they also helped in our insurance campaigns.

267
NEW
MEMBERS

115%
Membership
Growth
from 2018

2019 Highlights

WE BUILD OUR DREAMS

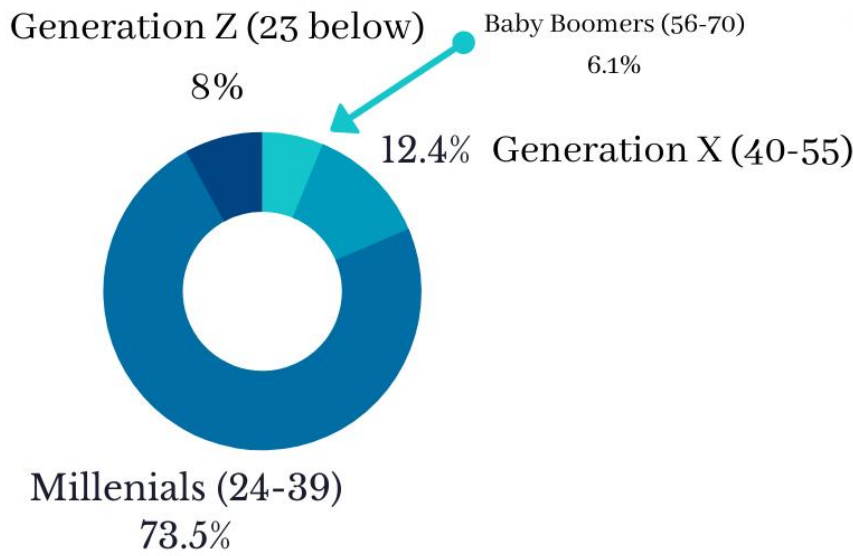
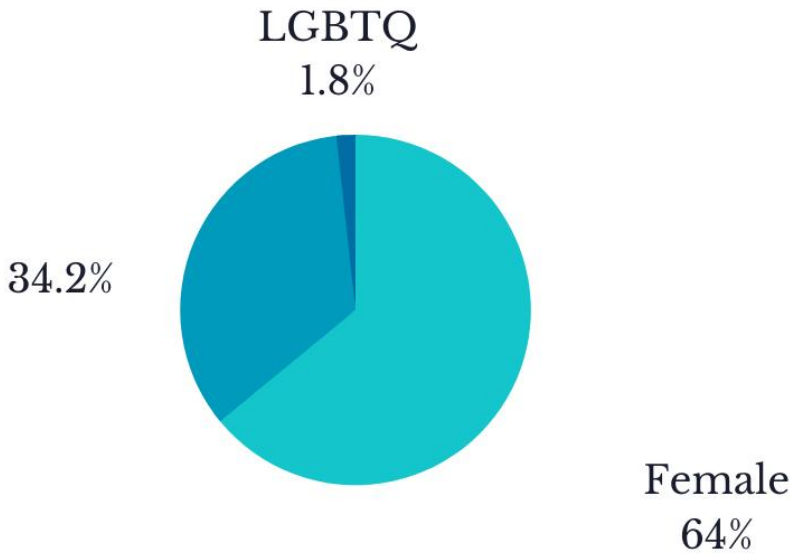


**1CISP
CAGAYAN DE ORO BRANCH**
Fernandez Street, Barangay 3,
Cagayan de Oro City

In December 2019, 1CISP opened its new doors to welcome and service our members in Mindanao.

On the same day, 1CISP received the *Bayanihan Award* - the highest distinction for service and societal concerns of Cooperatives from the Cooperative Development Authority (CDA)

WE EMBRACE DIVERSITY



61

YSLEP Scholars
(from 2015)



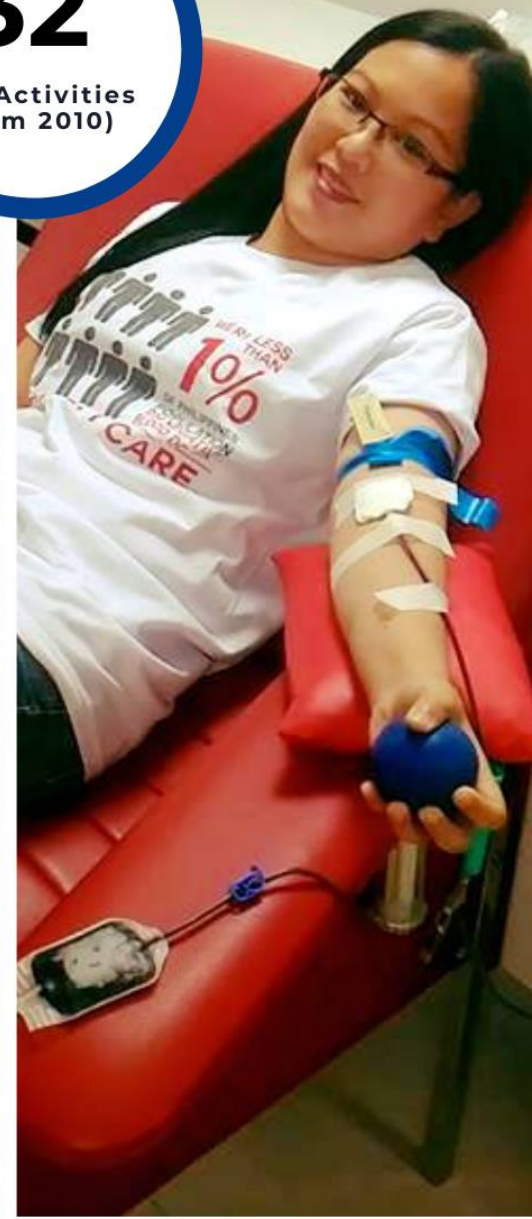
1.24M

SCHOLARSHIP
(from 2015)

**WE GIVE
BACK
TO THE
COMMUNITY**

32

CSR Activities
(from 2010)



WE GIVE BACK TO OUR MEMBERS



The ICISP Education Training and Development Program, in partnership with Model Cooperative Network (MCN), is now in its third year. MCN implements trainings and seminars that gear towards the improvement of the operation of the primary Cooperatives while ICISP supports by subsidizing the training fees of our member-cooperatives.



WE INVEST IN OUR PEOPLE

42
Local Trainings

13
International
Trainings



**H.A.N.D.A Course
University of the Philippines
Institute for Small-scale
industries**



**ICMIF Advance Management Course
Manchester, UK**



**2019 ICMIF BIENNIAL CONFERENCE
NEW ZEALAND**



**2019 OLIS SEMINAR
Tokyo, Japan**

The 1 Koop Leaders Academy is a program that aims to support the cooperatives and its leaders in #advancingHR through providing opportunities for professional development for cooperative people and business leaders who are looking to strengthen their individual impact and influence on their teams and their business in general.

1KLA SCHOLAR (1 KOOP LEADERS ACADEMY)



"I love collecting mugs from different places...just as how I love joining the sessions of 1KLA with empty cups. These cups are always filled, letting me bring home new plans and projects for my own coop. Now that I am more confident to present project proposals, I am looking forward to become a better business HR partner of our coop and producing more efficient and competent talents that will help the coop attain its vision and mission."

JANICE SALVIEJO

HR and Admin Manager, 9yrs
Sta. Cruz Savings & Development Cooperative

YOUNG LEADER (YOUNG LEADERS PROGRAM)

The Young Leaders Program was formulated as a result of attending the Young Leaders Forum in London. The program's purpose and concept was patterned from the forum that emphasized the importance of honing the leadership skills of the young generation.

The ICISP YLP aims to be the platform of young leaders to hone their leadership skills ensuring future-ready cooperatives. It will provide support to progress and advance cooperatives in the Philippines given all possible disruptions.

"Being able to join such activity was very enriching on my part. I went back to my co-op with all the inspiration and encouragement that I needed.

For 2020, I am more than excited as we all look forward to another momentous gathering of youth from the cooperative sector!

Let us take the lead once more!"



ARJAY D. NAUNGAYAN

HRD Manager, 7 yrs
Sacred HEART Savings Cooperative

WE MAKE WORK FUN!



2019 TEAM BUILDING
IN SOUTH KOREA



MOVIE NIGHT ● SPORTSFEST ● TRICK OR TREAT ● HEALTH AND WELLNESS

WE CHOOSE OUR PARTNERS



International Cooperative and
Mutual Insurance Federation

ICMIF is the only global representative body of the cooperative and mutual insurance sector.

ICMIF is owned, governed and actively guided by its member organizations so, just like a good cooperative or mutual, it can gauge and respond to its members' changing needs and expectations. It exists to help strengthen its members' competitiveness by delivering unique market information, networking opportunities, leadership development programmes and global advocacy.

About AOA

The Asia and Oceania Association (AOA) of the International Cooperative and Mutual Insurance Federation (ICMIF) was established in 1984 to promote cooperative and mutual insurance activities, mutual friendship and exchange of information among ICMIF members in the Asia and Oceania region.



FALIA is the Public Interest Incorporated Foundation providing training programs for overseas insurance industry.



WE CHOOSE OUR PARTNERS



The People Management Association of the Philippines (PMAP) is a professional, non-stock, not-for-profit organization of over 1,800 member companies and individual management executives engaged or interested in Human Resource Management (HRM) and Industrial Relations (IR) work.

Founded more than 59 years ago, PMAP continues the tradition of its forefathers in advancing the profession of Human Resource Management.



First Photo:

President Roy S. Miclat was one of the Speakers during the 56th PMAP Annual Conference last July in Cebu with the topic, *Social Entrepreneurship/Sustainability*.

Second Photo:

Vice President for Operations (Life) Jackelyn P. Ballena was an active member of the Leadership Committee of PMAP.



The Philippine Cooperative Center (PCC) is known as the unifying and transforming voice of the Cooperative Movement.

ICISP continuous to support PCC in advocating its projects and initiatives for the betterment of the coop movement.

...OUR PARTNERS IN LIFE



The **Life Underwriters Association of the Philippines** is the premier association of all financial advisors in the country. LICAP aims to uplift the insurance profession and enable all the members to grow their business and be able to provide the best quality service to their clients.



PHILIPPINE LIFE INSURANCE ASSOCIATION, INC.

The **Philippine Life Insurance Association, Inc. (PLIA)** is the non-stock, non-profit umbrella organization of all life insurance companies operating in the country.

PLIA currently has 30 member companies.



Life Insurance Claims Association of the Philip

The **Life Insurance Claims Association of the Philippines (LICAP)** is an association of all claims analysts in the country.



...AND NON-LIFE



.....

The **Insurance Institute for Asia and the Pacific, Inc. or IIAP**, provides educational training programs in insurance. IIAP unfailingly develops and offers sustainable and well-planned educational programs and related services designed to enhance professionalism, expertise, and performance among practitioners.



The **Philippine Society of Insurance Medicine (PSIM)** is a medical organization composed of Medical Directors, Assistant or Associate Medical Directors and Medical Officers or Consultants of the different insurance companies in the country. It is an affiliate society of the Philippine Medical Association (PMA).



.....

The **Philippine Insurers and Reinsurers Association (PIRA)** at present, is the voice of the Philippine non-life insurance industry, forecasting and responding to issues that may arise, and anticipating opportunities to enable its members to better serve their customers. PIRA encompasses all non-life insurance companies in the Philippines.

WE ALLIED FOR CHANGE



welcomes



.....

*Cooperatives around the world employ or are the main source of
income for more than 279 million people -
almost 10% of humanity's total working population.*

INTERNATIONAL COOPERATIVE ALLIANCE 2019 REPORT

#COOPS4DECENTWORK

.....

We asked our team: **WHY 1CISP?**

"The Lord has been using 1CISP as a channel of blessing not only to its clientele but to its employees as well. This remains true to me from the date I was employed in February 2011 up to this time. For more than nine years of service, it has always been my joy to share my expertise as a Registered Nurse, apply this to my current post as Claims Supervisor and help our clients by providing the quality service that they deserve.

Lastly, I am amazed because the Lord has made 1CISP an instrument for me to meet my husband, Nelvic. We are happily blessed with our first born baby, Eight."

DONNA JADE JUSTINE U. PINEDA
Claims Supervisor
9 yrs in 1CISP



"The reason why I came back is because of the healthy work environment this organization has, wherein I know I can learn more about my career and I can grow more mature as a person. I also admire how the organization treats its employees. The senior officers were far more than just my bosses; they were also my mentors, those who have pushed me beyond my limits, believing that I can do more. The feeling of belongingness one gets from this organization made me decide to go back after four years. Indeed it is true, what this cooperative has always promised: to protect its members like family"

ARCHIE VILLA
Accounting Analyst
Hired in 2009, 5 yrs
Rehired in 2018

"Ako ay nagsimula rito sa 1CISP, noong taong 1976, Enero. Noong panahon naman na 'yon, wala naman akong trabaho at nagkataon na naghahanap ako ng trabaho. At sakto, parang biyaya ng Panginoon na na-tsempuhan ko nga ito. CISP lang ang nagtiwala at nagbigay sa akin ng trabaho. Maliban sa mahal ko ang aking trabaho, pamilya na rin kasi ang turing ko sa kumpanyang ito. Ang pamilya kasi mahirap buwagin 'yan at masaya ako at parte pa din ako ng pamilya na ito kahit ako ay may edad 70 na at apatnapu't apat na taon na nagtatrabaho."

JOSEPH MIGUEL
Receiving Clerk
44 yrs in 1CISP



**“THE BEST
DIVIDEND A
COOP MEMBER
WILL
RECEIVE
IS NOT THE
AMOUNT OF
MONEY THEY
GET, IT IS THEIR
IMPROVED
QUALITY OF
LIFE.”**



— DR. ARIEL GUARCO
President, International Cooperative Alliance (ICA)

1 Cooperative Insurance System of the Philippines Life and General Insurance

Financial Statements
December 31, 2019 and 2018

With independent auditors' report provided by



REYES TACANDONG & CO.

FIRM PRINCIPLES. WISE SOLUTIONS.

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 Audit of the Financial Statements

Opinion

We have audited the 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, 2019 and 2018, 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 accompanying financial statements present fairly, in all material respects, the financial condition of the Cooperative as at December 31, 2019 and 2018, 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 these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 2019, but does not include the financial statements and our auditors' report thereon. The Annual Report for the year ended December 31, 2019 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

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-2017/009-R

Valid until August 26, 2020

SEC Accreditation No. 0658-AR-3 Group A

Valid until May 17, 2020

BIR Accreditation No. 08-005144-007-2019

Valid until October 16, 2022

PTR No. 8116476

Issued January 6, 2020, Makati City

February 26, 2020

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, 2019 and 2018, 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.

Carolina P. Angeles

CAROLINA P. ANGELES

Partner

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February 26, 2020

Makati City, Metro Manila

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE

STATEMENTS OF FINANCIAL CONDITION

		December 31	
	Note	2019	2018
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱1,598,897,904	₱1,074,142,094
Short-term investments	5	273,054,311	464,440,558
Insurance receivables	6	73,990,079	51,909,947
Reinsurance assets	7	71,529,266	40,179,634
Financial assets at cost	8	38,780,000	71,861,549
Financial asset at amortized cost	8	125,111,904	56,342,251
Financial assets at fair value through profit or loss (FVPL)	8	42,762,032	24,167,226
Loans and receivables	9	89,849,762	93,944,520
Other current assets	10	27,583,174	12,071,616
Total Current Assets		2,341,558,432	1,889,059,395
Noncurrent Assets			
Financial assets at amortized cost - net of current portion	8	148,701,751	187,903,093
Financial assets at cost	8	228,209,465	72,113,062
Loans receivables - net of current portion	9	294,959,936	319,810,785
Property and equipment:	11		
At revalued amount		43,677,083	37,745,746
At cost		182,436,101	36,370,862
Advances to contractors	11	27,703,174	22,086,188
Total Noncurrent Assets		925,687,510	676,029,736
		₱3,267,245,942	₱2,565,089,131
LIABILITIES AND EQUITY			
Current Liabilities			
Insurance contract liabilities	12	₱611,886,808	₱423,132,847
Due to reinsurers	13	83,716,586	29,935,663
Dividend and patronage refund payable	18	298,994,223	229,898,307
Loans payable	14	130,000,000	-
Other current liabilities	15	291,775,315	168,096,442
Total Current Liabilities		1,416,372,932	851,063,259
Noncurrent Liability			
Retirement liability	16	15,624,906	7,729,472
Total Liabilities		1,431,997,838	858,792,731
Equity			
Share capital	17	1,646,168,400	1,262,740,100
Deposit for share capital subscription	17	-	287,894,966
Contributed surplus		85,298	85,298
Revaluation surplus	11	12,081,337	6,150,000
Statutory funds:	18		
General reserve fund		110,553,058	81,862,037
Optional fund		32,567,166	29,698,064
Cooperative education and training fund		20,094,485	20,952,346
Community development fund		13,698,360	16,913,589
Total Equity		1,835,248,104	1,706,296,400
		₱3,267,245,942	₱2,565,089,131

See accompanying Notes to Financial Statements.

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

		Years Ended December 31	
	Note	2019	2018
REVENUE			
Gross premiums written	19	₱1,234,337,280	₱801,214,096
Reinsurer's share on gross premiums written	19	(162,492,629)	(84,736,421)
Net insurance premiums written		1,071,844,651	716,477,675
Change in:			
Reserve for unearned premiums	19	(31,215,566)	(21,309,790)
Deferred reinsurance premiums	19	5,745,412	8,367,827
Net insurance premiums earned		1,046,374,497	703,535,712
Interest income	4	59,425,499	38,845,291
Other income		8,440,416	3,783,227
		1,114,240,412	746,164,230
BENEFITS, CLAIMS AND EXPENSES			
Benefits and claims incurred on insurance contracts	20	371,408,979	247,156,033
Collection costs		109,589,356	64,356,866
Salaries and benefits	21	100,355,768	59,035,907
Increase in aggregate reserves for life policies	12	85,100,000	67,300,000
Commission expense		79,597,928	50,842,149
General and administrative expenses	22	69,583,891	36,894,346
Interest expense	14	6,649,482	–
Depreciation	11	5,044,795	4,500,682
		827,330,199	530,085,983
NET SURPLUS		₱286,910,213	₱216,078,247
ALLOCATION OF NET SURPLUS			
	18		
Dividend and patronage refund payable		₱232,397,273	₱168,541,033
General reserve fund		28,691,021	21,607,825
Cooperative education and training fund		14,345,511	17,286,260
Community development fund		8,607,306	6,482,347
Optional fund		2,869,102	2,160,782
		₱286,910,213	₱216,078,247

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	
		2019	2018
SHARE CAPITAL	17		
Common			
Balance at beginning of year		P1,250,000,000	P938,077,700
Issuances		389,869,000	320,125,300
Withdrawals		(6,245,900)	(8,203,000)
Transfer from preferred share		3,523,900	–
Balance at end of year		1,637,147,000	1,250,000,000
Preferred			
Balance at beginning of year		12,740,100	12,951,500
Issuances		–	2,388,500
Withdrawals		(194,800)	(2,599,900)
Transfer to common share		(3,523,900)	–
Balance at end of year		9,021,400	12,740,100
		1,646,168,400	1,262,740,100
DEPOSIT FOR SHARE CAPITAL SUBSCRIPTION	17	–	287,894,966
CONTRIBUTED SURPLUS		85,298	85,298
REVALUATION SURPLUS	11		
Balance at beginning of year		6,150,000	6,150,000
Revaluation		5,931,337	–
Balance at end of year		12,081,337	6,150,000
STATUTORY FUNDS	18		
Balance at beginning of year		149,426,036	112,004,664
Net increase in statutory funds:			
Net surplus		286,910,213	216,078,247
Dividend and patronage refund payable		(232,397,273)	(168,541,033)
Net surplus transferred to statutory funds		54,512,940	47,537,214
Disbursements from statutory funds		(27,025,907)	(10,115,842)
		27,487,033	37,421,372
Balance at end of year		176,913,069	149,426,036
		P1,835,248,104	P1,706,296,400

See accompanying Notes to Financial Statements.

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

		Years Ended December 31	
	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		₱286,910,213	₱216,078,247
Adjustments for:			
Interest income	4	(59,425,499)	(38,845,291)
Provision for impairment loss	9	20,000,000	–
Retirement costs	16	7,895,434	2,663,181
Interest expense	14	6,649,482	–
Depreciation	11	5,044,795	4,500,682
Gain on redemption of financial assets at cost	8	(3,680,854)	–
Unrealized fair value gain on financial assets at FVPL	8	(716,933)	(172,314)
Operating income before working capital changes		262,676,638	184,224,505
Decrease (increase) in:			
Short-term investments		191,386,247	(130,962,921)
Insurance receivables		(22,080,132)	(38,668,229)
Reinsurance assets		(32,349,632)	(20,526,523)
Other current assets		(15,511,558)	(10,811,137)
Loans and receivables		6,043,293	(328,771,025)
Increase in:			
Insurance contract liabilities		189,753,961	143,961,827
Due to reinsurers		53,780,923	17,683,819
Other current liabilities		117,029,391	142,094,438
Net cash generated (used for) operations		750,729,131	(41,775,246)
Interest received		58,985,187	26,096,690
Net cash generated (used in) operating activities		809,714,318	(15,678,556)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Financial assets at cost	8	(210,780,000)	(115,576,189)
Property and equipment	11	(151,110,034)	(22,366,665)
Financial assets at amortized cost	8	(73,173,482)	(28,586,525)
Financial assets at FVPL	8	(17,877,873)	(12,924,088)
Proceeds from withdrawal and redemption of:			
Financial assets at cost	8	91,446,000	50,344,628
Financial assets at amortized cost	8	43,605,171	43,100,264
Payment for advances to contractors		(5,616,986)	(22,086,188)
Interest received		3,342,626	2,677,683
Net cash used in investing activities		(320,164,578)	(105,417,080)

(Forward)

		Years Ended December 31	
	Note	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans payable	14	₱130,000,000	₱-
Payments of dividend and patronage refund:	18		
Interest on share capital		(108,039,994)	(19,998,461)
Patronage refund		(25,641,186)	(2,356,742)
Proceeds from issuances of share capital		72,353,857	246,600,370
Disbursements from statutory funds	18	(27,025,907)	(10,115,842)
Payments of share withdrawals	17	(6,440,700)	(10,802,900)
Receipt of deposit for share capital subscription	17	-	287,894,966
Net cash provided by financing activities		35,206,070	491,221,391
NET INCREASE IN CASH AND CASH EQUIVALENTS		524,755,810	370,125,755
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,074,142,094	704,016,339
CASH AND CASH EQUIVALENTS AT END OF YEAR		₱1,598,897,904	₱1,074,142,094
NONCASH FINANCIAL INFORMATION			
Conversion of share capital from deposit for share capital subscription	17	₱287,894,966	₱-
Conversion of dividend and patronage refund payable to share capital	18	29,620,177	75,913,430
		₱317,515,143	₱75,913,430

See accompanying Notes to Financial Statements.

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES
LIFE AND GENERAL INSURANCE
NOTES TO FINANCIAL STATEMENTS

1. Cooperative Information

General Information

1 Cooperative Insurance System of the Philippines Life and General Insurance (the Cooperative) is a secondary cooperative 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 and general 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 (GA) 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. Beginning August 2018, the Cooperative commenced its nonlife business and started issuing nonlife insurance policies.

As at December 31, 2019, the transfer of assets and liabilities of RBIC to the Cooperative and the issuance of the Cooperative's shares to the stockholders of RBIC in order to complete the merger are in process and awaiting approval of CDA.

Tax Exemptions

The Cooperative is a holder of a certificate of tax exemption issued by the Bureau of Internal Revenue (BIR) dated July 15, 2010 which entitles the Cooperative to 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.

On April 27, 2018, the Cooperative registered its first branch office located at Fernandez St., Cagayan de Oro, Misamis Oriental. The branch started its operations in September 2019.

Authorization for the Issuance of the Financial Statements

The financial statements of the Cooperative as at and for the years ended December 31, 2019 and 2018 were approved and authorized for issuance by the Board of Directors (BOD) on February 26, 2020.

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 SME) 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 amounts. 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.

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 and financial assets at amortized cost, 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, unit investment trust funds, mutual funds and other externally managed funds are measured 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, and loans receivables 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.

If there is objective evidence that an impairment loss has occurred on financial assets at cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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 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.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the assets' original effective interest rate. Time value is generally not considered when the effect of discounting is not material. The carrying amount of the asset shall be reduced directly or through the use of an allowance account. The amount of loss shall be recognized in profit or loss.

An allowance 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 receivable. The carrying amounts of the 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 transaction price, unless the arrangement contains a financing transaction.

The Cooperatives' financial liabilities include liabilities arising from operations and interest-bearing loans and borrowings. These financial liabilities are recognized initially at transaction price and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate of amortization.

The Cooperative's insurance contract liabilities, due to reinsurers, dividend and patronage refund payable, loans payable 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 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 – Life Insurance Contracts. Commissions, collection costs and other acquisition costs pertain to expenses that are directly attributable in securing new insurance contracts and renewal of existing contracts. These are recognized in profit or loss when incurred.

Policy Acquisition Costs – Nonlife Insurance Contracts. Commissions and other acquisition costs incurred that vary with and are related to securing new insurance contracts and or renewing existing insurance contracts, but which relates to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. Subsequent to initial recognition, these costs are amortized on a straight-line basis using the 24th method over the life of the contract. Amortization is charged to profit or loss. The unamortized acquisition costs are accounted for as "Deferred acquisition cost" and presented under "Other current assets" account in the statements of financial condition. Commission income earned on reinsurance contracts, wherein the Cooperative is the ceding company, are deferred and accounted for as "Deferred reinsurance commission" and presented under "Insurance contract liabilities" account in the statements of financial condition.

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 in "Reinsurance asset" account in the statements of financial condition. 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 is presented under "Reinsurers' share on gross premiums written" account in the statements of operations, 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 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	25
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 considered as nonfinancial instruments as these will be

applied against future billings from contractors and suppliers. Advances to contractors are presented as noncurrent assets since it relates to acquisition of property and equipment.

Other Current Assets

Other current assets consist of deferred reinsurance premium, deferred acquisition cost, refundable deposits and prepayments.

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 loss is recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss 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 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 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 insurance contract liabilities are determined based on the approved valuation method by the IC and using management's estimates for other reserves. 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, which are non-voting, 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 GA 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 Premiums. 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 net of final tax.

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.

Interest Expense. Interest expense is recognized using the effective interest method.

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 individuals, including its key management personnel, or corporate entities. Parties are also considered to be related if they are subject to common control with the reporting entity.

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.

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.

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.

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 Loss on Financial Assets at Amortized Cost. The Cooperative maintains allowance for impairment loss 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 ₱73,990,079 and ₱51,909,947 as at December 31, 2019 and 2018, respectively. Allowance for impairment loss on insurance receivables amounted ₱5,218,610 as at December 31, 2019 and 2018 (see Note 6).

The carrying amounts of reinsurance assets amounted to ₱71,529,266 and ₱40,179,634 as at December 31, 2019 and 2018, respectively. No impairment loss on reinsurance assets was recognized in 2019 and 2018 (see Note 7).

The carrying amounts of financial assets at amortized cost amounted to ₱273,813,655 and ₱244,245,344 as at December 31, 2019 and 2018, respectively. No impairment loss on financial assets at amortized cost was recognized in 2019 and 2018 (see Note 8).

The carrying amounts of loans and receivables amounted to ₱384,809,698 and ₱413,755,305 as at December 31, 2019 and 2018, respectively. Allowance for impairment loss on loans and receivables amounted to ₱36,775,019 and ₱16,775,019 as at December 31, 2019 and 2018, respectively (see Note 9).

Estimation of Allowance for Impairment Loss 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 ₱266,989,465 and ₱143,974,611 as at December 31, 2019 and 2018, respectively. Allowance for impairment loss on financial assets at cost amounted to ₱9,268,410 as at December 31, 2019 and 2018 (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 February 24, 2020. The revalued amount of the land amounted to ₱43,677,083 and ₱37,745,746 as at December 31, 2019 and 2018, 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 2019 and 2018. The carrying amount of property and equipment, excluding land, amounted to ₱182,436,101 and ₱36,370,862 as at December 31, 2019 and 2018, 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 advances to contractors was recognized by the Cooperative in 2019 and 2018. The carrying amount of property and equipment, excluding land, amounted to ₱192,778,195 and ₱36,370,862 as at December 31, 2019 and 2018, respectively. The carrying amount of advances to contractors amounted to ₱17,361,080 and ₱22,086,188 as at December 31, 2019 and 2018, respectively (see Note 11).

Estimation of Aggregate Reserves for Life Policies. 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, 2019 and 2018, the carrying amounts of aggregate reserves for life policies amounted to ₱431,375,666 and ₱317,908,229, respectively (see Note 12).

Recognition of Policy and Contract Claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date. The main assumption underlying the estimation of the claims provisions is that the Cooperative's past claims development experience can be used to project future claims development and hence ultimate claim costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and number of claims based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claims types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjusted estimates or separately projected in order to reflect their future development. In these cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historic claims development data on which the projections are based.

The carrying amount of policy and contract claims amounted to ₱54,373,052 and ₱46,349,714 as at December 31, 2019 and 2018, 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, 2019 and 2018, the carrying amounts of incurred but not reported claims amounted to ₱68,958,459 and ₱35,848,908, 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 16 to financial statements and include, among others, discount rates and salary increase rates.

The retirement liability amounted to ₱15,624,906 and ₱7,729,472 as at December 31, 2019 and 2018, respectively (see Note 16).

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 in its financial condition and results of operations.

4. Cash and Cash Equivalents

This account consists of:

	2019	2018
Cash in banks	₱1,151,852,804	₱579,115,771
Cash equivalents	379,028,991	435,395,432
Revolving fund	67,971,109	59,600,891
Petty cash fund	45,000	30,000
	₱1,598,897,904	₱1,074,142,094

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 1.75% to 7.50% and 1.25% to 4.50% per annum in 2019 and 2018, respectively.

Details of interest income are as follows:

	Note	2019	2018
Cash equivalents and short-term investments		₱27,738,785	₱26,268,826
Loans and receivables:	9		
Cooperative members		23,148,711	4,524,083
Employees		449,430	425,254
Cash in banks		4,745,947	4,949,445
Financial assets at amortized cost	8	3,342,626	2,677,683
		₱59,425,499	₱38,845,291

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 ₱273,054,311 and ₱464,440,558 as at December 31, 2019 and 2018, respectively.

Interest rates of short-term investments range from 1.75% to 7.00% per annum in 2019 and 2018.

6. Insurance Receivables

This account consists of:

	2019	2018
Premium receivables	₱54,980,620	₱51,728,476
Due from reinsurers	24,228,069	5,400,081
	79,208,689	57,128,557
Allowance for impairment loss	(5,218,610)	(5,218,610)
	₱73,990,079	₱51,909,947

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

This account consists of:

	2019	2018
Reinsurance assets from:		
Life policies	P68,106,924	P39,739,487
Nonlife policies	3,422,342	440,147
	P71,529,266	P40,179,634

Reinsurance assets pertain to estimated recoverable amounts from reinsurers for its share in insurance contract liabilities (see Note 12).

8. Financial Assets

This account consists of:

	2019	2018
Current		
Financial assets at FVPL	P42,762,032	P24,167,226
Financial assets at amortized cost	125,111,904	56,342,251
Financial assets at cost	38,780,000	71,861,549
	206,653,936	152,371,026
Noncurrent		
Financial assets at amortized cost	148,701,751	187,903,093
Financial assets at cost	228,209,465	72,113,062
	376,911,216	260,016,155
	P583,565,152	P412,387,181

Financial Assets at Cost

Movements of financial assets at cost are as follows:

	2019	2018
Current		
Balance at beginning of year	P71,861,549	P51,861,549
Additions	3,780,000	20,000,000
Redemption	(36,861,549)	-
Balance at end of year	38,780,000	71,861,549
Noncurrent		
Balance at beginning of year	81,381,472	36,149,911
Additions	207,000,000	95,576,189
Withdrawals	(50,903,597)	(50,344,628)
Balance at end of year	237,477,875	81,381,472
Less allowance for impairment loss	(9,268,410)	(9,268,410)
	228,209,465	72,113,062
	P266,989,465	P143,974,611

Financial assets at cost presented as current assets represent investment in mutual fund. 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.

In 2019, the Cooperative redeemed portion of its investment in mutual fund at redemption price of P40,542,403. The gain on redemption recorded as part of "Other income" account in the statements of operations amounted to P3,680,854.

Financial Assets at FVPL

Movements of financial assets at FVPL are as follows:

	2019	2018
Balance at beginning of year	P24,167,226	P11,070,824
Additions	17,877,873	12,924,088
Unrealized fair value gain	716,933	172,314
Balance at end of year	P42,762,032	P24,167,226

Financial assets at FVPL include investments in publicly-traded securities which are measured at fair value. Unrealized fair value gain of P716,933 and P172,314 in 2019 and 2018, respectively, is recorded as part of "Other income" account in the statements of operations.

Financial Assets at Amortized Cost

Movements of financial assets at amortized cost are as follows:

	2019	2018
Balance at beginning of year	P244,245,344	P258,759,083
Additions	73,173,482	28,586,525
Maturity	(43,605,171)	(43,100,264)
Balance at end of year	P273,813,655	P244,245,344

The current and noncurrent portion of financial assets at amortized cost are as follows:

	2019	2018
Current	₱125,111,904	₱56,342,251
Noncurrent	148,701,751	187,903,093
	₱273,813,655	₱244,245,344

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 ₱3,342,626 and ₱2,677,683 in 2019 and 2018, respectively (see Note 4).

9. Loans and Receivables

This account consists of:

	2019	2018
Current		
Loans receivable	₱42,122,931	₱47,339,496
Accounts receivable	41,952,816	37,898,401
Receivable from closed banks	11,833,130	11,786,217
Accrued interest	10,382,616	13,284,930
Advances to officers and employees	333,288	410,495
	106,624,781	110,719,539
Less allowance for impairment loss	(16,775,019)	(16,775,019)
	89,849,762	93,944,520
Noncurrent		
Loans receivable	314,959,936	319,810,785
Less allowance for impairment loss	(20,000,000)	-
	294,959,936	319,810,785
	₱384,809,698	₱413,755,305

Movements of allowance for impairment loss are as follows:

	Note	2019	2018
Balance at beginning of year		₱16,775,019	₱16,775,019
Provision	21	20,000,000	-
Balance at end of year		₱36,775,019	₱16,775,019

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 receivable amounted to ₱23,148,711 and ₱4,524,083 in 2019 and 2018, respectively (see Note 4).

Accounts receivable pertains interest bearing loans granted to qualified employees. Interest rates for loan to employees range from 6.00% to 8.00% per annum. Interest income on these loans amounted to ₱449,430 and ₱425,254 in 2019 and 2018, 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.

10. Other Current Assets

This account consists of:

	2019	2018
Deferred reinsurance premium	P14,113,238	P8,367,827
Deferred acquisition cost	9,068,064	-
Prepaid office supplies	1,841,748	2,667,787
Refundable deposits	1,826,174	532,297
Prepaid insurance	509,423	472,078
Others	224,527	31,627
	P27,583,174	P12,071,616

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.

Deferred acquisition cost represents the unamortized portion of collection cost and commission expense for nonlife insurance policies in force as at reporting date which is expected to be recognized as expense in the next reporting period.

Refundable deposit pertains to deposits for satellite offices by the Cooperative.

11. Property and Equipment

The movements in this account follow:

	2019					Total
	At Cost					
	Land (at appraised value)	Building and Improvements	Furniture, Fixtures and Office Equipment	Transportation Equipment	Construction in Progress	
Cost						
Balances at beginning of year	P37,745,746	P20,882,996	P21,049,541	P5,939,900	P11,369,061	P96,987,244
Additions	-	14,706,955	21,583,208	-	114,819,871	151,110,034
Revaluation	5,931,337	-	-	-	-	5,931,337
Balances at end of year	43,677,083	35,589,951	42,632,749	5,939,900	126,188,932	254,028,615
Accumulated Depreciation						
Balances at beginning of year	-	7,172,980	14,009,439	1,688,217	-	22,870,636
Depreciation	-	927,787	2,932,808	1,184,200	-	5,044,795
Balances at end of year	-	8,100,767	16,942,247	2,872,417	-	27,915,431
Carrying Amount	P43,677,083	P27,489,184	P25,690,502	P3,067,483	P126,188,932	P226,113,184

	2018					Total
	At Cost					
	Land (at appraised value)	Building and Improvements	Furniture, Fixtures and Office Equipment	Transportation Equipment	Construction in Progress	
Cost						
Balances 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						
Balances 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

The carrying amount of the Cooperative's property and equipment at revalued amount and at cost as at December 31, 2019 and 2018 follows:

	2019	2018
At revalued amount	₱43,677,083	₱37,745,746
At cost	182,436,101	36,370,862
	₱226,113,184	₱74,116,608

The latest appraisal of land by an independent appraiser was made on February 24, 2020. 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.

If the land was carried at costs, the carrying amount would be ₱31,595,746 as at December 31, 2019 and 2018. The cumulative revaluation surplus on land amounted to ₱12,081,337 and ₱6,150,000 as at December 31, 2019 and 2018, respectively.

In 2019, the Cooperative incurred ₱14,357,235 for the construction of a new building in Cagayan de Oro for its first branch office. The construction was completed in December 2019.

Construction in progress pertains to building under construction for the Cooperative's new office building in Quezon City at a total contract price of ₱155,597,692. The construction is expected to be completed in August 2020. Advances to contractors amounted to ₱27,703,174 and ₱22,086,188 as at December 31, 2019 and 2018, respectively. Advances to contractors will be applied against future billings for the construction of the building.

Fully depreciated property and equipment that are still being used in the Cooperative's operations amounted to ₱14,270,105 and ₱8,683,243 as at December 31, 2019 and 2018, respectively.

12. Insurance Contract Liabilities

This account consists of:

	2019	2018
Aggregate reserves for life policies	₱431,375,666	₱317,908,229
Insurance payables	123,331,511	82,198,622
Reserve for unearned premiums	52,525,356	21,309,791
Deferred reinsurance commission	4,654,275	1,716,205
	₱611,886,808	₱423,132,847

In compliance with the requirements of the IC, aggregate reserves and other actuarial items in the financial statements as at and for the years ended December 31, 2019 and 2018 have been computed and certified by the consulting actuary of the Cooperative. The actuarial computations and assumptions used are in accordance with generally accepted actuarial standards and regulations of the IC. Moreover, based on management's estimates, the BOD approved the set-up of additional reserves in excess of the requirement of the IC to provide for contingencies in case of calamities and catastrophes.

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, excluding reserve for unearned premiums and deferred reinsurance commission, are broken down as follows:

	2019		
	Insurance Contract Liabilities	Reinsurer's Share (see Note 7)	Net
Aggregate reserves for life policies	₱431,375,666	₱69,151,984	₱362,223,682
Insurance payables:			
Policy and contract claims	54,373,052	2,377,282	51,995,770
Incurred but not reported	68,958,459	-	68,958,459
	123,331,511	2,377,282	120,954,229
	₱554,707,177	₱71,529,266	₱483,177,911

	2018		
	Insurance Contract Liabilities	Reinsurer's Share (see Note 7)	Net
Aggregate reserves for life policies	₱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

The increase in aggregate reserves for life policies are broken down as follows:

	2019	2018
Gross increase in aggregate reserves for life policies	₱113,467,437	₱85,633,052
Reinsurers' share	(28,367,437)	(18,333,052)
	₱85,100,000	₱67,300,000

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 ₱83,716,586 and ₱29,935,663 as at December 31, 2019 and 2018, respectively. Reinsurers' share in benefits and claims incurred on insurance contracts amounted to ₱31,085,031 and ₱16,497,405 in 2019 and 2018, respectively (see Note 20).

14. Loans Payable

In 2019, the Cooperative entered into loan agreements amounting to ₱79,000,000 and ₱51,000,000 with cooperative banks at annual interest rates of 6.50% and 5.80%, respectively. The loans were used to comply with the net worth requirement of IC for the Cooperative's nonlife division. The loans were subsequently paid in January 2020.

Interest expense recognized in the statements of operations in 2019 consists of:

	Note	
Due to RBIC	15	₱4,625,932
Loans payable		2,023,550
		₱6,649,482

15. Other Current Liabilities

This account consists of:

	2019	2018
Accounts payable	₱87,925,940	₱59,422,022
Due to RBIC	136,795,414	82,075,483
Accrued expenses	48,058,934	23,088,385
Retention payable	13,964,010	1,136,906
Statutory payables	1,809,606	1,687,528
Others	3,221,411	686,118
	₱291,775,315	₱168,096,442

Accounts payable pertain 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, interest bearing and payable on demand. Interest expense recognized by the Cooperative amounted to ₱4,625,932 in 2019 (see Note 14).

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

Retention payable pertains to amount retained by the Cooperative from the contractors' progress billings, which will be released after the completion and satisfaction of the terms and conditions of the construction contract.

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

16. Retirement Benefits

The Cooperative has a funded, non-contributory 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 7, 2020 for the year ended December 31, 2019.

Retirement liability 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, which is presented under "Salaries and benefits" account, follow:

	2019	2018
Current service cost	₱2,514,167	₱1,906,873
Net interest costs	472,953	21,830
Net remeasurement loss	4,908,314	734,478
	₱7,895,434	₱2,663,181

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

	2019	2018
Present value of defined benefit obligation	₱21,181,063	₱12,936,723
Fair value of plan assets	(5,556,157)	(5,207,251)
	₱15,624,906	₱7,729,472

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

	2019	2018
Balance at beginning of year	₱12,936,723	₱10,267,914
Current service cost	2,514,167	1,906,873
Interest cost	785,221	524,818
Remeasurement loss	5,070,074	237,118
Benefits paid	(125,122)	-
Balance at end of year	₱21,181,063	₱12,936,723

The movements of the fair value of plan assets follow:

	2019	2018
Balance at beginning of year	₱5,207,251	₱5,201,623
Interest income	312,268	502,988
Remeasurement gain (loss)	161,760	(497,360)
Benefits paid	(125,122)	-
Balance at end of year	₱5,556,157	₱5,207,251

The components of the Cooperative's plan assets follow:

	2019	2018
Cash	1%	13%
Investments in government securities	99%	87%
	100%	100%

The actual return on plan assets amounted to ₱474,028 and ₱5,628 in 2019 and 2018, respectively. The principal assumptions used in determining retirement liability follow:

	2019	2018
Discount rate and expected return on plan asset	5.76%	6.07%
Salary increase rate	5%	5%
Average remaining working lives of employees	21 years	20 years

The sensitivity analysis of net retirement liability for principal assumptions used as at December 31, 2019 and 2018 follows:

Principal Assumptions	Effect on the Present Value of Defined Benefit Obligation	
	2019	2018
Discount rate:		
Increase by 1%	(₱3,204,285)	(₱2,449,375)
Decrease by 1%	4,091,153	2,449,375
Salary increase rate:		
Increase by 1%	3,842,572	2,306,022
Decrease by 1%	(3,079,973)	(2,306,022)

The sensitivity analysis 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.

17. Share Capital

Movements in share capital are as follow:

	Number of Shares		Amount	
	2019	2018	2019	2018
Authorized Share Capital				
Common - ₱100 par value				
Balance at beginning of year	12,500,000	12,500,000	₱1,250,000,000	₱1,250,000,000
Increase	25,000,000	–	2,500,000,000	–
Balance at end of year	37,500,000	12,500,000	₱3,750,000,000	₱1,250,000,000
Preferred - ₱100 par value				
	2,500,000	2,500,000	₱250,000,000	₱250,000,000
Issued and Outstanding				
Common				
Balance at beginning of year	12,500,000	9,380,777	₱1,250,000,000	₱938,077,700
Issuances	3,898,690	3,201,253	389,869,000	320,125,300
Withdrawals	(62,459)	(82,030)	(6,245,900)	(8,203,000)
Transfer from preferred share	35,239	–	3,523,900	–
Balance at end of year	16,371,470	12,500,000	1,637,147,000	1,250,000,000
Preferred				
Balance at beginning of year	127,401	129,515	12,740,100	12,951,500
Issuances	–	23,885	–	2,388,500
Withdrawals	(1,948)	(25,999)	(194,800)	(2,599,900)
Transfer to common share	(35,239)	–	(3,523,900)	–
Balance at end of year	90,214	127,401	9,021,400	12,740,100
			₱1,646,168,400	₱1,262,740,100

Increase in Authorized Share Capital

In 2019, the Cooperative's BOD and GA approved the increase in authorized share capital from 15,000,000 shares consisting of 12,500,000 common shares and 2,500,000 preferred shares with a par value of ₱100 per share to 40,000,000 shares consisting of 37,500,000 common shares with a par value of ₱100 per share and 2,500,000 preferred shares with a par value of ₱100 per share. The application for increase in authorized share capital was approved by the CDA on December 13, 2019.

Conversion of Dividend and Patronage Refund to Common Share

In 2019 and 2018, various cooperative members converted their dividend and patronage refund to common share amounting to ₱29,620,177 and ₱75,913,430, respectively (see Note 18).

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 were issued upon the approval of the Cooperative's increase in authorized capital share by the CDA.

18. 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:

	2019			
	Balance at Beginning of Year	Allocation of Net Surplus	Disbursements	Balance at End of Year
General reserve fund	₱81,862,037	₱28,691,021	₱-	₱110,553,058
Optional fund	29,698,064	2,869,102	-	32,567,166
Cooperative education and training fund	20,952,346	14,345,511	(15,203,372)	20,094,485
Community development fund	16,913,589	8,607,306	(11,822,535)	13,698,360
	₱149,426,036	₱54,512,940	(₱27,025,907)	₱176,913,069

	2018			
	Balance at Beginning of Year	Allocation of Net Surplus	Disbursements	Balance at End of Year
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

The statutory funds are not available for distribution to members but are used only for the specific purposes for which they are set aside, subject to the approval of the BOD and the GA.

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

	2019		2018	
	Percentage	Amount	Percentage	Amount
Dividend and patronage refund payable	81.00%	₱232,397,273	78.00%	₱168,541,033
General reserve fund	10.00%	28,691,021	10.00%	21,607,825
Cooperative education and training fund	5.00%	14,345,511	8.00%	17,286,260
Community development fund	3.00%	8,607,306	3.00%	6,482,347
Optional fund	1.00%	2,869,102	1.00%	2,160,782
	100.00%	₱286,910,213	100.00%	₱216,078,247

Allocation of dividend and patronage refund payable consists of:

	2019	2018
Interest on share capital	₱162,678,091	₱117,978,723
Patronage refund	69,719,182	50,562,310
	₱232,397,273	₱168,541,033

The movements in dividend and patronage refund payable follow:

	Note	2019	2018
Balance at beginning of year		₱229,898,307	₱159,625,907
Allocation from net surplus		232,397,273	168,541,033
Conversion to share capital	17	(29,620,177)	(75,913,430)
Payments for:			
Interest on share capital		(108,039,994)	(19,998,461)
Patronage refund		(25,641,186)	(2,356,742)
Balance at end of year		₱298,994,223	₱229,898,307

19. Insurance Premiums

Net insurance premiums earned on life and nonlife insurance contracts amounted to ₱1,046,374,497 and ₱703,535,712 in 2019 and 2018, respectively.

Details of gross premiums earned on insurance contracts follow:

	2019	2018
Gross premiums written for:		
Life policies	₱1,141,595,105	₱774,435,125
Nonlife policies	92,742,175	26,778,971
	1,234,337,280	801,214,096
Change in reserve for unearned premiums	(31,215,566)	(21,309,790)
	₱1,203,121,714	₱779,904,306

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

	2019	2018
Reinsurers' share on gross premiums written	₱162,492,629	₱84,736,421
Change in deferred reinsurance premiums	(5,745,412)	(8,367,827)
	₱156,747,217	₱76,368,594

20. Benefits and Claims Incurred on Insurance Contracts

Benefits and claims incurred on insurance contracts are as follows:

	Note	2019	2018
Gross benefits and claims incurred on insurance contracts		₱402,494,010	₱263,653,438
Reinsurers' share	13	(31,085,031)	(16,497,405)
		₱371,408,979	₱247,156,033

21. Salaries and Benefits

This account consists of:

	Note	2019	2018
Salaries and wages		₱56,829,946	₱37,266,563
Employee benefits		35,630,388	19,106,163
Retirement costs	16	7,895,434	2,663,181
		₱100,355,768	₱59,035,907

Compensation of Key Management Personnel

Compensation of key management personnel amounted to ₱13,395,576 and ₱9,663,309 in 2019 and 2018, respectively.

22. General and Administrative Expenses

This account consists of:

	Note	2019	2018
Provision for impairment loss	9	₱20,000,000	₱-
Meetings and conferences		11,861,335	8,225,444
Professional and consultancy fees		5,773,402	2,925,076
Transportation and travel		4,012,297	3,711,142
Honorarium and allowances		3,002,620	2,658,202
Utilities		2,797,211	1,961,701
Postage, telephone and telegram		2,787,905	2,667,467
Printing, stationery and supplies		2,737,297	1,718,090
Networking and representation		1,881,935	1,753,452
Advertising and promotions		1,244,869	1,307,826
Security and maintenance services		1,220,616	1,367,881
Membership and association dues		827,768	257,931
Taxes and licenses		625,545	412,041
Repairs and maintenance		469,126	379,478
Others		10,341,965	7,548,615
		₱69,583,891	₱36,894,346

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

23. Segment Reporting

The Cooperative considers its life and nonlife operations as its operating segments. The financial information for each segment as at and for the years ended December 31, 2019 and 2018 follows:

Statements of Financial Condition

	Life		Nonlife	
	2019	2018	2019	2018
ASSETS				
Current Assets				
Cash and cash equivalents	₱1,216,280,122	₱1,074,142,094	₱382,617,782	₱-
Short-term investments	273,054,311	464,440,558	-	-
Insurance receivables	60,976,027	44,147,224	13,014,052	7,762,723
Reinsurance assets	68,106,924	39,739,487	3,422,342	440,147
Financial assets at cost	38,780,000	71,861,549	-	-
Financial asset at amortized cost	125,111,904	56,342,251	-	-
Financial assets at fair value through profit or loss (FVPL)	42,762,032	24,167,226	-	-
Loans and receivables	81,080,477	93,944,520	288,249,713	-
Other current assets	2,595,263	3,765,816	24,987,911	8,305,800
Total Current Assets	₱1,908,747,060	₱1,872,550,725	₱712,291,800	₱16,508,670
Noncurrent Assets				
Financial assets at amortized cost - net of current portion	₱135,481,751	₱187,903,093	₱13,220,000	₱-
Financial assets at cost	228,209,465	72,113,062	-	-
Loans receivables - net of current portion	294,959,936	303,351,874	-	16,458,911
Property and equipment:				
At revalued amount	43,677,083	37,745,746	-	-
At cost	182,291,131	36,370,862	144,970	-
Advances to contractors	27,703,174	22,086,188	-	-
Total Noncurrent Assets	912,322,540	659,570,825	13,364,970	16,458,911
	₱2,821,069,600	₱2,532,121,550	₱725,656,770	₱32,967,581
LIABILITIES AND EQUITY				
Current Liabilities				
Insurance contract liabilities	₱529,672,956	₱400,106,851	₱82,213,852	₱23,025,996
Due to reinsurers	72,007,826	21,832,893	11,708,760	8,102,770
Dividend and patronage refund payable	298,901,090	229,805,172	93,133	93,135
Loans payable	130,000,000	-	-	-
Other current liabilities	491,706,070	166,377,031	79,549,673	1,719,411
Total Current Liabilities	1,522,287,942	818,121,947	173,565,418	32,941,312
Noncurrent Liability				
Retirement liability	15,624,906	7,729,472	-	-
Total Liabilities	1,537,912,848	825,851,419	173,565,418	32,941,312
Equity				
Share capital	1,085,748,486	1,262,740,100	560,419,914	-
Deposit for share capital subscription	-	287,894,966	-	-
Contributed surplus	85,298	85,298	-	-
Revaluation surplus	12,081,337	6,150,000	-	-
Statutory funds	185,241,631	149,399,767	(8,328,562)	26,269
Total Equity	1,283,156,752	1,706,270,131	552,091,352	26,269
	₱2,821,069,600	₱2,532,121,550	₱725,656,770	₱32,967,581

Statements of Operations

	Life		Nonlife	
	2019	2018	2019	2018
REVENUE				
Gross premiums written	₱1,141,595,105	₱774,435,125	₱92,742,175	₱26,778,971
Reinsurer's share on gross premiums written	(135,778,214)	(74,185,064)	(26,714,415)	(10,551,357)
Net insurance premiums written	1,005,816,891	700,250,061	66,027,760	16,227,614
Change in:				
Reserve for unearned premiums	-	-	(31,215,566)	(21,309,790)
Deferred reinsurance premiums	-	-	5,745,412	8,367,827
Net insurance premiums earned	1,005,816,891	700,250,061	40,557,606	3,285,651
Interest income	57,804,303	38,434,171	1,621,196	411,120
Other income	1,834,777	3,313,196	6,605,639	470,031
	₱1,065,455,971	₱741,997,428	₱48,784,441	₱4,166,802
BENEFIT AND CLAIMS				
Benefits and claims incurred on insurance contracts	₱335,337,484	₱246,520,697	₱36,071,495	₱635,336
Collection costs	104,262,228	64,356,866	5,327,128	-
Salaries and benefits	89,512,349	55,623,844	10,843,419	3,412,063
Increase in aggregate reserves for life policies	85,100,000	67,300,000	-	-
Commission expense	77,836,412	50,842,149	1,761,516	-
General and administrative expenses	66,471,317	36,894,346	3,112,574	-
Interest expense	6,649,482	-	-	-
Depreciation	5,023,435	4,500,682	21,360	-
	770,192,707	526,038,584	57,137,492	4,047,399
NET SURPLUS (LOSS)	₱295,263,264	₱215,958,844	(₱8,353,051)	₱119,403

24. 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, due to reinsurers, dividend and patronage refund payable, loans payable 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.

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:

- General insurance risk - risk of loss due to occurrence of insured event and the uncertainty of the amount and timing of resulting claims
- Mortality risk - risk of loss arising from policyholders' death experience
- Morbidity risk - risk of loss due to policyholder's health experience
- Expense risk - risk of loss arising from expense experience
- Investment risk - risk of loss arising from actual returns being different than expected.
- Policyholder decision risk - risk of loss arising from lapses and surrenders

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 in force policies and concentration of insurance risk.

	2019			2018		
	No. of Policies	Insurance Coverage	Premiums	No. of Policies	Insurance Coverage	Premiums
Life policies						
Group yearly renewable and loan payment protection insurance	710,156	₱48,763,097,210	₱1,012,000,503	629,569	₱35,640,815,728	₱639,556,240
Micro insurance	17,442	503,011,000	35,721,641	24,739	639,023,500	1,784,842

Personal accident	1,852	89,040,000	465,517	19,367	962,080,000	19,066,322
Regular plans	115	68,905,300	1,330,862	38	3,305,300	12,995
	729,565	₱49,424,053,510	₱1,049,518,523	673,713	₱37,245,224,528	₱660,420,399
	2019			2018		
Nonlife policies	No. of Policies	Insurance Coverage	Premiums	No. of Policies	Insurance Coverage	Premiums
Miscellaneous or Personal accident insurance	7,764	₱29,746,626,357	₱50,185,004	2,225	₱956,290,749	₱117,653
Fire insurance	1,528	10,338,979,049	10,023,059	775	3,549,744,589	3,866,716
Motor car insurance	4,175	1,749,357,916	28,124,126	800	753,567,786	12,877,614
Surety insurance	1,201	512,074,567	5,050,285	323	166,060,798	1,406,533
Marine insurance	6	7,450,000	197,750	13	7,350,000	155,600
	14,674	₱42,354,487,889	₱93,580,224	4,136	₱5,433,013,922	₱18,424,116

The table below presents the life policies' concentration of risk by attained age based on data of in-force policies as at December 31, 2019.

Attained Age	Gross of Reinsurance	
	Coverage	Exposure
Below 18	₱276,459,696	0.55%
18-35	10,469,398,601	21.18%
36-45	10,791,001,674	21.83%
46-55	11,390,784,018	23.05%
56-65	12,120,065,660	24.52%
66-75	4,041,469,480	8.18%
76 and above	334,874,381	0.68%
Total	₱49,424,053,510	100.00%

Material judgment is required in determining the liabilities and in choosing assumptions relating to insurance contracts. Assumptions used 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 contract 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.

Claims Development. The Cooperative aims to maintain strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, adverse claims experiences are eliminated which results in the release of reserves from earlier accident years. In order to maintain strong reserves, the Cooperative transfers much of this release to current accident year reserves when the development of claims is less mature and there is much greater uncertainty attaching to the ultimate cost of claims.

The risks vary significantly in relation to the location of the risk insured by the Cooperative, type of risks insured and in respect of commercial and business interruption insurance by industry. The uncertainty of the Cooperative's ultimate cost of claims is typically resolved within one year.

Discount Rates. Life insurance liabilities are determined as the sum of the present value of the expected benefits less the present 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 Cooperative'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, gross of allowance for impairment loss:

	2019	2018
Cash in banks and cash equivalents	₱1,530,881,795	₱1,014,511,203
Short-term investments	273,054,311	464,440,558
Insurance receivables	79,208,689	57,128,557
Reinsurance assets	71,529,266	40,179,634
Financial assets at cost - current portion*	38,780,000	71,861,549
Financial assets at amortized cost	273,813,655	244,245,344
Loans and receivables	421,584,717	430,530,324
Refundable deposits**	1,826,174	532,297
	₱2,690,678,607	₱2,323,429,466

*Pertains to investment in mutual fund and trust funds

**Presented under "Other current assets" account

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.

Past Due but not Impaired - These are receivables with history of frequent default nevertheless the amount due are still collectible.

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, 2019 and 2018:

	2019					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and cash equivalents	₱1,530,881,795	₱-	₱-	₱-	₱-	₱1,530,881,795
Short-term investments	273,054,311	-	-	-	-	273,054,311
Insurance receivables	73,990,079	-	-	-	5,218,610	79,208,689
Reinsurance assets	71,529,266	-	-	-	-	71,529,266
Financial assets at cost - current portion*	38,780,000	-	-	-	-	38,780,000
Financial assets at amortized cost	273,813,655	-	-	-	-	273,813,655
Loans and receivables	-	384,809,698	-	-	36,775,019	421,584,717
Refundable deposits**	1,826,174	-	-	-	-	1,826,174
	₱2,263,875,280	₱384,809,698	₱-	₱-	₱41,993,629	₱2,690,678,607

	2018					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	
	High Grade	Standard Grade	Substandard Grade			
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*	71,861,549	-	-	-	-	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
	₱1,887,680,532	₱413,755,305	₱-	₱-	₱21,993,629	₱2,323,429,466

*Pertains to investment in mutual fund and trust funds

**Presented under "Other current assets" account

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:

	2019				
	Total	On Demand	Due Within 1 Year	Due Within 1 to 5 years	Due 5 Years and Above
Insurance contract liabilities*	₱554,707,177	₱554,707,177	₱-	₱-	₱-
Dividend and patronage refund payable	298,994,223	298,994,223	-	-	-
Due to reinsurers	83,716,586	-	83,716,586	-	-
Loans payable	130,000,000	-	130,000,000	-	-
Other current liabilities**	289,965,709	136,795,414	153,170,295	-	-
	₱1,357,383,695	₱990,496,814	₱366,886,881	₱-	₱-

	2018				
	Total	On Demand	Due Within 1 Year	Due Within 1 to 5 years	Due 5 Years and Above
Insurance contract liabilities*	₱400,106,851	₱400,106,851	₱-	₱-	₱-
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	82,075,483	84,333,431	-	-
	₱826,349,735	₱712,080,641	₱114,269,094	₱-	₱-

*Excluding reserve for unearned premiums and deferred reinsurance commission

**Excluding 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.

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 Cooperative's equity price risk exposure relates to equity shares classified as financial assets at cost and FVPL. The effect on net surplus is caused by reasonably possible changes in the relevant market indices which lead to changes in the market value of these investment securities.

Due to the insignificant level of the Cooperative's investments in financial assets at cost and FVPL, the Cooperative assessed that the possible impact of changes in equity prices in net surplus is minimal.

25. 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).

The Cooperative's capital as at December 31, 2019 and 2018 follows:

	2019	2018
Share capital	₱1,646,168,400	₱1,262,740,100
Deposit for share capital subscription	-	287,894,966
Contributed surplus	85,298	85,298
Revaluation surplus on land	12,081,337	6,150,000
Statutory funds	176,913,069	149,426,036
	₱1,835,248,104	₱1,706,296,400

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 RA 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

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 92 of the Code, the estimated amount of non-admitted assets as at December 31, 2019 and the actual non-admitted assets as at December 31, 2018 for the Cooperative's life unit follows:

	2019 (Estimated)	2018 (Actual)
Cash and cash equivalents	₱405,323,778	₱88,666,885
Short-term investments	12,060,267	65,097,472
Loans and receivables	5,397,223	23,235,975
Property and equipment	149,196,609	5,706,541
Other current assets	1,557,381	12,071,616
Advances to contractors	-	22,086,188
	₱573,535,258	₱216,864,677

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, furniture, fixtures, and office equipment, transportation equipment and other assets are generally non-admitted assets.

The Cooperative's estimated net worth and actual net worth as at December 31, 2019 and 2018 are as follows:

	Life		Nonlife	
	2019 (Estimated)	2018 (Actual)	2019 (Estimated)	2018 (Actual)
Total assets	₱2,951,247,116	₱2,462,705,383	₱806,051,891	₱102,383,748
Total liabilities	1,435,694,713	781,439,358	253,960,539	77,353,373
Equity	1,515,552,403	1,681,266,025	552,091,352	25,030,375
Less: Non-admitted assets	201,491,964	216,864,677	2,004,811	-
Net worth	1,314,060,439	1,464,401,348	550,086,541	25,030,375
Less: Net worth requirements as at December 31	450,000,000	275,000,000	450,000,000	275,000,000
Excess (deficiency) over net worth requirements	₱864,060,439	₱1,189,401,348	₱100,086,541	(₱249,969,625)

As at December 31, 2019, the Cooperative has complied with the statutory net worth requirements required by the IC.

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, 2019 and the final RBC2 ratio as determined by the IC as at December 31, 2018:

	Life		Nonlife	
	2019 (Estimated)	2018 (Actual)	2019 (Estimated)	2018 (Actual)
Total available capital	₱1,126,735,743	₱1,559,702,457	₱551,167,711	₱-
RBC2 requirement	141,800,655	47,833,070	22,507,755	2,546,218
RBC2 ratio	795%	3261%	2449%	-%

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. 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.

The Cooperative has complied with the submission requirements of IC in 2019 and 2018 for FRF and gross premium valuation.

AUDIT COMMITTEE REPORT
For the Year Ending December 31, 2019

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, 2019. 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, 2019.

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


MARITES M. BARTOLOME, CPA
Secretary


JOEL L. CANUEL
Member

1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE
COMPOSITE PROPOSED BUDGET FOR 2020
STATEMENT OF OPERATION

	ACTUAL 2019	VA	BUDGET 2019	VA	VARIANCE	PROPOSED BUDGET 2020	VA
REVENUES							-9%
Gross premiums on insurance contracts	1,234,337,280	115.16%	944,900,000	111.10%	289,437,280	1,117,700,000	114.74%
Reinsurer's share of gross premium	(162,492,629)	13.16%	(94,400,000)	9.99%	(68,092,629)	(143,600,000)	12.85%
<i>Net Insurance Premiums</i>	1,071,844,651	100.00%	850,500,000	100.00%	221,344,651	974,100,000	100.00%
Investment Income	59,425,499	5.54%	23,900,000	2.81%	35,525,499	39,900,000	4.10%
Other Income	8,440,416	0.79%	10,400,000	1.22%	(1,959,584)	14,400,000	1.48%
	1,139,710,566	106.33%	884,800,000	104.03%	254,910,566	1,028,400,000	105.57%
BENEFITS AND EXPENSES							
Increase (decrease) in legal policy reserves	110,570,154	10.32%	85,100,000	10.01%	25,470,154	85,200,000	8.75%
Gross benefits and claims paid	371,408,979	34.65%	280,700,000	33.00%	90,708,979	340,600,000	34.97%
Net Insurance benefits and claims	481,979,133	44.97%	365,800,000	43.01%	116,179,133	425,800,000	43.71%
Commission	189,187,284	17.65%	136,000,000	15.99%	53,187,284	180,700,000	18.55%
Compensation and Benefits	100,355,768	9.36%	78,600,000	7.33%	21,755,768	123,200,000	12.65%
Utilities	4,540,044	0.42%	5,700,000	0.53%	(1,159,956)	6,500,000	0.67%
Depreciation	5,044,795	0.47%	11,100,000	1.04%	(6,055,205)	8,900,000	0.91%
Postage, Telephone & Telegram	2,787,905	0.26%	3,300,000	0.31%	(512,095)	3,800,000	0.39%
Travelling Expenses	4,012,297	0.37%	4,500,000	0.42%	(487,703)	5,100,000	0.52%
Professional, Legal & Audit Fee	6,992,379	0.65%	4,000,000	0.37%	2,992,379	8,400,000	0.86%
Printing, Stationery & Supplies	2,737,297	0.26%	2,100,000	0.20%	637,297	3,600,000	0.37%
Officers Honorarium and Allowance	3,002,620	0.28%	3,900,000	0.36%	(897,380)	5,300,000	0.54%
Conference and Sales Meeting	3,534,166	0.33%	3,700,000	0.35%	(165,834)	3,700,000	0.38%
Representation and Entertainment	1,881,935	0.18%	2,500,000	0.23%	(618,065)	2,800,000	0.29%
Membership and Association Dues	827,768	0.08%	900,000	0.08%	(72,232)	1,500,000	0.15%
Board Meeting Expenses	3,225,878	0.30%	3,900,000	0.36%	(674,122)	3,500,000	0.36%
General Assembly Expenses	4,987,791	0.47%	5,000,000	0.47%	(12,209)	2,800,000	0.29%
Provisions	20,000,000	1.87%	1,000,000	0.09%	19,000,000	15,500,000	1.59%
Advertising/Donation Expenses	3,026,102	0.28%	3,000,000	0.28%	26,102	3,600,000	0.37%
Business Development Expenses	529,200	0.05%	1,200,000	0.11%	(670,800)	1,000,000	0.10%
Interest Expense	6,649,482	0.62%	-	0.00%	6,649,482	-	0.00%
General and administrative expenses	7,498,510	0.70%	1,600,000	0.15%	5,898,510	2,700,000	0.28%
	852,800,353	79.56%	637,800,000	74.99%	215,000,353	808,400,000	82.99%
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	286,910,213	26.77%	247,000,000	29.04%	39,910,213	220,000,000	22.58%
OTHER COMPREHENSIVE INCOME							
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	286,910,213		247,000,000		39,910,213	220,000,000	

PAID-IN CAPITAL OF THE COOPERATIVES REPRESENTED BY THE BOARD OF DIRECTORS (as of December 2019)

Name of Director	Citizenship	Coop Represented	Shares Held	Type	%
BGen. Teodoro P. Evangelista AFP (Ret)	Filipino	ACDI Multipurpose Cooperative	497,379,068.78	Common	30.38%
Imelda S. Magabilen	Filipino	USPD Savings & Credit Cooperative	4,314,689.50	Common	0.26%
Benjamin T. Que	Filipino	First Community Cooperative	604,832,266.80	Common	36.94%
Senen C. Bacani	Filipino	Peace & Equity Foundation	17,153,637.22	Common	1.05%
Fr. Antonio Cecilio T. Pascual	Filipino	Simbayanan ni Maria MPC	34,753,411.38	Common	2.12%
Nestor D. Ortigoza	Filipino	King Cooperative	1,911,926.90	Common	0.12%
Engr. Raymond Joseph L. Salvador	Filipino	San Dionisio Credit Cooperative	26,093,227.54	Common	1.59%
Engr. Armen A. Cuenca, MPA	Filipino	City Hall Employees MPC	705,886.19	Common	0.04%
Marilou R. Almario	Filipino	Iwahori MPC	504,680.59	Common	0.03%

COST OF GOVERNANCE

ASSETS FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
1,552,586,615	2,565,089,131	3,267,245,942

LIABILITIES FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
483,317,453	858,792,731	1,431,997,838

MEMBERS EQUITY FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
1,069,269,162	1,706,296,400	1,835,248,104

PAID-UP CAPITAL & DEPOSIT FOR ADDITIONAL SUBSCRIPTION FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
951,029,200	1,550,635,066	1,646,168,400

NET SURPLUS FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
160,458,709	216,078,247	286,910,213

DIVIDEND RATE FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
12%	12%	10%

EXPERIENCE AND PATRONAGE REFUND RATE FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
9.39%	7.19%	6.66%

COST OF GOVERNANCE

BOARD OF DIRECTORS HONORARIUM FOR THREE SUCCEEDING CALENDAR PERIODS *(in Aggregate Amount)*

2017	2018	2019
1,937,225	2,658,203	3,002,619

AUDIT AND INVENTORY COMMITTEE HONORARIUM FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
73,000	211,953	304,568

ELECTION COMMITTEE HONORARIUM FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
55,500	176,453	237,568

EXTERNAL AUDIT FEE FOR THREE SUCCEEDING CALENDAR PERIODS

2017	2018	2019
600,000	750,000	950,000

BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS FOR THE YEAR 2019

The Board of Directors prior to the 45th Annual General Assembly/Election of Officers on April 13, 2019. Meetings were held on January 25, February 13, March 28 and April 11, 2019.

Name of Director	Position	Attendance
BGen. Teodoro P. Evangelista AFP (Ret)	Chairperson	4
Dir. Imelda S. Magabilen	Vice-Chairperson	4
Dir. Benjamin T. Que	Director	4
Dir. Senen C. Bacani	Director	4
Dir. Rolan F. Literatus	Director	4
Dir. Nestor D. Ortigoza	Director	4
Dir. Raymond Joseph L. Salvador	Director	4
Dir. Armen A. Cuenca	Independent Director	4
Dir. Marilou R. Almario	Independent Director	4

The Board of Directors subsequent to the 45th Annual General Assembly/Election of Officers on April 13, 2019. Meetings were held on April 13, May 21, June 7, June 19, July 24, August 2, August 23, September 18, October 23, November 26 and December 18, 2019.

Name of Director	Position	Attendance
BGen. Teodoro P. Evangelista AFP (Ret)	Chairperson	11
Dir. Imelda S. Magabilen	Vice-Chairperson	9
Dir. Benjamin T. Que	Director	10
Dir. Senen C. Bacani	Director	11
Dir. Antonio Cecilio T. Pascual**	Director	7
Dir. Nestor D. Ortigoza	Director	11
Dir. Raymond Joseph L. Salvador	Director	10
Dir. Armen A. Cuenca	Independent Director	11
Dir. Marilou R. Almario	Independent Director	10

*** Note: Dir. Antonio Cecilio T. Pascual was elected as Director on April 13, 2019.*

AUDIT AND INVENTORY COMMITTEE ACTIVITY REPORT OF 2019

AUDIT CONDUCTED FOR THE YEAR 2019		
Date of Audit (Prior to the 45th Annual GA)	Present	Absent
February 27, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Member)	Joel L. Canuel (AIC Secretary)
March 26, 2019	Wilma L. Gidaya (AIC Chairperson) Joel L. Canuel (AIC Secretary) Marites M. Bartolome (AIC Member)	None
Date of Audit (Subsequent to the 45th Annual GA)	Present	Absent
May 29, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary)	None
June 26, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary)	None
July 11, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary)	None
August 28, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary) Joel L. Canuel (AIC Member)	None
September 25, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary) Joel L. Canuel (AIC Member)	None
October 16-18, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary) Joel L. Canuel (AIC Member)	None
November 27, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary) Joel L. Canuel (AIC Member)	None
December 20, 2019	Wilma L. Gidaya (AIC Chairperson) Marites M. Bartolome (AIC Secretary) Joel L. Canuel (AIC Member)	None



1CISP RECOVERY PLAN

1CISP BUSINESS CONTINUITY TEAM

OUTLINE

- I. Purpose
- II. Introduction
- III. Current Situation
- IV. Data Gathering
- V. Recovery Plan
- VI. Post-Recovery Plan

PURPOSE

The COVID-19 Pandemic's economic impact has devastated numerous businesses all over the world. Operational limitations were imposed and services were abruptly halted. Although 1CISP has strategically solved the business continuity challenge amidst the pandemic, a recovery plan has to be set to ensure close to normal resumption of business operations by assessing the affected areas and utilizing the necessary tools to fully rehabilitate the cooperative.

INTRODUCTION

To prevent further financial and operational distress and to mitigate the disruption caused by the pandemic on the cooperative, a plan for disaster recovery is essential. The said plan will be put into action immediately after the approval of the Senior Management and the Board of Directors. This recovery plan requires the participation of all department heads and their team, as well as the senior management, as their combined input is essential to the identification of the effects on the organization and its business needs.

CURRENT SITUATION

Presently, the COVID-19 Pandemic cases in the Philippines have further escalated. During the initial stages of the pandemic in the country, 1CISP has allowed all employees to work remotely or follow a skeletal work schedule. These flexible work arrangements have allowed the continuance of 1CISP's daily operations. After the Enhanced Community Quarantine has been lifted on 1 June 2020, branch operations have reverted to the normal work schedule and arrangement, while majority of the Head Office employees still follow the work from home arrangement.

DATA GATHERING

To further aid the consolidation of the recovery plan, all department/division must be able to identify the disrupted aspects of their operations/functions and specify the resources they need to address the problem areas. The following template should be used:

DEPARTMENT & DIVISION	DISRUPTED AREAS	DESCRIPTION OF DISRUPTION	STRATEGY OUTLINE	DETAILED ACTIVITIES TO BE DONE TO RECOVER	KEY RESOURCES NEEDED		
					INTERNAL RESOURCES	EXTERNAL RESOURCES	ESTIMATED BUDGET
(INSERT DEPARTMENT & DIVISION HERE)							

**Template based on UP-SSI HANDA Course handout.*

RECOVERY PLAN

For the cooperative to recover, six (6) aspects of the business must be examined and focused on. These aspects were identified after data has been gathered from all departments using the template provided in the previous page. The following are the 6 aspects and their details:

A. TIMELINES, TARGETS, & PLANS

- An organization-wide review of timelines must be conducted to assess the current status of the company's undertakings and other matters with a set schedule
- Targets must be reset to increase the organization's flexibility to better address its current and future needs, as well as its issues
- In addition, plans and goals must be further reviewed and amended if necessary, to meet the set targets

B. SALES & MARKETING

- The organization must create strategies and implement activities that will fortify client trust and maximize the current partnerships we have established with other organizations
- Aggressive promotion of brand, products, and services must be done through the use of technology including digital platforms to increase sales
- The cooperative must strengthen its product development and sales force

C. FINANCE

- The cooperative must adjust the budget and allot funds for business continuity
- Cost-efficient measures must be implemented to further improve the coop's financial status
- Investment must be improved by establishing strategies that facilitate economic/financial gain

D. ORGANIZATIONAL PROCESSES

- Organizational processes must be revised to adapt to the new normal
- A catch-up plan must be developed and information-sharing must be enhanced to further aid the organization in adapting to the new normal
- Documentary requirements must be relaxed

E. INFORMATION TECHNOLOGY

- The core insurance system must be implemented
- To safeguard data and other important information, back-ups must be done and other protection methods must be employed
- The 1CISP website must be upgraded and engagement with the digital platform must be done

F. HUMAN RESOURCES

- The organization's hiring process must be suspended until the end of the year. For the worst-case scenario, retrenchment must be implemented
- Employee's capabilities must be maximized and engagement must be increased to further aid in business recovery
- Online trainings and employee support must be provided when necessary

POST-RECOVERY PLAN

RESTRUCTURING OF THE BUSINESS CONTINUITY PLAN

1CISP has already assembled a team for Disaster Recovery and Risk Management (DRRM Team). This team will be in-charge in further strengthening the cooperative's business continuity plan, wherein the team can apply the experiences during this pandemic.

DECENTRALIZATION OF DEPARTMENT FUNCTIONS

I. Rationale

An organization-wide study has been conducted by 1CISP to collect information from its employees about which type of strategy the cooperative may employ in the future, should instances with similar impact to COVID-19 Pandemic ever occur. One of the strategies presented was Decentralization of Department Functions (DDF), which has yielded the most promising result in terms of efficiency and productivity – two of the most important factors any organization must be able to possess and execute. Specifically, 1CISP personnel were asked to rate the level of efficiency and productivity they expect the cooperative would reach for each strategy (Strategy 1: Work From Home or WFH; Strategy 2: Skeletal Work Schedule or SWS; and Strategy 3: Decentralization of Department Functions or DDF). Results have shown that employees have collectively rated DDF with a score of 3.65 on a 1-5 scale, wherein "1" represents "very inefficient and unproductive" and a rating of "5" means "very efficient and productive." The said rating may be considered just merely over average, however, this has rated the highest among the three strategies.

To further support the findings from the responses of the employees, and to acquire an external perspective, 1CISP sales agents were also asked about the level of efficiency and productivity of each option. Consistent with the results of employees, the agents also have given DDF the highest rating (DDF: 4.04) among the options (WFH: 3.44; SWS: 3.48).

Although the three types of strategies were presented for the purpose of utilizing one or a combination of them for future circumstances, the uncertainties brought by the pandemic and the economic impact it has on numerous countries all over the world, including the Philippines, call for immediate action in the present. As of May 17, 2020, reports have revealed

1 Cooperative Insurance System of the Philippines Life and General Insurance

that the total number of COVID-19 positive cases has soared up to 12,513 with 824 deaths and 2,635 recoveries. The 1CISP Head Office, although strategically located within Quezon City, is situated in the heart of Metro Manila, the country's main entry-point for pandemics and other foreign threats. The Head Office, then, is considerably at a higher risk than the branch offices. A centralized set-up at the Head Office places the organization's operations in danger should closures, quarantines, and the like be necessitated by the government again.

To ensure business continuity amidst the pandemic and despite the constraints implemented by the government to protect every Filipino's safety, it is of extreme importance to act now, more than ever. Crucially, it is the cooperative's duty to explore the best ways that could contribute to the increase of organizational productivity and perpetuation of service to its valued clients. The result of the study regarding decentralization of department functions then, is something any agile, proactive, and customer-oriented organization cannot afford to ignore.

It is therefore proposed that 1CISP should decentralize department functions to balance operational load and distribute it among the branch and satellite offices in the three major islands in the country, which may in turn, result to an increment in overall productivity, especially now that businesses most adapt to the country's "new normal."

II. Introduction

What is Decentralization?

Decentralization is defined as the "is a process by which the activities of an organization particularly those regarding planning and decision-making are distributed or delegated away from a central, authoritative location or group."¹ According to Stanford Graduate School of Business Professor, Nicolas Bloom, "Decentralization helps firms perform better, particularly in bad times."²

The success of decentralization is evident in those companies which have decided to adopt it. One of the organizations that has decentralized their operations is the Illinois Tool Works (ITW). Forbes has reported that ITW's CEO, James Farrell "presides over a thoroughly decentralized organization."³ What ITW does is it encourages competition among the decentralized units and each of their performance is closely monitored by Farrell's seven (7) Executive Vice Presidents (EVPs). Farrell revealed to Forbes that "when you separate the pieces, you can grow faster than when you keep them together and that growth far outstrips the duplicate costs." Johnson & Johnson has also employed a decentralized structure, with over

¹ Definition of decentralisation Archived 2013-01-26 at the Wayback Machine, Merriam-Webster Dictionary, accessed May 8, 2020.

² Nicholas Bloom: decentralized firms are more recession-proof at www.gsb.stanford.edu, accessed May 8, 2020.

³ The most decentralized company in the world at www.forbes.com, accessed May 8, 2020.

1 Cooperative Insurance System of the Philippines Life and General Insurance

200 autonomous units.⁴ Likewise, Subway practices decentralization by allowing local stores to hire their own manpower.⁵

In the Philippines, it is safe to assume that most, if not all, Filipinos know Jollibee Foods Corporation. This company has been leading the market since 1984 and has numerous decentralized units all over the country, each having authority in terms of hiring and the like. This has allowed them to be nimbler in responding to the demands of the market.⁶

Looking at 1CISP as a whole, to decentralize simply means to grant autonomy and authority to branches to make the operations-related decisions that usually only the Head Office makes. This entails that branch offices will be the main decision-making body when it comes to approvals needed for cooperatives within the major island group that the branch is located in. For instance, Cagayan de Oro Branch will be the mother office of all the regional offices in Northern Mindanao (Regions 9, 10, and 13) and will have authority to approve claims and the like for the whole Northern Mindanao. The same goes for the Davao Branch, which will be responsible for Regions 11, 12, and BARMM, and Visayas for Regions 6 to 8. The same will be applied to Luzon branch offices in the future.

Advantages

One of the several advantages of having decentralized operations is that it allows for organizational flexibility. Such quality allows for prompt decision-making and this is because in a decentralized organization, decisions don't have to undergo rigorous bureaucratic review.

Information-processing ability is considered an advantage as well. As an insurance cooperative, 1CISP already collects a tremendous amount of information. Furthermore, 1CISP's efforts in digitalization entails amassing a substantial amount of user data as well, and "a centralized management simply cannot respond effectively to such information in a timely manner."

Other advantages also include increased morale in employees as they are given autonomy and empowerment. In addition, decentralization allows for local insight. For instance, in Japan, Johnson & Johnson is run by locals as they are more able to manage and are more knowledgeable when it comes to marketing to their own people. Likewise, in 1CISP, the CDO Branch is able to communicate more effectively with those who are in Mindanao, and can understand better the market demands of the area, compared to the Head Office.

Importantly, error-mitigation is an immense advantage. According to William Weldon, Johnson & Johnson's former CEO, "the problem with centralization is if one person makes a mistake, it can cripple the whole organization. In a decentralized company, you don't have to worry about making that one big mistake."

⁴ Johnson & Johnson CEO William Weldon: Leadership in a decentralized company at www.knowledge.wharton.upenn.edu, accessed May 8, 2020

⁵ Should your organization be decentralized? At www.anneloehr.com, accessed May 8, 2020

⁶ The smell of Jollibee's success at www.philstar.com, accessed May 9, 2020

Disadvantages and how they can be eliminated

One of the disadvantages of decentralization mainly lies in one of the critical phases of the transition process: the implementation of change. Organizational changes may take a long time and require clear and accepted systems when it comes to making such changes. This may be particularly challenging for 1CISP during the COVID-19 Pandemic as there are limitations on mobility and operations.

In addition, coordination between teams is also considered a primary challenge for decentralized companies as the inability to collaborate effectively may lead to information silos.

It is apparent that decentralization comes with a couple disadvantages. The key is to create a robust inter-office IT (data management) system that could eliminate both the disadvantages identified. That is, having a system that could expedite the implementation of change and make it easier for employees to adapt to such change not only aids the transition process, but enables teams to collaborate effectively as well, which in turn, eradicates information silos. Fortunately, 1CISP's IT team is more than capable of developing such a system. Further details regarding this system will be discussed in Section IV.

Even more apparent is that even before the elimination of the disadvantages of decentralization, the advantages far more outweigh them as these said advantages directly address the operational challenges that 1CISP has been facing, which were exacerbated by the limitations consequent to the pandemic outbreak in the country.

We engage with our member-owners across the country



9
LUZON

2
VISAYAS

4
MINDANAO

15
OWNERS'
FORUM
CONDUCTED



<u>LOCATION</u>	<u>DATE</u>	<u>NO. OF COOPERATIVES ATTENDED</u>	<u>NO. OF INDIVIDUALS ATTENDED</u>
METRO MANILA	MARCH 8, 2019	73	131
DAET, CAMARINES NORTE	MAY 24, 2019	18	35
BATAAN	JUNE 21, 2019	55	100
TABUK, KALINGA	JULY 5, 2019	47	97
LA UNION	SEPTEMBER 20, 2019	32	64
NUEVA VIZCAYA	OCTOBER 4, 2019	28	48
TARLAC	NOVEMBER 8, 2019	35	18
VIGAN	NOVEMBER 22, 2019	13	26
MINDORO	NOVEMBER 29, 2019	28	51
ROXAS, CAPIZ	JULY 7, 2019	58	102
BOHOL	JULY 19, 2019	39	70
MATI, DAVAO	MAY 31, 2019	63	132
TANDAG	AUGUST 23, 2019	60	101
KIDAPAWAN	SEPTEMBER 6, 2019	41	75
CAGAYAN DE ORO	OCTOBER 18, 2019	120	320

MEET THE BOARD OF DIRECTORS

BGEN. TEODORO P. EVANGELISTA (Ret)

Chairperson, 1CISP

ACDI Multipurpose Cooperative

BGen. Teodoro “Ted” Evangelista has been leading 1CISP’s Board of Directors as Chairperson since 5 April 2014.

Aside from 1CISP, BGen. Ted is also a member of the Board of Directors of ACDI Multipurpose Cooperative, 1 Cooperative Health Management Federation, and Philippine Cooperative Center.

COMMITTEE MEMBERSHIP

Executive Committee

Governance Committee

IMELDA S. MAGABILEN, MBA

Vice Chairperson, 1CISP

USPD Savings and Credit Cooperative

Ms. Imelda “Dada” Magabilen has been serving 1CISP as a member of the Board of Directors since 2008. When she was elected in 2018, she was appointed as 1CISP’s Vice Chairperson.

Dada is currently the General Manager of the USPD Savings and Credit Cooperative, and one of the board of directors of Model Cooperative Network and National Cooperative Movement.

COMMITTEE MEMBERSHIP

Executive Committee

Education & Membership Committee

Risk Management Committee



BENJAMIN T. QUE

Director, 1CISP
First Community Cooperative

Mr. Benjamin "Ben" Que has been serving as a Director of 1CISP since 1 June 2013.

Aside from 1CISP, Ben is also a member of the Board of Directors of his primary cooperative FICCO and PCF. Carrying out the cooperative principle, he is also a volunteer member of FICCO's Education Committee

COMMITTEE MEMBERSHIP

Executive Committee
Governance Committee
Personnel & Remuneration Committee

SENEN C. BACANI, MBA

Director, 1CISP
Peace and Equity Foundation

Mr. Senen Bacani has been serving 1CISP as Director since 24 May 2008.

Prior to 1CISP, Senen has served the Government of the Philippines as Secretary of Department of Agriculture. Currently, he is the President of Ultrex Management & Investments Corporation.



COMMITTEE MEMBERSHIP

Executive Committee
Governance Committee
Investment & Credit Committee



ENGR. RAYMOND JOSEPH L. SALVADOR

Director, 1CISP
San Dionisio Credit Cooperative

Engr. Raymond Salvador has been serving 1CISP as Director since 2016.

Aside from 1CISP, Raymond is also the President of Danlilia Construction Corporation and a former member of the Board of Directors of his primary cooperative, San Dionisio Credit Cooperative

COMMITTEE MEMBERSHIP

Investment & Credit Committee
Education & Membership Committee
Related Party Transactions Committee



NESTOR D. ORTIGOZA

Director, 1CISP
King Multipurpose Cooperative

Mr. Nestor D. Ortigoza has been serving as a Director at 1CISP since 2017.

Other than 1CISP's directorship, Nestor is the incumbent General Manager of King Multipurpose Cooperative and a member of the Board of Directors of the CB Palawan. He is also a member of Davao City Chamber of Commerce and Industry Inc., and Brotherhood of Christian Businessmen and Professionals.

COMMITTEE MEMBERSHIP

Governance Committee
Education & Membership Committee
Personnel & Remuneration Committee



REV. FR. ANTONIO CT. PASCUAL

Director, 1CISP

Simbayanan ni Maria Multipurpose Cooperative

Father Antonio Cecilio "Anton" Pascual is the newest member of 1CISP's Board of Directors and was elected in 2019.

Aside from 1CISP, Fr. Anton is at the helm of large cooperatives:

Chairperson, Metrosouth Cooperative Bank

Chairperson, Simbayanan ni Maria Multipurpose Cooperative

Chairperson, Solidaritas Credit Cooperative (BAHAYPARI)

Chairperson, Union of Metromanila Cooperatives

COMMITTEE MEMBERSHIP

Executive Committee
Governance Committee

In the Catholic Church, he holds the following posts:

President, Radio Veritas Philippines

Executive Director, Caritas Manila Inc.

ENGR. ARMEN A. CUENCA, MPA, EnP

Independent Director, 1CISP

City Hall Employees Multipurpose Cooperative

Engr. Armen Cuenca has been serving 1CISP as an Independent Director since 2016.

Other than 1CISP's independent directorship, Engr. Armen is currently serving the Government of the Philippines as the Department Head of City Local Environment and Natural Resources Office. He is also the Executive Board of Boy Scouts of the Philippines - Cagayan de Oro and Executive Director of Fullness in Christ Phils Network.



COMMITTEE MEMBERSHIP

Executive Committee
Governance Committee
Investment & Credit Committee
Related Party Transactions Committee



MARILOU R. ALMARIO

Independent Director
IWAHORI Multipurpose Cooperative

Ms. Marilou “Mer” Almario has been serving 1CISP as Independent Director since 2018.

Mer, aside from serving 1CISP, is also the General Manager and Chief Executive Officer of her primary cooperative, IWAHORI MPC and the Chairperson of SAKOMI Federation of Cooperatives. She is also a member of the Board of Directors of Bataan Cooperative Bank and Bataan Credit Surety Fund.

COMMITTEE MEMBERSHIP

- Risk Management Committee
- Personnel & Remuneration Committee
- Related Party Transactions Committee



MEET THE CO-OPERATIVE OFFICERS



LEONILA A. MEDINA

Treasurer, 1CISP

Sacred Heart Parish & Development Cooperative

Ms. Leonila "Leoni" Medina has been serving as 1CISP's appointed Treasurer since 2015.

Aside from being the Treasurer of 1CISP, Leoni is also an Associate Professor at Polytechnic University of the Philippines.

COMMITTEE MEMBERSHIP

Investment & Credit Committee
Personnel Committee



ATTY. LYMAN A. MANZANARES

Co-operative Secretary, 1CISP

Atty. Lyman Manzanares has been serving 1CISP as Co-operative Secretary since 2017 and legal advisor since 2014.

Atty. Lyman is the General Counsel of PCC, founding secretary and legal counsel of Coophealth and cofounder of MutualCapital, an advocacy cooperative.

A senior partner at Arrojado Manzanares Castillo Associates, a litigation and commercial law firm with specializations in corporate rehabilitation, renewable energy, and IP, Atty Lyman has also led its Cooperative Practice Division for a decade after his stint as Special Assistant to the Secretary of Finance.

COMMITTEE MEMBERSHIP

Executive Committee
Governance Committee

2019 LIST OF COMMITTEES

BOARD COMMITTEES

Executive Committee

1. Chair BGen. Teodoro P. Evangelista (Ret)
2. Vice Chair Imelda S. Magabilen
3. Dir. Senen C. Bacani
4. Dir. Benjamin T. Que
5. Dir. Antonio CT. Pascual
6. Dir. Armen A. Cuenca
7. Ms. Leonila R. Medina

Secretariat: Ms. Anna Marin B. Crisolo

Governance Committee

1. Chair BGen. Teodoro P. Evangelista (Ret)
2. Dir. Senen C. Bacani
3. Dir. Benjamin T. Que
4. Dir. Nestor D. Ortigoza
5. Dir. Antonio CT. Pascual
6. Dir. Armen A. Cuenca
7. Atty. Lyman A. Manzanares

Secretariat: Ms. Anna Marin B. Crisolo

Risk Management Committee

1. Vice Chair Imelda S. Magabilen
2. Dir. Armen A. Cuenca
3. Dir. Marilou R. Almario

Secretariat: Ms. Aiza G. Malonzo

Education & Membership Committee

1. Vice Chair Imelda S. Magabilen
2. Dir. Nestor D. Ortigoza
3. Dir. Raymond Joseph L. Salvador

Secretariat: Ms. Marjorie L. Ely

Investment & Credit Committee

1. Dir. Raymond Joseph L. Salvador
2. Dir. Senen C. Bacani
3. Dir. Armen A. Cuenca
4. Ms. Leonila R. Medina

Secretariat: Ms. Aiza G. Malonzo

Personnel & Remuneration Committee

1. Dir. Nestor D. Ortigoza
2. Dir. Benjamin T. Que
3. Dir. Marilou R. Almario
4. Ms. Leonila R. Medina

Secretariat: Mr. Michael R. Navarette

Related Party Transactions Committee

1. Dir. Raymond Joseph L. Salvador
2. Dir. Armen A. Cuenca
3. Dir. Marilou R. Almario

Secretariat: Mr. Sar C. Buksh

ELECTED COMMITTEES

Election Committee

1. Mr. Danilo M. Capili
(Parole and Probation Administration MPC)
2. Mr. Alfred T. Allaga (Agdao MPC)
3. Mr. Frederico A. Blanco
(San Francisco Government Employees MPC)

Secretariat: Mr. Ansell Gabriel E. Del Ayre

Audit And Inventory Committee

1. Ms. Wilma L. Gidaya
(Immaculate Conception Parish Development Cooperative)
2. Ms. Marites M. Bartolome
(Mariveles Public Market Development Cooperative)
3. Mr. Joel L. Canuel (Kampilan MPC)

Secretariat: Ms. Quinnie M. Cabañez

APPOINTED COMMITTEES

Ethics Committee

1. Ms. Madeline A. Lagazo
(Claveria Grassroots MPC)
2. Ms. Athena A. Caragay
(KoopKing MPC)
3. Mr. Roger R. Manlangit
(Barangka Credit Cooperative)

Secretariat: Ms. Glady Jean R. De Vera

Mediation & Conciliation Committee

1. Mr. Antonio LI. Sayo
(Alay Buhay Community Development Foundation)
2. Atty. Raul V. Macatangay
(Bureau of Fire Protection MPC)
3. Ms. Jocelyn P. Rivera
(Kapit Bisig sa Pag-unlad MPC)

Secretariat: Mr. Michael R. Navarette

Gender And Development Committee

1. Dra. Jovita V. Mateo
(San Jose Del Monte Savings & Credit Cooperative)
2. Ms. Gemma D. Pena
(Murphy Development Cooperative)
3. Ms. Angelita S. Ramos
(Simbayanan ni Maria MPC)

Secretariat: Harold Kim C. Maggay

MEET THE SENIOR MANAGEMENT



ROY S. MICLAT
President

Roy Miclat is the President and CEO of 1CISP and Vice-Chairman of the Cooperative Bank of Bataan.

Shortly after Roy was appointed President of 1CISP in 2014, he served as Founding President and CEO of 1 Cooperative Health Management Federation for four years, from 2015 to 2019. In addition to that, he was the President of R&B Insurance Corporation Inc. in 2017. Roy was also a Director of the Cooperative Bank of Palawan in 2016.



CECILIA M. LAGUNA
Executive Vice President and
Chief Operating Officer

Cecilia "Cecille" Laguna is the Executive Vice President and Chief Operating Officer of 1CISP, and she has been serving the cooperative since 2017.

Cecille is currently a member of the Board of 1 Cooperative Health Management Federation, NCM Mutual Funds/CODIS Federation of Cooperatives, Philippine Cooperative Center, and First Community Cooperative.

Before she was elected as EVP & COO, she was a College Dean at Cagayan de Oro College, from 2010 to 2017, and served as the Vice Chairperson of the Board of CLIMBS as well, from 2008 to 2012.



AIZA G. MALONZO, CPA, FLMI
Vice President for Admin and Finance

Aiza Malonzo is the VP for Admin and Finance of 1CISP and currently serves as a director of Banco Cooperativa de Zamboanga (BCDZ). She is also the Secretariat of 1CISP's Investment and Credit Committee, as well as the Risk Management Committee.

Aiza was the previous Internal Auditor and Compliance Officer of 1 Cooperative Health Management Federation (1CHMF) and R&B Insurance Corporation. Prior to her promotion in 2018, she was the cooperative's Internal Audit Head and Compliance Officer from 2014 to 2017. Before she entered 1CISP, she was an Accountant at Philippine Postal Savings Bank from 2013 to 2014, and an Audit Supervisor at AMA Group of Co., from 2012 to 2013.

SYLVIA R. QUINESIO
Vice President for Sales and Marketing

Sylvia Quinesio is the Vice-President for Sales and Marketing of 1CISP since 2018.

Prior to joining 1CISP, Sylvia has served the cooperative insurance industry in areas of sales and marketing for over 10 years while holding different positions.

For the last 30 years of her work in the cooperative movement, she has held various positions in different cooperatives such as Cooperative Manager, Business Development Officer, Regional Sales Manager, and Vice President for Sales.

She also became a cooperative director, trainer, and cooperative organizer.





JACKELYN P. BALLENA, FLMI, CTRS
Vice President for Operations (Life)

Jackelyn "Jackie" P. Ballena is the Vice President for Life Operations of 1CISP. Since joining the Cooperative in 2010, Jackelyn has played an important role in Life Operations, Organizational Development, and Human Resources which helped grow the organization.

Jackelyn is the current Chairperson of Young Leaders Forum, PRO of LICAP, and the Team Lead of 1CISP Young Leaders Program. She is also a member of PMAP Leadership Committee and PLIA Microinsurance Committee. In connection with her previous position in 1CISP as HR/OD Head, she was the former HR consultant of CB Bataan and Pacific Air-conditioning and General Services, Inc.



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

Prior to 1CISP, Armando "Armand" Gutierrez, Jr. has served 40 years to the insurance industry holding various key positions.

Armand is a licensed company underwriter for Fire, Marine, Motor, Casualty, and Surety before the Insurance Commission.

MEET THE ELECTED COMMITTEES



(from L to R)

Joel L. Canuel

Member, Audit and Inventory Committee

Wilma L. Gidaya, CPA

Chairperson, Audit and Inventory Committee

Marites M. Bartolome, CPA

Secretary, Audit and Inventory Committee



(from L to R)

Frederico A. Blanco

Member, Election Committee

Danilo M. Capili

Chairperson, Election Committee

Alfred T. Allaga

Member, Election Committee

MEET THE APPOINTED COMMITTEES



(from L to R)

Roger R. Manlangit
Member, Ethics Committee

Athena A. Caragay
Chairperson, Ethics Committee

Madeline A. Lagazo
Member, Ethics Committee



(from L to R)

Dra. Jovita V. Mateo
Chairperson, Gender & Development Committee

Gemma D. Peña
Member, Gender & Development Committee



(from L to R)

Atty. Raul V. Macatangay
Member, Mediation & Conciliation Committee

Ms. Jocelyn P. Rivera
Member, Mediation & Conciliation Committee

Mr. Antonio Ll. Sayo
Chairperson, Mediation & Conciliation Committee

MEET THE EMPLOYEES



(from L to R)

Archie Villa
Accounting Analyst

Ronald Buendia
Accounting Analyst

Mary Ann Alde
Accountant

Honeybee Castillo
Accounting Analyst

Mary Mae Odulio
Accounting Analyst

Rene Mantilla
Junior Accountant

Christian Llana
Accounting Analyst

Jobee Lou Trogon
Accounting Analyst

(from L to R)
Jeric Pañgan
Investment Head

Manilyn Santiano
Cash Assistant

Jereina Mae Magsombol
Cash Assistant

Pauline Maglonzo
Cash Assistant

Cristy de Torres
Cash Assistant

Ma. Regel Agoot
Cash Assistant

Jonel Gadilla
Treasury Head



(from L to R)

Joseph Miguel
Receiving Clerk

Randy Barot
Records Custodian

Isagani Magno
Records Custodian (Non-Life)

Gay Marie Sayloon
Admin & Gen. Services Assistant

Joel Fulache
Admin & Gen. Services Head

Krizza Mae Gunabe
Asset Management Specialist

Robert Urbano
Purchasing Assistant

Julito Ella
Messenger



(from L to R)

Shane Mae Novales
Underwriting Analyst (Life)

Irene Krizia Ocenar
Underwriting Analyst (Life)

Hanny Rabino
Underwriting Analyst (Life)

Zeychelle Anne Marie Abergos
Underwriting Analyst (Life)

Joanna Mae Cruz
Underwriting Supervisor (Life)

Edwin Buena
Underwriting Analyst (Life)

Glady Jean De Vera
Underwriting Head (Life)

Richard Palada
Underwriting Analyst (Life)

Karel Anne Mortos
Underwriting Analyst (Life)

Marry Ann Ramos
Underwriting Analyst (Life)

Gillan Mae Fernandez
Underwriting Analyst (Life)

Fraulien Gumban
Underwriting Analyst (Life)



(from L to R)

Patricia Mae Saminado
Claims Analyst (Life)

Christine Miones
Claims Analyst (Life)

Jose Roy Alejandro Mendoza
Claims Analyst (Life)

Donna Jade Justine Pineda
Claims Supervisor (Life)

Carl Joshua Chua
Claims Analyst (Life)

Joel Reyes
Claims Analyst (Life)

Norilyn Nery
Claims Analyst (Life)

Pamela Denise San Juan
Claims Analyst (Life)

Mirma Ligero
Claims Analyst (Life)

Shaira Ann Samson
Claims Analyst (Life)





(from L to R)
Jeremiah Dizon
 Underwriting Analyst (Non-Life)

Liza Quimora
 Underwriting Analyst (Non-Life)

Eugene De Omaña
 Underwriting Manager (Non-Life)

Arnold Joseph Tecson
 Underwriting Analyst (Non-Life)

Josephine Tumaliuan
 Underwriting Analyst (Non-Life)

Mary Jessanie Jamera
 Underwriting Analyst (Non-Life)



(from L to R)
Jayson Marquez
 Claims Evaluator (Non-Life)

Alvin Gregorio
 Claims Supervisor (Non-Life)

Patricia Terese Saga
 Claims Evaluator (Non-Life)



(from L to R)

Lorelie Marie Duraliza
Research & Development Specialist

Kristine Torres
Business & Product Development Specialist

Gelizabeth Cabuhat
Marketing & Branding Development Specialist

Jane Jacquelyn Binondo
Sales Development Specialist

(from L to R)
Quinnie Cabañez
Internal Auditor

John Claude Ramos
Internal Auditor

Aileen Cayetano
Internal Auditor



(from L to R)

Chinky Lyn Victoria
Actuarial Specialist (Non-Life)

Joyce Servito
Actuarial & Reinsurance Head

Jeremiah Araneta
Reinsurance Assistant

Wendy Nual
Actuarial Specialist (Life)

(from L to R)
Harold Kim Maggay
HR Business Partner

Marjorie Ely
HR Business Partner

Stephanie Grace Mendoza
HR Business Partner

Michael Navarette
HR/OD Head



(from L to R)
Ansell Gabriel Del Ayre
IT Head

Jayson Regalario
IT Assistant

Sarah Mae Buksh
Legal and Compliance Supervisor

Aidon de Jesus
Compliance Specialist



(from L to R)

Aron James Dadula
Encoder

Ivy Rañoa
Encoder

Anna Marin Crisolo
Management Information System (MIS) Head

Ken Ryad Berin
Encoder

Princess Ella Pelagio
Encoder

Robert Esperanza
Encoder



(from R to Center)
Creselyn Grote
Claims Analyst (Life)

Jessa Suaffield
Accounting Analyst

Kristine Rowayne Ojas
Underwriting Analyst (Life)

Novefe Cabalda
Accounting Analyst

Irenea Maguillo
Branch Head (CDO)

Lorenzo Samuya
Non-Life Insurance In-charged

(from L to R)

Irish De Ramos
Underwriting Analyst (Life)

Minnie Marie Laureta
Customer Service Associate

Erlwin Mijares
Marketing Coordinator

Joepit Paradillo
Claims Evaluator (Non-Life)

Karl Micheal Estrella
IT/MIS Assistant

Edelyn Miano
Non-Life Insurance Assistant

Chinkie Pañares
Claims Analyst (Life)

Myra Lou Llusala
Claims Analyst (Life)

Jhun Carl Abarquez
Underwriting Analyst (Life)

Renel Aquino
Claims Evaluator (Non-life)

Roxan Aliboyog
Marketing Coordinator

Aina Maureen Tampus
Admin & Gen. Services Assistant

MEET THE SALES TEAM

(Bottom Row, from L to R)
Ruby Shayne Balanay
 Regional Area Manager



(Top Row, from L to R)

Gilbert Marcojos
 Regional Area Manager

Nerissa Brucal
 Regional Area Manager

Chona Amparo
 Regional Area Manager

Gemma Sales
 Regional Area Manager

Erlin Pasaylo
 Regional Area Manager

Apolinar Mariano Jr.
 Regional Area Manager

Cecile Waga
 Regional Area Manager

Edna Villamora
 Regional Area Manager

Marcosa Dela Cruz
 Regional Area Manager

Hilda Tinampay
 Regional Area Manager

Rosalina Martinez
 Regional Area Manager

Cherry Dejuocos
 Regional Area Manager

Jacqueline Macabenlar
 Regional Area Manager

Alfredo Samantila Jr.
 Regional Area Manager

(from L to R)
Randolph Atienza
 Financial Advisor
Nonalyn Hermogenes
 Financial Advisor
Lloyd Jester Mariano
 Financial Advisor
Delegada Bellen
 Financial Advisor
Ma. Linda Yaras
 Financial Advisor
Leo Flores
 Financial Advisor



(from L to R)
Magda Bragado
 Financial Advisor

Marciana Foryasen
 Marketing Consultant

Josephine Fernandez
 Financial Advisor

Manolo Metcha
 Financial Advisor





(from L to R)
Jude Lorecarl Ignacio
 Financial Advisor

Carme Rose Luces
 Marketing Coordinator

Elsie Dionio
 Financial Advisor



(from L to R)
Balbino Dela Cruz
 Financial Advisor

Eulogia Cotaes
 Financial Advisor

Catherine Montebon
 Financial Advisor

Erwin Martinez
 Financial Advisor



(Top Row, from L to R)
Juleve Decena
 Region 11, 12, & ARMM

Minnie Marie Laureta
 Region 9 & 10

Magda Bragado
 CAR & Region 2

Ronabelle Miranda
 NCR

Ma. Eunice Grace Semsem
 Region 3

(Bottom Row, from L to R)
Anna Liza Besinga
 Region 13

Ma. Teresita Retotar
 Region 6, 7, & 8

Nathalyn Balcena
 Region 5

Fit'z Gerald Dela Cruz
 Region 4

Remarie Villegas
 Region 6, 7, & 8

Josephine Fernandez
 Region 1

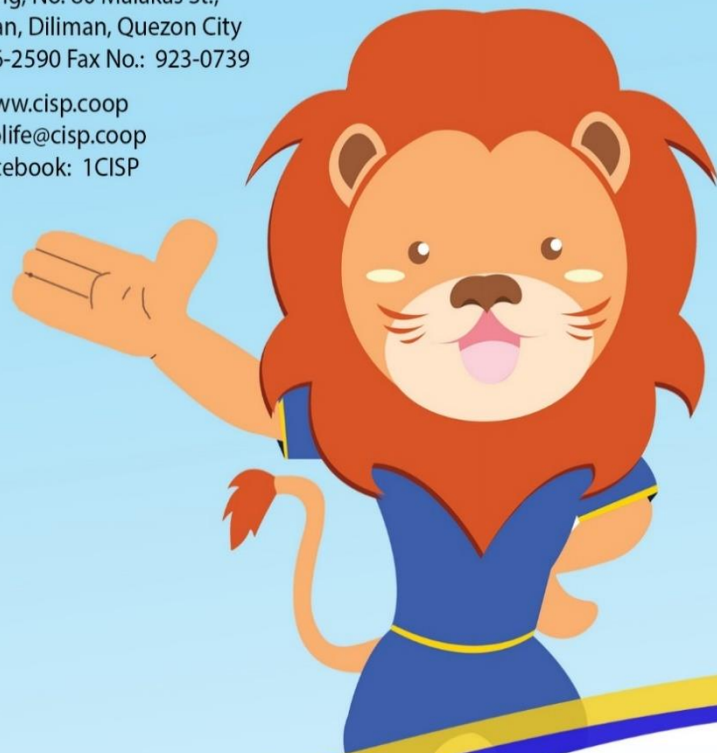
CUSTOMER SERVICE ASSOCIATES

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



1974

*Protecting You
Like Family*



Head Office:

CISP Building, No. 80 Malakas St.,
Brgy. Pinyahan, Diliman, Quezon City
924-0471; 436-2590 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.) Home Protect
- 5.) Miscellaneous Casualty Insurance
- 6.) Engineering Risks
- 7.) Bonds

OTHER SERVICES

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

HOUSE RULES

For an effective and orderly Virtual General Assembly Meeting, the following rules shall apply:

- 1. Check your internet connection.**
- 2. Ensure work-appropriate background and eliminate noise distractions.**
- 3. Turn on your video so that everyone can see you.**
- 4. Rename your ZOOM ID with the Cooperative name you are representing.**
- 5. Be aware of your audio and video settings. Your microphone will be muted once you enter the meeting.**

For question, motion, objection, and approval to the current agenda being discussed by the body, we just have to follow five (5) easy steps:

01 OPEN

The member should click the "Chat" button to open the chat box.

02 TYPE

The member should chat either "MOTION, SECOND, or OBJECTION", or "QUESTION".

03 SEND

Hit enter to send.

04 WAIT

ICISP has designated a technical team to monitor the chat box. Once your message appears on the screen, they will immediately transfer a member's name and the cooperative he or she represents, to the Chairperson for the said member to be acknowledged.

05 SPEAK

Once acknowledged, the technical team will unmute your account and you will be given an opportunity to speak. You will be given not more than three (3) minutes to explain your position. Thus, we advise that when presenting your position, go straight to the point.



A PROSPEROUS PHILIPPINES IS A COOPERATIVE PHILIPPINES



(02) 924-0471 (02) 924-0333
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www.cisp.coop



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**1 Cooperative Insurance System of the Philippines
Life and General Insurance**

CDA Registration No. 9520-16000011
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