

1 MINUTES OF MEETING OF THE FORTY-THIRD (43rd) ANNUAL GENERAL ASSEMBLY/SHAREHOLDERS MEETING OF THE
2 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL INSURANCE (CISP) HELD ON APRIL 8, 2017 AT
3 SARABIA MANOR HOTEL & CONVENTION CENTER, GEN. LUNA ST., ILOILO CITY
4

5 **Attendees (*)**

- 6 1. Board of Directors
 - 7 2. Members of the Audit Committee
 - 8 3. Members of the Election Committee
 - 9 4. Member-Cooperatives
 - 10 5. CISP Officers and Staff
 - 11 6. External Auditors
 - 12 7. Guests
- 13

14 **PART I OPENING PROGRAMME**

- 15
- 16 A. Registration of coop representatives/delegates and guests started at 6:00 a.m.
- 17

18 The program started at 9:15 a.m.

19

- 20 B. Opening prayer led by Mr. Edwin Buena
- 21
- 22 C. National Anthem (Music-guided)
- 23
- 24 D. Cooperative Pledge led by Ms. Marciana Foryasen
- 25
- 26 E. Singing of CISP Hymn
- 27
- 28 F. Acknowledgment of CISP member-shareholders by emcees Ms. Jackelyn Ballena and Mr. Alfredo Samantila, Jr.,
29 followed by the signing of Memorandum of Agreement with the new CISP Koop Insurance Network (KIN)
30 partners Maco Development Cooperative (MADECO) and BCS Credit Cooperative.
- 31
- 32 G. Welcome Remarks
- 33

34 CISP President Mr. Roy Miclat delivered the welcome remarks. On behalf of the Board of Directors and
35 management, he thanked the representative-delegates in coming all the way to Iloilo City to participate in the
36 43rd General Assembly. He also acknowledged the continued support of CISP members which helped in boosting
37 CISP's performance and reaching the one-billion mark in total assets—a great and remarkable achievement
38 considering CISP experienced a financial setback in 2013.

39

- 40 H. Top 30 CISP members for 2016
- 41

42 Management awarded the top 30 members for Calendar Year 2016, to wit:

Coop Name	Capital	Gross Premium	Net Premium	Dividend	Exp. Ref. 1	Exp. Ref. 2	Pat. Ref.	Total Earnings
FIRST COMMUNITY COOPERATIVE								
1	319,160,045.96	170,396,326.03	87,143,024.86	17,559,204.61	0.00	18,198,837.78	5,192,340.53	40,950,382.92
ACDI MULTIPURPOSE COOPERATIVE								
2	77,674,193.36	28,550,639.83	25,398,768.89	9,175,119.81	0.00	2,712,664.56	773,954.82	12,661,739.19
SAN FRANCISCO GOVERNMENT EMPLOYEES MULTI-PURPOSE COOPERATIVE								
3	1,407,138.48	15,311,087.79	5,407,148.79	164,191.70	0.00	577,499.68	164,767.39	906,458.77
KING COOPERATIVE								
4	698,151.12	5,104,731.20	4,326,030.42	92,625.78	527,293.60	462,033.00	131,823.40	1,213,775.78
ABRA DIOCESAN TEACHERS AND EMPLOYEES MULTI-PURPOSE COOPERATIVE								
5	204,000.00	7,335,720.47	3,651,880.19	28,313.46	0.00	390,031.74	111,280.60	529,625.80
COOPERATIVE BANK OF PALAWAN								
6	1,283,205.74	5,397,340.22	3,498,715.68	89,345.24	0.00	373,673.31	106,613.35	569,631.90
UNITED SUGARCANE PLANTERS OF DAVAO (USPD) MULTI-PURPOSE COOPERATIVE								
7	335,753.99	3,085,217.89	2,746,696.10	32,445.90	159,036.20	293,355.37	83,697.71	568,535.18
AVON INDEPENDENT MANAGERS MULTI-PURPOSE COOPERATIVE								
8	674,629.33	5,045,310.47	2,719,177.71	47,821.98	0.00	283,137.07	75,579.91	406,538.96
SILANGAN MULTI-PURPOSE COOPERATIVE								
9	1,335,903.70	6,260,644.77	2,692,560.31	176,694.20	0.00	285,583.11	80,050.81	542,328.12
SIMBAYANAN NI MARIA MULTI-PURPOSE COOPERATIVE								
10	12,479,290.03	3,096,365.31	2,564,860.21	1,280,196.55	0.00	263,934.75	68,156.78	1,612,288.08
PERA MULTI-PURPOSE COOPERATIVE								
11	977,769.46	5,620,475.59	2,348,940.26	51,829.63	0.00	250,873.85	71,577.23	374,280.71
CONSOLIDATED COOPERATIVE BANK								
12	2,458,514.24	3,319,579.41	2,165,703.21	306,972.86	0.00	231,303.59	65,993.61	604,270.06
BOHOL PUBLIC SCHOOL TEACHERS AND EMPLOYEES MULTI-PURPOSE COOPERATIVE								
13	327,872.91	3,591,162.28	1,630,261.14	32,274.99	0.00	174,116.77	49,677.54	256,069.30
CITY HALL EMPLOYEES MULTI-PURPOSE COOPERATIVE								
14	161,043.92	2,268,832.11	1,616,542.88	21,186.37	0.00	172,651.62	49,259.52	243,097.51
COOPERATIVE BANK OF QUEZON PROVINCE								
15	397,402.08	3,475,955.38	1,413,494.92	55,656.20	124,923.20	145,965.49	38,072.21	364,617.10
SANGUNIANG PANLUNGSOD MULTI-PURPOSE COOPERATIVE								
16	187,682.59	2,952,170.91	1,413,413.09	17,462.39	0.00	150,956.75	43,069.72	211,488.86
PANTUKAN CHESS CLUB COOPERATIVE								
17	927,513.34	2,644,668.06	1,365,313.63	125,252.97	0.00	143,819.58	39,604.03	308,676.58
COOPERATIVE BANK OF BOHOL								
18	410,938.25	2,902,804.40	1,317,642.20	49,918.41	0.00	137,728.13	37,151.38	224,797.92
SAMAL ISLAND MULTI-PURPOSE COOPERATIVE								
19	183,788.90	2,548,968.82	1,294,564.23	17,121.07	0.00	130,263.34	31,448.14	178,832.55
COOPERATIVE BANK OF ILOCOS NORTE								
20	374,734.37	3,267,838.20	1,243,277.63	42,589.16	0.00	132,785.77	37,885.33	213,260.26
ST. JOSEPH PARISH - KAYAPA MULTI-PURPOSE COOPERATIVE								
21	265,874.24	2,054,224.90	1,057,345.24	14,005.01	0.00	112,927.64	32,219.57	159,152.22
SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE								
22	550,000.00	1,337,115.63	926,509.85	44,932.74	0.00	98,954.03	28,232.74	172,119.51
ST. VINCENT FERRER PARISH MULTI-PURPOSE COOPERATIVE								
23	63,411.67	1,046,757.01	872,581.31	7,811.84	50,000.00	93,194.30	26,589.42	177,595.56
SUYO MULTI-PURPOSE COOPERATIVE								
24	341,421.11	2,073,856.65	813,006.82	38,722.67	0.00	83,831.56	21,774.06	144,328.29
SAN ISIDRO LABRADOR PARISH MULTI-PURPOSE COOPERATIVE (VALENZUELA)								
25	481,204.82	1,311,310.45	790,440.56	47,136.21	0.00	82,421.42	22,086.41	151,644.04
DIFFUN SARANAY DEVELOPMENT COOPERATIVE								
26	522,460.43	2,514,534.29	760,605.68	42,015.03	0.00	81,234.96	23,177.28	146,427.27
OLONGAPO MULTI-PURPOSE COOPERATIVE								
27	160,340.73	1,122,393.11	729,555.52	21,807.15	0.00	77,918.71	22,231.12	121,956.98
BUGASONG MULTI-PURPOSE COOPERATIVE								
28	947,294.00	1,183,378.83	694,998.50	117,393.85	84,712.36	74,227.92	21,178.09	297,512.22
SAN JOSE MULTI-PURPOSE COOPERATIVE								
29	185,023.48	923,998.50	692,998.88	14,039.12	0.00	74,014.35	21,117.16	109,170.63
NETWORK CONSOLIDATED COOPERATIVE BANK (SORSOGON)								
30	193,663.56	1,303,431.64	674,230.57	13,808.21	21,230.39	70,009.84	18,545.25	123,593.69

43 **PART II: BUSINESS PROPER**

44

45 **I. CALL TO ORDER**

46

47 Chairman Evangelista called the meeting to order at 10:45 a.m.

48

49 **II. PROOF OF DUE NOTICE/DETERMINATION OF QUORUM**

50

51 The president introduced to the member-delegates the acting corporate secretary, Atty. Lyman A. Manzanares. He
52 said that the incumbent corporate secretary, Atty. Calilung, was unable to attend the annual shareholders meeting
53 due to medical reasons.

54

55 Thereafter, Atty. Manzanares informed the assembly of two additional items that were included in the agenda but
56 were not part of the Notice/Agenda sent to the member-shareholders since the additional items [No. 13 letter E
57 (Proposed G.A. Resolution Opposing Senate and House Bills Scrapping the Tax Exemptions of Cooperatives)] and
58 letter F (Proposed Resolution Adopting a Method of Mediation and Conciliation Program)] were only approved and
59 adopted by the Board during its March 23, 2017 meeting, which was already beyond the printing schedule of the
60 annual report.

61

62 As proof of notice, Atty. Manzanares informed the assembly that the member-shareholders were duly notified on
63 the holding of the general assembly through the following modes: (a) announcement of the holding of 43rd Annual
64 G.A. in the CISP website on February 9 and 28; (b) electronic announcement (emails) on February 13; (c) publication
65 in the Philippine Star on March 1; and (d) sending of notices and related documents through courier on March 3. All
66 of these satisfied the requirement of Sec. IV Art VI of the CISP By-laws which require that the *"members entitled to*
67 *vote must be duly notified of the holding of a general assembly not later than 20 days thereof."*

68

69 The acting corporate secretary further certified that there were 5,074,373 total number of shares being represented
70 by 91 coop-members entitled to vote who were present on said general assembly. This is equivalent to 85.27% of
71 the 5,951,95 total capital shares of CISP. Accordingly, a quorum was present to hold the 43rd Annual General
72 Assembly. Thus, Chairman Evangelista formally opened the assembly meeting at 10:56 a.m.

73

74 Further, Atty. Manzanares explained to the body the key points of the House Rules that will be observed during the
75 entire assembly proceedings. The said rules were also printed on the last page of the annual report and posted at
76 the entrance of the venue. With no objection raised, the Chairman proceeded to the approval of the agenda.

76

77 **III. APPROVAL OF THE AGENDA**

78

79 The Chairman presented the order of the agenda including the two additional items as mentioned earlier by the
80 acting corporate secretary that were also printed in the revised program and was included in the G.A. kit. Thereupon,
81 Mr. Joel Canuel of Kampilan Multipurpose Cooperative moved to include as new business the extension on the
82 deadline for experience refund. Mr. Danilo Tagalog, Davao City Water District Employees MPC, moved for the
83 approval of the agenda as presented, including the additional item, which was seconded by Ms. Luzviminda Espita,
84 Novaliches Development Cooperative (NOVADECI). No objection or question was raised, thus, the assembly
85 unanimously approved and adopted the following Resolution, to wit:

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87

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90

91 **G. A. RESOLUTION NO. 01 S-2017**

92
93 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED** that the agenda matters of today's 43rd Annual
94 General Assembly/Shareholders Meeting of the Cooperative Insurance System of the
95 Philippines (CISP), including the additional item,

96
97 **BE, AS THEY ARE HEREBY, APPROVED.**
98

99 **IV. CONSIDERATION/APPROVAL OF THE MINUTES OF THE 42ND ANNUAL GENERAL ASSEMBLY/SHAREHOLDERS MEETING**
100 **AND SPECIAL ASSEMBLY**
101

102 Considering that the minutes of the General Assembly and Special Assembly were sent in advance to the member-
103 shareholders, Ms. Angelita Ramos, Simbayanan ni Maria MPC, moved to dispense with the reading of the same.
104 Likewise, Mr. Marilou Llavan, San Jose Multipurpose Cooperative moved for the consideration/approval of the
105 minutes of the 42nd General Assembly and Special Assembly held on April 16, 2016 and July 23, 2016, respectively,
106 duly seconded by Mr. Mario Jaraula, Amoros Farmers MPC. Thus, the following omnibus Resolution was approved,
107 to wit:

108 **G.A. RESOLUTION NO. 02 S-2017**
109

110 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the member-shareholders approved the
111 minutes of the 43rd Annual General Assembly/Shareholders Meeting and Special Assembly of
112 the Cooperative Insurance System of the Philippines (CISP), held on April 16, 2016 and July 23,
113 2016, respectively,
114

115 **BE, AS IT IS HEREBY, APPROVED.**

116 **V. MATTERS ARISING FROM THE MINUTES**
117

118 None was taken up.
119

120 **VI. CONFIRMATION OF BOARD RESOLUTIONS FOR YEAR 2016**
121

122 The summary of all Board Resolutions for Calendar Year 2016 was also printed in the annual report, thus,
123 Mr. Nestor Ortigoza moved for their confirmation by the general assembly, which was severally seconded.
124 Accordingly, the assembly unanimously approved their confirmation, thus the following Resolution was adopted, to
125 wit:

126 **G.A. RESOLUTION NO. 03 S-2017**
127

128 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that all Resolutions adopted and/or approved by
129 the Board of Directors for Calendar Year 2016, be confirmed and ratified,
130

131
132 **BE, AS THEY ARE HEREBY, APPROVED.**
133

134 **VII. PRESENTATION AND APPROVAL OF ANNUAL REPORT**
135

136 For better appreciation of the general assembly, the joint report was presented in video presentation. Its full text
137 was also printed in the annual report, highlights of which, are as follows:
138

139 A.) JOINT REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT

140

141 • **Asset Growth, Liquidity and Asset Quality**

142

143 The remarkable growth in CISP's resources for the last five years from 2012 to 2016, the highest yearly growth was
 144 registered in 2014, at 73%, eclipsing the 2013 increase of 51%. With a bigger base, 2015 asset increase was at a
 145 lower clip of almost 40%. But 2016 again defied expectations with assets growing by 86%.

146

	Assets (in mil)	Liquid assets
2016	1040.18	963.66
2015	559.05	489.76
2014	400.76	343.66
2013	231.24	168.87
2012	152.72	89.13

147

148 • **CISP's gross revenue, total expenses and net surplus for the past five years:**

149

	In million				
	2016	2015	2014	2013	2012
Net Surplus	116.1	88.81	62.02	-1.38	-9.23
Cost and Expenses	311.23	244.19	238.63	207.36	211.47
Gross Revenue	427.33	333	300.65	205.98	202.24

150

151 From consecutive losses in 2012 and 2013, CISP made a huge turnaround in 2014. It also continued posting
 152 remarkable bottom lines in the next two years. Despite the fact that only 50% of its distributable surplus is
 153 appropriated as dividend (the other 50% is distributed as patronage and experience refunds), its dividend rates keep
 154 on improving, thus:

155

Year	Profitability rate	Year	Dividend rate
2016	27.2%	2016	14.00%
2015	26.7%	2015	13.75 %
2014	20.6%	2014	13.00 %
2013	(0.7%)		
2012	(4.6%)		

156

157 • **Stability** - R.A. 10607 otherwise known as The Amended Insurance Code of the Philippines requires insurance
 158 companies to increase their net worth to P1.3 billion by 2022. As of the end of 2016, the net worth required under
 159 the said law is set at P550 million. As a cooperative, CISP is considered compliant if its net worth amounts to 50%
 160 to what is set by the said law, or at P275 million in 2016 and P650 million in 2022. The figures below show the Net
 161 Worth and Paid-up capital of CISP during the last five years. Thus, as of the end of 2016, CISP's Net Worth is already
 162 above what is required for coop insurers for end-2022.

163

	2012	2013	2014	2015	2016
Net Worth	88.56	93.47	250.46	319.47	698.9
Paid-up Capital	114.22	64.61	202.86	244.9	599.72

164 • **Membership Growth** - The continuous growth of its membership is a testament that CISP has recaptured the trust
 165 and confidence of the sector. The last three years showed that with good governance, efficiency in operations and
 166 transparency in dealing with its stakeholders, cooperatives will give their support. The increasing membership base
 167 enabled CISP to generate additional capital, gain more patronage and extend its reach to cooperatives which were
 168 deemed to be "uninsurable".

169

170 In 2013, eight (8) member-cooperatives withdrew their membership from CISP, not including member-
 171 cooperatives that stopped patronizing and supporting the System. In 2014, however, CISP was able to recruit 48
 172 new cooperatives that saw the potential of supporting the direction of the System in "*Renewing Itself through*
 173
 174
 175
 176
 177

178 **Efficiency and Good Governance**". In 2015, with the theme of "Sustaining Growth and Stability through Service
179 **Quality**", CISP attracted 51 new member-cooperatives. And by 2016, CISP embraced the theme of "Securing Lives...
180 **Securing Future**" and generated 82 new members that contributed their resources, provided patronage and
181 support, thereby propelling CISP's growth.
182

183 **2017 Theme** - This year's theme: "People, Purpose, and Passion: Key to Continuous Growth and Success" captures
184 all the effort invested since the middle of 2013.
185

186 Consequently, Mr. Llavan moved for the approval of the joint report as presented duly seconded by Ms. Irene
187 Bringas of Abra Diocesan Teachers and Employees MPC. No comment or objection was raised thereon, thus the
188 assembly unanimously approved said joint report, viz:
189

190 **G.A. RESOLUTION NO. 04 S-2017**
191

192 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the joint report of the Board of Directors and
193 Management detailing the results of CISP operation for the Year 2016, as presented and
194 discussed.
195

196 **BE, AS IT IS HEREBY, APPROVED.**
197

198 **B.) APPROVAL OF THE 2016 AUDITED FINANCIAL STATEMENTS**
199

200 Mr. Isagani Daba, EVP and COO, presented the 2016 Audited Financial Statements, printed in pages 45 to 79 of the
201 annual report. He read the unqualified opinion of the independent auditor Reyes Tacandong & Co., presented the
202 Balance Sheet, Statement of Operation, Changes in Equity and the cash flow. He informed the assembly that the
203 receivables from cooperatives as stated in the FS have been fully provided in 2014 and 2015.
204

205 The highlights of the 2016 AFS are as follows:

	2016	2015
Cash & cash equivalents	738,363,848	346,418,593
Short Term Investments	66,390,666	4,633,009
Insurance Receivables	42,501,854	42,436,219
Available-for-sale (AFS) Financial Assets	158,900,681	138,711,133
Total Assets	1,040,302,988	559,051,528
Insurance Contract liabilities	215,055,995	155,059,696
Dividend and patronage refund payable	105,944,535	69,705,049
Total liabilities	338,794,779	235,820,841
Capital stock	599,631,400	244,809,800
Total Equity	698,899,839	318,283,298

206	Gross premium on insurance contracts	442,456,324	341,086,158
	Net Insurance premiums	416,012,946	324,913,011
	Interest income	9,789,517	5,453,966
	Other income	1,532,170	2,634,848
	Total Revenue	427,334,633	333,001,825
	Benefits and Claims paid on insurance contracts	156,173,448	112,289,467
	Increase in legal policy reserves	49,000,000	46,500,000
	Salaries and benefits	26,323,092	20,241,413
	Gen and admin expenses	19,174,999	14,277,755
	Total Benefits and Expenses	311,320,601	244,190,773
	Net Surplus for the Year	116,014,032	88,811,052
	Total Comprehensive Income for the Year	114,139,473	83,969,936

207 Consequently, Mr. Mario Jaraula moved for the approval of the 2016 Audited Financial Statements, duly seconded
208 by Ms. Maria Lourdes Mercado, Avon Independent Managers MPC (AIM MPC). Thus, the assembly unanimously
209 approved the 2016 AFS, to wit:

210 **G.A. RESOLUTION NO. 05 S-2017**

211
212 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the Audited Financial Statements of the
213 Cooperative Insurance System of the Philippines for Calendar Year ended December 31, 2016,
214 as presented to, and discussed by, the General Assembly.

215
216 **BE, AS IT IS HEREBY, APPROVED.**

217
218 **C.) AUDIT COMMITTEE REPORT**

219
220 Mr. Rolan Literatus, Vice-Chairman of the Audit Committee, presented the report of the Committee under page 80
221 of the Annual Report. The extent of their audit covered CISP's operations for year 2016, which includes but was not
222 limited to audit of cash receipts, cash counts, and minutes of meetings of the Board of Directors. He said that the
223 Audit Committee had also discussed its audit findings and recommendations to management which the latter already
224 acted upon.

225
226 No objection or question was raised therein, hence, Ms. Vicenta Cabalhin, University of San Carlos MPC, moved for
227 the approval of the report of Audit Committee, duly seconded by Ms. Marites Bartolome, Mariveles Public Market
228 Development Cooperative.

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G.A. RESOLUTION NO. 06 S-2017

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the report of the Audit Committee on the financial and operations performances of the CISP for Calendar Year 2016, as presented and discussed.

BE, AS IT IS HEREBY ACCEPTED AND APPROVED.

D.) PROPOSED BUDGET FOR YEAR 2017

The President presented the Proposed Budget for Year 2017 as follows.

Budget (2015)	Budget (2016)	Actual (2016)	Proposed Budget 2017
Gross premiums on insurance contracts	410,000,000	442,456,324	505,000,000
Net insurance premiums	390,000,000	416,012,946	483,000,000
Investment Income	6,000,000	9,789,517	12,000,000
Net Revenue	396,300,000	427,334,634	498,000,000
Increase (decrease) in legal policy reserve	48,000,000	49,000,000	50,000,000
Gross benefits and claims paid on insurance contracts	118,000,000	156,173,448	165,000,000
Net insurance benefits and claims	166,000,000	205,173,448	215,000,000
Total benefits and expenses	289,200,000	311,320,601	366,000,000
Excess (deficiency) or revenue over expenses	107,100,000	116,014,032	131,000,000
Total comprehensive income (loss) for the year	107,100,000	114,139,473	131,000,000

Profitability rate 27.1%

Consequently, Mr. Rodolfo Dalangin, NOVADECI, moved for the approval of the proposed budget for year 2017 which was severally seconded. Mr. Rene Ariola, Dingle Government Workers Development Cooperative, raised his observation saying that in the budget for 2015 to 2016 there was an increase of 30% in the net surplus, whereas, the budget from 2016 to 2017, there is only an increase of 13%, which could be a very conservative estimate. Mr. Miclat explained that the budget only maintained a 13% increase in net surplus because management has considered the present economic situation in the country which is experiencing some instability. Added to this is the climate change we are experiencing which could also affect CISP's operations. He assured the assembly that if the merger of CISP and R&B Insurance Corp. will materialize this year, it is expected that the CISP net surplus will reach at least P175 million to P180 million. With that, the general assembly unanimously approved the proposed budget. Thus, the following Resolution was adopted, to wit:

G.A. RESOLUTION NO. 07 S-2017

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the proposed Budget for Calendar Year 2017 as presented to, and deliberated on, by the General Assembly of the Cooperative Insurance System of the Philippines (CISP).

BE, AS IT IS HEREBY, APPROVED.

267 E.) APPROVAL OF DISTRIBUTION OF NET SURPLUS FOR 2017

268 The President presented the following allocation of net surplus for Calendar Year 2017 which include
 269 statutory/mandatory reserves, land acquisition and building construction, patronage refund, experience refund and
 270 dividend (preferred and common shares), thus:
 271

NET SURPLUS		116,014,032.45	
General Reserve Fund	11,601,403.25		10%
Reserve for Education & Training	8,120,982.27		7%
Community Development Fund	3,480,420.97		3%
Land and Building Fund	5,258,162.00	(accumulated fund)	4.532 35%
		<u>28,460,968.49</u>	
DISTRIBUTABLE SURPLUS		87,553,063.96	
APPROPRIATIONS:			
	Patronage Refund	8,755,306.40	10%
	Experience Refund	<u>35,021,225.58</u>	40%
AMOUNT AVAILABLE FOR DIVIDEND		43,776,531.98	
	For preferred shares	4,670,631.77	280,237.91 6%
	For common shares	310,687,767.70	<u>43,496,287.48</u> 14%
		87,556,057.36	

6.60

272 No question or comment was raised on the proposed allocation of net surplus, thus, Ms. Leonila Medina, Sacred Heart
 273 Parish Development Cooperative, moved for the approval of the aforesaid appropriations as presented and discussed,
 274 which was severally seconded, thus, the following Resolution was adopted, to wit:

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 276 **G.A. RESOLUTION NO. 08 S-2017**

277
 278 **WHEREAS**, as a result of the remarkable performance of the Cooperative Insurance System of the
 279 Philippines (CISP) on its operation for Calendar Year 2016, its Audited Financial Statements recorded a
 280 net surplus of **Php 116,014,032.45**;

281
 282 **WHEREAS**, the Board of Directors in its financial report to the General Assembly recommended for the
 283 approval of the Member-Shareholders the allocation of net surplus which include statutory/mandatory
 284 reserves, land acquisition and building improvement and/or construction, patronage refund,
 285 experience refund and dividend for preferred and common shares,

286
 287 **WHEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the
 288 CISP General Assembly approved the abovementioned distribution of net surplus as presented and

289 discussed and the following appropriations for dividend, patronage refund, and experience refund for
290 the year ended December 31, 2016, to wit:

Distributable Surplus			P	87,553,063.96
Appropriations:	%			
Patronage refund	50%			
Basic patronage refund	10%	8,755,306.40		
Experience refund	40%	35,021,225.58	P	43,776,531.98
Dividend	50%			
Preferred Shares		280,237.91		
Common Shares		43,496,294.07	P	43,776,531.98
			P	87,553,063.96

291
292
293 **RESOLVED FURTHER**, that the distribution of cash dividend to CISP member-shareholders shall take
294 effect immediately upon approval by the Insurance Commission of the allocation of net surplus.
295

296 **BE, AS IT IS HEREBY, APPROVED.**

297
298 **F.) APPOINTMENT OF INDEPENDENT AUDITORS**

299
300 On the recommendation of the Board and management, Ms. Fe Vidar, Metro Manila Savings Cooperative, moved for
301 the approval to retain the audit services of Reyes Tacandong & Co. as CISP's external auditor for Calendar Year 2017,
302 duly seconded by Mr. Mario Jaraula, Amoros Farmers Multi-purpose Cooperative, thus:

303
304 **G.A. RESOLUTION NO. 09 S-2017**

305
306 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the Cooperative Insurance System of the
307 Philippines, re-engage the audit services of Reyes Tacandong & Co. as CISP Independent
308 Auditors for Calendar Year 2017,

309
310 **BE, AS IT IS HEREBY, APPROVED.**

311
312 **VIII. APPROVAL OF FIVE-YEAR STRATEGIC PLAN**

313
314 The Five-Year Strategic Plan for 2017 to 2021 was presented in video presentation and its texts were also printed in
315 the annual report. Chairman Evangelista explained that it has been the practice of the Board of Directors and
316 management to review the strategic plans yearly and revised the strategies based on the operating environment of
317 CISP and how it will pursue the goals set therein.

318
319 Thereafter, Mr. Frederico Blanco, San Francisco Government Employees MPC, moved for the approval of the Five-
320 Year Strategic Plan, duly seconded by Mr. Jaraula. Ms. Elmerli Colangan, Tabuk Multi-purpose Cooperative,
321 commented that one of the strategic goals in 2019 is the merger of CISP with CLIMBS, which talks started years ago.
322 She asked on what will happen if the merger will fail, would it mean that the goal set in 2019 will also fail. Chairman
323 Evangelista replied that the CISP is still pursuing the merger talks since it is the mandate of the general assembly. In
324 fact, CISP has constantly communicated to CLIMBS regarding the merger negotiations, thus, the Board and
325 management are not losing hope that the merger will be pursued. The Chairman added that as a practice of the
326 Board and management, the strategic goals are being reviewed yearly for the direction and opportunities that come
327 in, and how the business direction is going on. And, if in the future, the merger is still achievable, the CISP will pursue
328 it. With no further questions, the Assembly unanimously approved the Five-Year Strategic Plan for 2017 to 2021,
329 thus the following Resolution:

G.A. RESOLUTION NO. 10 S-2017

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Five Year Strategic Plan for year 2017 to 2021 of the Cooperative Insurance System of the Philippines, as presented and discussed,

BE, AS IT IS HEREBY, APPROVED.

IX. AMENDMENT TO CISP COOPERATIVE NAME

Atty. Manzanares explained that to effect the amendment to the provisions of Articles of Cooperation and By-laws changing the cooperative name of CISP from **Cooperative Insurance System of the Philippines Life and General Insurance (CISP)** to **1 Cooperative Insurance System of the Philippine Life and General Insurance (1 CISP)**, the CISP by-laws require a vote of at least 2/3 of all members present and entitled to vote in said annual meeting. He further explained that since there were already more than 85% of shares in attendance, in consultation with the Board and Election Committee, the latter will just take into account the number of objections and the number of shares that they represent which must comprise at least 1/3 of the total shares present. He added that should there be no objection to the proposed amendment, it is deemed that the General Assembly approved unanimously the amendments to the CISP cooperative name.

Chairman Evangelista said that when the Board and management reviewed the strategic plan they decided to change the name of CISP from Cooperative Insurance System of the Philippines Life and General Insurance (CISP) to 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP) since the System is advancing the 1 coop integrated financial system (ICFS) in pursuance with the vision of "one coop health," "one coop bank," and "one coop insurance." Thus, he appealed to the general assembly to support said amendment to the CISP name. Thereafter, Ms. Espita moved for approval of the amendment to the CISP cooperative name from Cooperative Insurance System of the Philippines Life and General Insurance (CISP) to **1 Cooperative Insurance System of the Philippines Life and General Insurance (1 CISP)** which was severally seconded. No question or objection was raised, hence, the general Assembly unanimously approved the proposed amendment, viz:

G.A. RESOLUTION NO. 11 S-2017

WHEREAS, the Board of Directors and management of the Cooperative Insurance System of the Philippines Life and General Insurance (CISP) advocate the vision for One Cooperative Integrated Financial System (1CIFS), which aims to build a strong and viable financial system for cooperatives by establishing a one cooperative bank, one cooperative insurance and one coop health management;

WHEREAS, to support and advance this vision, it is essential that CISP amend its cooperative name to conform with One Cooperative Integrated Financial System (ICIFS);

WHEREFORE, IN CONSIDERATION OF THE FOREGOING PREMISES, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the General Assembly of the Cooperative Insurance System of the Philippines Life and General Insurance (CISP), represented by 5,074,373 total number of shares entitled to vote, consisting of 85.27% or more than 2/3 of 5,951,95 total capital shares, approved the following amendments to the CISP Articles of Cooperation and By-laws, to wit:

384

ARTICLES OF COOPERATION

385

AMENDED ARTICLES OF COOPERATION OF THE

386

1 COOPERATIVE

387

INSURANCE SYSTEM OF THE PHILIPPINES LIFE AND GENERAL

388

INSURANCE

389

390

WE, the undersigned, X X X duly authorized to represent our respective cooperatives, X X X in Quezon City, voluntarily associated ourselves together to form an insurance cooperative under the laws of the Republic of the Philippines.

391

392

393

394

First – The name of this cooperative shall be the “1 Cooperative Insurance System of the Philippines Life and General Insurance” herein referred to as the “1 CISP.”

395

396

397

X X X

398

BY-LAWS

399

400

AMENDED BY-LAWS OF THE 1 COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES LIFE

401

AND GENERAL INSURANCE

402

403

We, the undersigned, all of legal age, citizens and residents of the Philippines, representing at least two-thirds (2/3) vote of all the members with voting rights of the 1 Cooperative Insurance System of the Philippines Life and General Insurance, a secondary cooperative, hereinafter referred to as the “1 CISP,” this 25th of January, 1974, in Quezon City, by these presents do hereby amend and adopt the following by-laws:

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X X X

410

411

BE, AS IT IS HEREBY, APPROVED.

412

413

X. APPROVAL OF DOCUMENTS FOR THE MERGER OF CISP AND R&B

414

415

(A) Articles of Merger of CISP and R&B Insurance Corp.

416

(B) Plan of Merger for CISP and R&B Insurance Corp

417

(C) Business Plan for CISP and R&B Insurance Corp.

418

419

Mr. Daba informed the Assembly that First Community Cooperative has already acquired R&B Insurance Corp. in October 2016, and the Certificate of Authority was subsequently issued by the Insurance Commission. Thus, R&B has been in full operation since November 2016 up to present. Ninety (90%) percent of the shareholdings of R&B is owned by FICCO while 10% is retained by its former owner. Once the merger is consummated, R&B Insurance Corp will be dissolved and CISP will be the surviving entity and its board of directors will be retained. The merged entity will be named 1 Cooperative Insurance System of the Philippines Life and General Insurance (1 CISP). Likewise, CISP will assume all assets, liabilities and obligations of R&B. As of December 31, 2016, R&B has a liability in the amount of P11.8 million while its assets amount to P281.7 million. With the merged CISP and R& B, the accounting of its non-life business will be separated to properly assess the performance of R&B business and for the purpose of distribution of patronage refund.

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He added that the approval of the General Assembly of the Articles of Merger, Plan of Merger and Business Plan of CISP and R&B is a mandatory requirement for the approval of the said merger. The said documents, which were also included in the G.A. materials sent to CISP member-shareholders were presented and explained by Mr. Daba to the general assembly, including the updated financial data of R&B.

431

432

433

434

435

There was no question or objection raised on the above documents, hence, Ms. Maria Lourdes Mercado, AIM MPC, moved for the approval of the Articles of Merger, duly seconded by Mr. Jaraula. Further, Mr. Jaraula moved for the

436

437 approval of the Plan of Merger duly seconded by Mr. Llavan. While Mr. Nestor Ortigoza, King Cooperative, moved
438 for the approval of the Business Plan, duly seconded by Ms. Medina. Thus, the following omnibus Resolutions were
439 adopted, to wit:

440 **G.A. RESOLUTION NO. 12 S-2017**

441
442
443 **WHEREAS**, during the Special Assembly of the Cooperative Insurance System of the Philippines
444 Life and General Insurance held on July 23, 2016, the member-shareholders approved the CISP
445 acquisition of or merger with R&B Insurance Corp., a non-life insurance company;

446
447 **WHEREAS**, to effect said merger, the CISP Board of Directors and the Stockholders of R&B
448 Insurance Corp., in their respective meeting held on December 9, 2016 and February 15, 2017,
449 approved the Articles of Merger, Plan of Merger and Business Plan for CISP and R & B Insurance
450 Corp.;

451
452 **WHEREAS**, as mandatory requirement for the application for merger of CISP and R&B with the
453 Insurance Commission (IC), it is deemed necessary that the CISP member-shareholders
454 approve the pertinent documents and/or any proposal relative thereto, and

455
456 **NOW, THEREFORE FOR AND IN CONSIDERATION OF THE FOREGOING PREMISES, BE IT**
457 **RESOLVED AS IT IS HEREBY, RESOLVED**, that the CISP General Assembly approve the following:

- 458 a. Articles of Merger of CISP and R&B Insurance Corp.
459 b. Plan of Merger of CISP and R&B Insurance Corp.
460 c. Business Plan of CISP and R&B Insurance Corp.
461 hereto attached as Annexes "A", "B", and "C".

462
463 **BE, AS IT IS HEREBY, APPROVED.**

464
465 Noon break (12:20PM to 1:20PM)

466
467 **XI. APPROVAL OF PROPOSED RESOLUTIONS**

468
469 **A) PROPOSED RESOLUTION GRANTING INCENTIVE TO PATRONIZING MEMBERS**

470
471 According to Mr. Miclat, the proposed Resolution aims to encourage CISP members to patronize its products and
472 services. In order to qualify for the additional dividend rates, all patronizing members must satisfy the minimum
473 number of enrollees, to wit:

- 474
475 1. 300 basis points = for coop members which can enroll at least 25% of its total membership;
476 2. 200 basis points = for coop members which can enroll at least 20% of its total membership; and
477 3. 100 basic points = for coop members which can enroll at least 10% of its total membership

478
479 *(The basis of membership is members in good standing).*

480
481 Chairman Evangelista said that the granting of additional basis points to patronizing members has been the practiced
482 of some cooperatives who are also members of CISP, which aims to encourage the members to support CISP's
483 products and services.

484
485 Mr. Victor Hizon objected to the proposal saying it is not that their federation doesn't want to patronize CISP products,
486 but the premium rate of the latter is higher than that of other insurance providers which the members of their
487 federation could not afford. In fact, there were previous negotiations with CISP marketing for a lower premium rate
488 which did not materialize. The current practice of CISP with regard to the distribution of dividend and patronage
489 refund does not prejudice the dividend of patronizing members, hence, he couldn't see any reason for an additional
490 bonus points to patronizing members.

491

492 Mr. Miclat explained that whenever a coop member request for the product pricing, management just based its
493 premium rate on the demographics of members. Unfortunately, the demographics presented by Mr. Hizon's
494 federation is composed of members who are already of old age, which if CISP will accept, would be detrimental to the
495 latter's business.

496
497 Ms. Elmerli Colangan, Tabuk Multi-purpose Cooperative, agreed to Mr. Hizon's objection on the proposed Resolution
498 for being prejudicial to the rights of non-patronizing members. If the proposed Resolution will be implemented that
499 would impose a mandatory patronage of CISP products by members, which is against the cooperative principle of
500 voluntary and open membership. Ms. Colangan added, her primary cooperative is both a member of the two coop
501 insurance, but does not impose a mandatory patronage of the products of either CISP or CLIMBS. Instead they
502 patronize the services of both. Ms. Llavan said that CISP should promote its products based on the incentive that a
503 member will get in patronizing its products rather than penalizing them for non-patronage. Mr. Miclat explained that
504 CISP is not penalizing its non-patronizing members since the additional basis point is only an additional incentive to
505 patronizing members. While it is true that one of the coop principles is voluntary, it is also equally true that the
506 members should patronize the products of their cooperatives to make them viable and competitive.

507
508 Mr. Hizon said that since the bonus points will be taken from the net surplus, hence, the dividend of non-patronizing
509 members will also be affected which is unfair to them. Mr. Daba explained that the sad reality is that out of 2,700 CISP
510 members, only 800 plus coops are patronizing CISP. Notwithstanding said small percentage of service patronage, still
511 CISP will be giving a 14% dividend for 2016, and the 1,900 non-patronizing members will be sharing the same amount
512 of dividend with that of patronizing members. And were it not for the patronizing members, CISP will not be able to
513 distribute dividend and patronage refund. Thus, the proposed Resolution is only fair to give the patronizing members
514 an incentive since they are the ones who give full support to CISP. And if he were a member coop of CISP, Mr. Daba
515 said, he will patronize CISP even if it means paying a higher premium since he will be helping CISP rather than
516 supporting commercial insurance companies which are owned by big capitalists.

517
518 Ms. Marlene Sindayen, NOVADECI, opined that the distribution of the basis points is not equitable considering that if
519 you have a big capital and you patronize more you will get more in addition to the additional bonus points that will be
520 given to patronizing members. She recommended to the Board and management to conduct further study on the
521 proposal, and instead of an additional incentive to patronizing members, CISP should look into the manner of
522 distribution of dividends.

523
524 Mr. Gil Gilot, PERA MPC, said that he is in favor of the proposal because he believes that it is not an imposition but
525 only a basis of computation of incentive. It is understandable that if you patronize more you will get more patronage
526 refund. Also, nowhere can you find any cooperative which will give a 14% dividend to its members. He added, even
527 coop banks only give a dividend ranging from 5% to 10%. But in CISP, the members are given a 14% dividend aside
528 from the patronage refund. Mr. Ariola agreed with Mr. Gilot saying that it is a corresponding responsibility of
529 membership in any cooperative to patronize the products of the organization and the dividend and patronage refund
530 that a member gets is only a fair share of what he/she contributes to the cooperative. Accordingly, to settle the issue,
531 Mr. Ariola recommended for the division of the house. Chairman Evangelista said that the purpose of the discussion
532 is to get the opinion of the members. And after the deliberations on the floor, he believes that there is a need to
533 conduct further study on the proposal. He then suggested to the Assembly to defer the decision and submit the same
534 to future assemblies so that the Board and management could conduct further study on the proposed Resolution.
535 The chairman added that the board and management will bring the matter to the CISP members through owners'
536 forums, so as to avoid unnecessary division of the house. The general assembly unanimously accepted the suggestion
537 of the chairman. Therefore, the proponent to divide the house withdrew his motion.

538
539 B) APPROVAL OF RESOLUTION OPPOSING HOUSE AND SENATE BILLS REPEALING THE TAX EXEMPTIONS OF
540 COOPERATIVES

541
542 In support of the stand of the coop movement opposing the pending bills in the Senate and House of Representatives
543 scrapping the tax exemption granted to cooperatives, the General Assembly unanimously approved the proposed
544 Resolution to that effect through the motion of Mr. Ariola, duly seconded by Ms. Theresa Drucco, NOVADECI, thus:

545
546

G.A. RESOLUTION NO. 13 S-2017

WHEREAS, it has come to the knowledge of the members of the Cooperative Insurance System of the Philippines (CISP), on the Department of Finance-initiated bills filed in the Senate and House of Representatives seeking to repeal tax exemptions of cooperatives as contained in Articles 60 and 61 of R.A. No. 9520, also known as the Philippine Coop Code of 2008, to wit:

1. House Bill 231 (An Act Rationalizing The Grant and Administration of Fiscal Incentives And for Other Purposes), filed by Ilocos Sur Rep. Eric D. Singson on June 30, 2016;
2. Senate Bill 229 (An Act Rationalizing The Grant and Administration of Fiscal Incentives And for Other Purposes), filed by Sen. Franklin Drilon on July 4, 2016;
3. House Bill No. 4688 (An Act Amending Sections 22, 24, 31, 32, 34, 35, 79, 106, 107, 108, 109, 110, 148, and Title VI of R.A. No. 8424, also known as "The National Internal Revenue Code of 1997" as Amended, And For Other Purposes), filed by Albay Rep. Joey Sarte Salceda on December 14, 2016; and
4. House Bill No. 4774 ((An Act Amending Sections 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108, 109, 113, 116, 148, 149, 155, 232, 237 and 288; Creating New Sections 148-A, 237-A And 264-B; And Repealing Sections 35 And 62 All Under R.A. No. 8424, also known as "The National Internal Revenue Code of 1997") filed by Quirino Rep. Dakila Carlo E. Cua on January 17, 2017;

WHEREAS, the 1987 Constitution, particularly Article XII on National Economy and Patrimony Section 15, mandates Congress to create "an agency to promote the viability and growth of cooperatives as instruments for social justice and economic development," thus creating in 1990 the Cooperative Development Authority (CDA) by virtue of R.A. No. 6939;

WHEREAS, R.A. No. 9520, otherwise known as the Philippine Coop Code of 2008 states that "*it is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice*" and that Government "shall create an atmosphere that is conducive to the growth and development of cooperatives";

WHEREAS, R.A. No. 9520 and its Implementing Rules and Regulations (IRR) list down or prescribe what Government must do to "create an atmosphere conducive to growth and development of cooperatives";

WHEREAS, R.A. No. 9520, under Article 3 defines a cooperative as "an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic and cultural needs and aspirations by making equitable contributions to the capital required, patronizing products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles", thereby recognizing cooperatives and organizations of volunteers working together to achieve their needs and aspirations, and solidifying their status not merely as money-making enterprises but more so as economic engines for a just and civil society ;

WHEREAS, R.A. No. 9520 in Article 86 mandates all cooperatives to allot not less than 10% of their Net Surplus as Reserve Fund, not more than 10% for Education & Training Fund, and not less than 3% for Community Development Fund , to improve their lives and build better communities;

WHEREAS, Article 86 of R.A. No. 9520 also stipulates that the Remaining Net Surplus shall be made available to the members in the form of interest on share capital and patronage refund, not as earned income but rather as savings due to members in availing of services from their own cooperative;

601 **WHEREAS**, Articles 60 and 61 of R.A. No. 9520 provide cooperatives tax exemptions in all its transactions
602 with members, as a recognition that cooperative are partners of the Government in community-
603 building, and consequently, in nation-building.

604 **WHEREAS** the Cooperative Development Authority reports that in 2016, data submitted by 11,524
605 registered cooperatives employ 892,432 workers who steward the more than P300.3 Billion assets of
606 some 8 million individual co-op members, and the same 892,432 workers paid P7.56 Billion in taxes
607 in 2016. This does not yet include the taxes paid by the 8 million cooperative members who are enabled
608 by their cooperatives to have easy access to financial services and consequently, provide for their
609 families and/or operate their enterprises, proving that the cooperatives are tax- makers rather than tax
610 – avoiders.

611
612 **WHEREAS**, without the cooperatives, thousands of which are in the countryside, many would have
613 fallen victims to loan sharks and would now be **beneficiaries of the Government's Pangtawid Pamilya**
614 **Program**;

615
616 **NOW THEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, by
617 the CISP General Assembly to **STRONGLY OPPOSE** the repeal of cooperative tax exemption under Article
618 60 and 61 of R.A. No. 9520, as proposed in Senate and House Bills listed above;

619
620 **RESOLVED FURTHER**, to furnish copies of this Resolution to the Cooperative Development Authority
621 (CDA), the Philippine Cooperative Center (PCC), the Senators, and all Representatives of districts where
622 our Coop operates, Senate Committee on Coop Development Chairman Juan Miguel Zubiri, House
623 Committee on Coops Chairman Rico Geron.

624
625 **BE, AS IT IS HEREBY, APPROVED.**

626
627 C) APPROVAL OF CISP MEDIATION AND CONCILIATION PROGRAM

628
629 Mr. Blanco moved for the approval of the Resolution adopting a method of Mediation and Conciliation proceedings
630 between and among CISP members, officers, policyholders, directors and stakeholders, which was unanimously
631 seconded, to wit:

632
633 **G.A. RESOLUTION NO. 14 S-2017**

634
635 **WHEREAS**, the Cooperative Insurance System of the Philippines (CISP), adheres to the policy of settling
636 intra-cooperative disputes between and among members, policy holders, officers, directors and
637 stakeholders, in an amicable, peaceful and inexpensive manner;

638
639 **WHEREAS**, the Cooperative Development Authority and the Insurance Commission likewise prescribed
640 procedures on conciliation and mediation program and alternative dispute resolutions in settling
641 disputes arising from insurance claims to be observed by insurance cooperatives; and

642
643 **WHEREAS**, the objective of the conflict management/conciliation and mediation program is to settle
644 intra-cooperative disputes in the fastest and most accessible manner and to reduce the cost and time
645 of the litigation process;

646
647 **NOW THEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that
648 the CISP General Assembly adopts the Procedures on Conciliation and Mediation Program of the
649 Cooperative Insurance System of the Philippines (CISP), hereto attached as Annex "D".

650
651 **RESOLVED FINALLY**, that the Conciliation and Mediation Committee shall be granted the powers as may
652 be necessary to implement the aforesaid Conciliation and Mediation Program and ensure a speedy,
653 just, equitable, and inexpensive settlement of disputes within the CISP.

654
655 **BE, AS IT IS HEREBY, APPROVED.**

656 **XII. NEW BUSINESS**

657
658 The Assembly discussed first the previous motion proposing for the extension of the deadline of experience refund
659 of affected members. Its proponent, Mr. Canuel, asked management to update the assembly on those who have fully
660 recovered their capital since the deadline for the recovery was only until December 31, 2016. But, the sentiment of
661 the members is to extend the deadline since majority of the CISP members have not yet fully recovered their written
662 down capital. Hence, his proposition for to extend the deadline until December 31, 2017. Accordingly, Mr. Jaraula
663 seconded said motion.

664
665 Mr. Miclat explained that all 698 patronizing CISP members for 2016 have already recovered their capital fully.
666 Noteworthy to mention is King Cooperative, which because of its patronage to CISP products, in one sweep, has fully
667 recovered its capital. But, for those members who have stopped patronizing CISP, there is no way for them to recover
668 their watered down capital except through dividend. And if we will extend the deadline for the granting of experience
669 refund 1 until December 31, 2017, CISP will allocate P4 million for the recovery of the affected capital. Hence, the
670 experience refund 1 will cover all premiums paid until December 31, 2017. Mr. Miclat likewise encouraged the
671 member-shareholders to patronize CISP products for them to avail the extension of the experience refund 1. No one
672 objected to the motion, hence, the Assembly unanimously approved the extension of the cut-off date of experience
673 refund 1, viz:

674
675 **G.A RESOLUTION NO. 15 S-2017**

676
677 **WHEREAS**, during the 41st Annual General Assembly/Shareholders Meeting of the Cooperative
678 Insurance System of the Philippines (CISP), the members unanimously passed and adopted G.A.
679 Resolution No. 13 S-2015, setting a cut-off date for the grant of experience refund until December 31,
680 2016;

681
682 **WHEREAS**, of the 2,700 CISP members, there were only 698 members who have patronized CISP
683 products and services and have fully recovered their written down share capital as of December 31,
684 2016;

685
686 **WHEREAS**, to encourage non-patronizing members to patronize CISP and give them the chance to
687 recover their watered down capital, there is a proposal to extend the deadline for the grant of
688 experience refund 1 until December 31, 2017;

689
690 **WHEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the
691 deadline for the grant of experience refund 1, a mechanism to recover the written down capital of
692 affected member coops, will cover premium remittances up to the end of Calendar Year 2017; and

693
694 **RESOLVED FINALLY**, that CISP management and marketing agents launch an extensive information drive
695 to inform the coops concerned of the deadline set.

696
697 **BE, AS IT IS HEREBY, APPROVED.**

698
699 **XIII. APPROVAL OF 2017 ELECTION GUIDELINES**

700
701 Copies of the 2017 CISP Election Guidelines were sent through electronic communications and courier, hence, Mr.
702 Danilo Capili, chairman of the CISP ELECOM, sought for a motion approving the same. Accordingly, Mr. Manuel
703 Esperanza, MACO Development Cooperative, moved for the approval of the election guidelines, which was severally
704 seconded. No question or objection was raised therein, thus, the assembly unanimously adopted the following
705 Resolution, to wit:

706
707 **G.A RESOLUTION NO. 16 S-2017**

708
709 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the CISP member-shareholders approved the proposed
710 Election Guidelines for the 43rd General Assembly/Election of Officers, as presented,

711
712 **BE, AS IT IS HEREBY, APPROVED.**

713 **XIV. ELECTION OF OFFICERS**

714

715 In the spirit of transparency and good governance, the general assembly appointed three members of the
716 Independent Body who will check the electronic voting system and computers that will be used during the election
717 of Board of Directors, Audit and Election Committees to ensure they are free from error and human intervention, as
718 well as the voting results. The three members were: Mr. Noel Altamirano, UPLB Credit and Development.
719 Cooperative; Mr. Erlic Garcia, KBK Multipurpose Cooperative, and Mr. Jonathan Gumia, Nabunturan Integrated
720 Cooperative. Thereafter, Mr. Capili acknowledged the outgoing Board of Directors, namely: Mr. Prudencio
721 Consolacion, Mr. Francisco Jose and Engr. Raymond Joseph Salvador, He then declared vacancies to the following
722 elective positions:

723

724 1. Three (3) regular members of the Board of Directors.

725 2. Three (3) members of the Audit Committee.

726 3. Three (3) members of the Election Committee.

727

728 He announced the candidates for the board of directors who have qualified:

729 1. Mr. Prudencio F. Consolacion = Cooperative Banks Federation of the Philippines
730 (BANGKOOP);

731 2. Mr. Francisco C. Jose = BCS Credit Cooperative

732 3. Mr. Rolan F. Literatus = Xavier University Community Credit Cooperative

733 4. Mr. Nestor D. Ortigoza = King Multipurpose Cooperative

734 5. Engr. Raymond Joseph L. Salvador = San Dionisio Credit Cooperative.

735

736 For the Election Committee, Mr. Capili said that nobody has filed a certificate of candidacy, whereas, for the Audit
737 Committee, nobody has qualified. For that reason, the Assembly opened the floor for nominations of candidates for
738 the elected committees, whose qualifications, Mr. Capili said, will still be subject for screening in accordance with
739 the election rules. He added that the general assembly should elect the members of the Audit committee and should
740 not be appointees of the Board. Consequently, Mr. Consolacion nominated Ms. Cristina Salvador but whose
741 nomination was subsequently withdrawn for being absent at the assembly.

742

743 Ms. Sindayen asked for clarification from the ELECOM chairman saying that a representative from her primary has
744 filed a certificate of candidacy for the Audit Committee but was disqualified for failing to meet the deadline. She
745 added, she has been attending the CISP general assembly yearly and she observed that there's always no candidate
746 for the Audit Committee. She suggested for the ELECOM to review the rule which might be very strict that's why
747 nobody qualifies for said committee. She said that the members of AC are elected posts, hence, they should be
748 elected and not appointed since they are the ones who conduct audit on the operation, finances and management
749 of CISP. Mr. Capili replied that every year, the ELECOM will always encourage the CISP members to run for the Audit
750 Committee and it is even written in the minutes of the assembly meetings. Further, there were two candidates who
751 have filed their candidacy for the Committee but were disqualified. With regard to the candidate of NOVADECI,
752 Mr. Capili said that upon review of her application yesterday, the candidate was disqualified because NOVADECI did
753 not meet the capital requirement under the election rules.

754

755 Mr. Jesse Sto. Domingo commented that during last year's general assembly the candidate of his primary filed a
756 certificate of candidacy and was disqualified but was not informed in writing of the reason for his disqualification.
757 Likewise, this year, their candidate was again disqualified but was only informed through telephone, thus, he
758 requested the ELECOM that in the next general assembly they should inform the candidates in writing of their
759 deficiency so that they can comply with the election requirements. Mr. Capili said that the ELECOM will take note of
760 Mr. Sto. Domingo's comment, and that in next year's assembly they will inform both the qualified and disqualified
761 candidate in writing of the reasons why they have qualified or disqualified. Ms. Margie Somera, Ilocos Sur
762 Cooperative Bank, asked the ELECOM chairman on the reason of the disqualifications of the candidates. Mr. Capili
763 said that the candidates did not meet the minimum capital requirement of 3,000 shares as provided under the CISP
764 by-laws and election rules. If that's the case, Ms. Somera said, they should have been informed of the said capital
765 deficiency so that the candidates should have put up additional capital to fill in the deficiency. Said minimum capital

766 requirement, Mr. Capili said was approved by the general assembly in 2015 and the cut-off for the share capital of
767 members is only until December 31, 2016.

768
769 Ms. Sindayen opined that her cooperative has an investment in CISP in both common and preferred shares. And
770 when the capital shares of CISP members were written down to 50% in 2013, both common and preferred shares
771 were affected, which in her opinion should not be the case. And now, the candidate of her cooperative was
772 disqualified because of capital deficiency. If that's the case, there is already a problem with the CISP system. Mr.
773 Capili explained that the objective of the ELECOM when it drafted the election rules is to set a certain level of
774 regularity. In fact, the rules are only aligned with the CISP by-laws. If the downsizing of the share capital of the
775 members was an issue, it's not with the ELECOM since it only relies on the applicant's application when it comes to
776 the share capital.

777
778 Mr. Canuel said that the candidate of his coop was disqualified for the second time because of the capital deficiency
779 though his primary put up an additional capital of P1 million just recently. Hence, he proposed to the assembly to
780 temporarily suspend or dispense with the election rules even for the Audit and Election Committees so as to
781 accommodate the candidates. Mr. Capili replied that there are certain limitations on the power of the general
782 assembly and the election rules were just lifted from the by-laws. Thus, the assembly should be careful in changing
783 the rules which would lead to amending the by-laws. If that happens, it may create a breakdown on the rules of the
784 organization. Ms. Sindayen said that the general assembly is the highest body of the organization and if there's a
785 problem in the rules, the assembly then could ratify them. Mr. Literatus opined that the issue here is not technicality
786 but procedures. If the assembly wants to change the rules, that is basically an amendment to the CISP by-laws. If
787 that happens, CISP still has to submit any amendment to the CDA for approval.

788
789 Mr. Decal said that he also has the same observation with that of Ms. Sindayen. Every year during CISP election, there
790 is always a shortage of candidates for the Audit and Election Committees. As part of the responsibility of the ELECOM
791 is not only to review the qualifications of candidates but also to look and encourage potential candidates. Thus, he
792 recommended to the assembly that in the next year's election the ELECOM should come up with a list of cooperatives
793 and their respective shares and identify who among them qualify for the board of directors and committees. After
794 identifying the qualified members, the ELECOM will encourage them to participate in the CISP election.

795
796 Upon due deliberation, the assembly decided to proceed with the nominations. Mr. Capili said that the nominees
797 will be subject to qualification requirements. Mr. Elmerli Colangan, Tabuk MPC, said that since they don't know who
798 the qualified members are, he recommended that that present members of the Audit and Election Committees be
799 retained in their current position with the recommendation that the ELECOM will also start assessing the qualified
800 member coops and encourage them to run in the CISP election next year. Ms. Amelita Lachica seconded the motion
801 with a recommendation that in the next year's assembly the ELECOM will also provide the list of qualified members.
802 Mr. Sto. Domingo objected saying that the rules state that no floor nominations shall be allowed, hence, the
803 assembly should not resort to floor nominations otherwise that would mean amending the rules and the by-laws.
804 Mr. Capili replied that the situation calls for floor nomination since nobody qualified for the CISP committees.
805 Thereafter, Mr. Ariola recommended for the division of the house. Mr. Blanco said that it is the responsibility of the
806 Election Committee to conduct a fair and orderly election and if the Assembly will not elect its officers today, then it
807 might be running out of time and no one will be elected as members of Audit and Election Committee. If the assembly
808 wants to amend the subject provision of the bylaws which was incorporated in the election rules, they have to
809 endorse it to the Board for further study and then implement it next year. Therefore, he appealed to the assembly
810 to pursue with the nomination. Mr. Lito Coloma, Sta. Cruz Savings and Development Cooperative, agreed to the
811 motion for the retention of the members of Election and Audit Committee for one year only and then next year the
812 CISP will conduct a special election. Mr. Canuel said that if the assembly will pursue with the floor nominations then
813 that is tantamount to amending the CISP by-laws which effectivity could only be implemented next year. Mr. Hizon
814 said that under the election and succession rules, if there is a failure of election, the current members of the Audit
815 and Election committees will be retained in a holdover capacity until their successors are elected and qualified. Thus,
816 the motion must state that way. Ms. Somera asked what if Mr. Literatus, who is a member of the Audit Committee,
817 wins in the election of the Board of Director. Mr. Capili said that if Mr. Literatus is elected to the board, he will
818 automatically relinquish his post as member of the Audit Committee but the Committee could still carry out its
819 functions since the members are still a majority. Afterwards, Mr. Capili reminded again the members to participate
820 in the next year's election. He said that it is the corresponding duty of the members of CISP to know the status of

821 their capital share. They should not always depend on the staff and management of CISP to remind them of that
822 matter. Then no one has objected to the retention of the members of Audit and Election Committee, thus, the
823 assembly unanimously approved the following Resolution to wit:

824
825 **G.A. RESOLUTION NO. 17 S-2017**

826
827 **WHEREAS**, in the 2017 CISP election of officers, no one has qualified for the members of the
828 Audit Committee and no one has filed a certificate of candidacy for the position of Election
829 Committee;

830
831 **WHEREAS**, for reason of exigency, it was recommended to retain the members of the Audit
832 Committee and Election Committee for one year or until the next general assembly;

833
834 **WHEREFORE, FOREGOING PREMISES CONSIDERED, BE IT RESOLVED, AS IT IS HEREBY RESOLVED,**
835 that the General Assembly of the Cooperative Insurance System of the Philippines Life and
836 General Insurance, elect the following members of the Audit and Election Committee in a
837 hold-over capacity, to wit:

838
839 **AUDIT COMMITTEE**

- 840
841 1. Wilma Gidaya
842 2. Rolan Literatus
843 3. Gina Valente
844

845 **ELECTION COMMITTEE**

- 846
847 1. Danilo Capili
848 2. Karen Ann Balbuena
849 3. Frederico Blanco
850

851 **RESOLVED, FURTHER**, in the event that Mr. Literatus is elected as Board of Director he shall
852 automatically relinquish his post as member of the Audit Committee, and

853
854 **RESOLVED, FINALLY**, that the aforementioned members of CISP Audit Committee and Election
855 Committee shall serve for one (1) year until the next General Assembly or until their successors
856 shall have been elected and qualified.

857
858 **BE, AS IT IS HEREBY, APPROVED.**

859
860 **ELECTION OF THE BOARD OF DIRECTORS**

861
862 For the election of the board of directors, Mr. Capili informed the assembly that only the official delegates are
863 authorized to cast votes. The common shares of their respective primaries that they will use in voting for their chosen
864 candidates were also printed at the back of their IDs. A delegate can give all his/her votes to one candidate only or
865 distribute his/her votes equally or in any number to just one, two or more candidates. The CISP also reserved a special
866 lane for senior citizens and persons with disability. Prior to the conduct of the election, the independent body
867 checked first the voting system and the computers. After an hour, Mr. Capili announced the results of the election,
868 thus:

Engr. Raymond Joseph L. Salvador	1,682,027
Mr. Nestor D. Ortigoza	1,369,208
Mr. Rolan F. Literatus	1,308,312
Mr. Prudencio F. Consolacion	500,524
Mr. Francisco C. Jose	287,208

869

870 Consequently, the Election Committee through Mr. Capili declared Engr. Raymond Joseph Salvador, Mr. Rolan
871 Literatus and Mr. Nestor Ortigoza as winners for the Board of Directors who will serve for a term of two (2) years.

872
873 After the proclamation of winners Mr. Capili turned over the floor to Chairman Evangelista.
874

875 **XV. ADJOURNMENT**

876
877 With no other matters to be discussed, the assembly meeting was adjourned at 3:10 p.m.

878
879

Certified True and Correct:


ATTY. LYMAN A. MANZANARES
Acting Corporate Secretary

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Attested:

887
888 
889 BGEN. TEODORO P. EVANGELISTA AFP (RET)
890 Chairman
891