



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

Attendees (Annex A):

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

PART I - REGISTRATION

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

PART II - OPENING PROGRAM

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

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

PART III - BUSINESS PROPER

I. CALL TO ORDER

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

II. PROOF OF DUE NOTICE

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

62 **III. DETERMINATION OF QUORUM**

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64 Atty. Manzanares certified that there were 4,763,523 total number of shares which is equivalent to
65 77.46% of the 6,149,378 total capital shares of 1 CISP being represented by 155 coop-members
66 entitled to vote who were present on the general assembly. Accordingly, a quorum was present to
67 hold the 44th Annual General Assembly.
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69 **IV. APPROVAL OF THE AGENDA FOR THE 44TH ANNUAL GENERAL ASSEMBLY/
70 SHAREHOLDERS MEETING**

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72 No other comments or questions was raised therein, Mr. Ramon L. Follosco of Sangguniang
73 Panlungsod MPC moved for the approval of the agenda and duly seconded by Mr. Danilo Tagalog
74 of Davao City Water District Employees MPC. Thus, the following Resolution was adopted, to wit:
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76 **G.A. RESOLUTION NO. 01 S. 2018**

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78 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED** that the agenda matters
79 of today's 44th Annual General Assembly/Shareholders Meeting of
80 1 Cooperative Insurance System of the Philippines Life and General Insurance
81 (1 CISP), as presented,
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83 **BE, AS IT IS HEREBY, APPROVED.**

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

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88 Considering that the Minutes of the 43rd General Assembly were sent in advance to the member-
89 shareholders, Mr. Edwin Quisido of Iligan Cement MPC moved to dispense the reading of the
90 same. Likewise, Ms. Sally V. Vitug of Masisit Dacal Livelihood Cooperative moved for the approval
91 of the minutes of the 43rd General Assembly held on April 8, 2017 and severally seconded. Thus,
92 the following Resolution was approved, to wit:
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94 **G.A. RESOLUTION NO. 02 S. 2018**

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96 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the member-
97 shareholders approved the minutes of the 43rd Annual General
98 Assembly/Shareholders Meeting of 1 Cooperative Insurance System of the
99 Philippines Life and General Insurance (1 CISP) held on April 8, 2017, as
100 presented,
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102 **BE, AS IT IS HEREBY, APPROVED.**

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

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106 None was taken up.
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108 **VII. CONFIRMATION OF THE BOARD RESOLUTIONS FOR THE YEAR 2017**

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110 Atty. Manzanares informed the general assembly that there are one hundred forty-two (142) Board
111 Resolutions for the year 2017 wherein eight (8) resolutions pertain to insurance business, thirty-five
112 (35) resolutions pertain to cooperative business, twenty-three (23) resolutions pertain to board
113 policies, twelve (12) resolutions pertain to housekeeping and thirty-eight (38) resolutions pertain
114 to human resources and other related acts. The summary of all Board Resolutions for Calendar Year
115 2017 was printed in the annual report. Accordingly, Mr. Gil Gilot of PERA MPC moved for their
116 confirmation by the general assembly duly seconded by Mr. Mario F. Jaraula of Amoros Farmers
117 MPC. Thus, the following Resolution was approved, to wit:
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G.A. RESOLUTION NO. 03 S. 2018

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

BE, AS THEY ARE HEREBY, APPROVED.

VIII. CONSIDERATION/APPROVAL OF ANNUAL REPORTS

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

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

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

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

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

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

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

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

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

<u>Item</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Claims Paid	45%	50%	46%	43%
Salaries	10%	8%	8%	7%

Service Fee	22%	19%	20%	20%
Increase in Capital	14%	16%	19%	18%
Other Expenses	8%	7%	7%	12%

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

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

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

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

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

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

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- Group CSRs have been organized, wherein the employees of 1 CISP have been divided into four groups with different CSR activities.
 - On October 12-13, 2017, one of the groups has visited an Aeta Community in Nabuklod, Pampanga. The team has arranged a feeding program and a seminar on maternity health and child mortality. Furthermore, medicines and school supplies have also been donated to the participants.
 - A medical mission has also been conducted on November 2 and 3, 2017 and the participants of this event were from Brgy. Tumana, Sta. Maria, Bulacan. The mission included a talk on health and sanitation, and disaster risk preparedness, as well as free check-ups, tooth extractions, and medicines for those who were present.
 - A Leadership Training workshop has been given by one of the groups to the senior high school students of Perez National High School in Perez, Quezon City on November 28 and 29, 2017. Ms. Jackelyn Ballena, the HR/OD Head of 1 CISP, was the speaker for the workshop.

- 217 ▪ An HIV seminar has been conducted among 80 students of Krus na Ligas High School
218 students on December 1, 2017. The topics included the prevention of HIV and how it's
219 acquired. In addition, the CSR team has also donated food and supplies to the HIV
220 patients of Hospicio de San Juan.
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- 222 • A tree planting activity has been organized last September 23, 2017 in Tanay, Rizal, wherein
223 the employees have planted a total of 700 seedlings.
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 - 225 • 1 CISP has also given a donation to Caritas Manila, Inc., an organization that helps send
226 underprivileged youth to collage. This donation has enabled 1 CISP to sponsor 12 students
227 in 2017.
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 - 229 • Finally, 1 CISP has donated to Handog ng Pagmamahal Association Inc. Children's Joy
230 Foundation, and Alay sa may mga Kapansanan Association, in three separate Christmas
231 Caroling events on December 15, 19 and 20, wherein groups of kids and teenagers have sung
232 Christmas Carols as a way of giving thanks to the company.
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- 234 8. **Linkages and Network Building** – 1 CISP continues to participate in the seminars/workshops
235 being sponsored for the foundation for the Advancement of Life insurance around the World
236 (FALIA) in Yokohama, Oriental Life Insurance Cultural Development Center, the Institute of
237 Actuaries of Japan, International Cooperative and Mutual Insurance Federation (ICMIF) and
238 International Cooperative Alliance (ICA). These exchanges of Directors, Officers and Personnel
239 enabled us to learn from the experiences of participating countries and eventually gave us a
240 better outlook in formulating the strategic course of 1 CISP. Our partnership with Model
241 Cooperative Network (MCN) in Mindanao expanded our reach and increased our network.
242 MCN provided a total of 21 seminars/trainings/workshops to our member-cooperatives in
243 Mindanao. The enhancement in the capacity and capability of the board of directors and
244 employees of our member-cooperatives will assure the financial viability and sustainability
245 and ensure continued service to their individual members. Our patronizing members get full
246 subsidy while non-patronizing members get 50% subsidy. 1 CISP has allocated the amount of
247 P4 million to support the training program for 2017-2018. Lastly, 1 CISP is an active member
248 of the Philippine Life insurance Association (PLIA), Home Office Underwriters Association of
249 the Philippines (HOLUAP), People Management Association of the Philippines (PMAP), and
250 Life Insurance Claims Association of the Philippines (LICAP). We actively participate in the
251 various activities of these associations to learn the best practices in the insurance industry.
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- 253 9. **Cooperative Health Management Federation (CHMF)** – The CHMF or “1 Coop Health”
254 sustained its growth and expanded its reach as individual members’ enrollment increased to
255 23,843 coming from 81 member-coops in 2017 compared to 6,711 of 34 member coops in 2016.
256 Barely three years in operation, but already made a remarkable growth of almost 6 times the
257 no. of enrollment from its first year of operation. This resulted from our active support in
258 marketing the products and services offered by 1 Coop Health. In 2017, 1 CISP generated a total
259 of P2.44 million as gross premium from the life and accident coverage of their 23,843 individual
260 member-subscribers. We continuously assist 1 Coop Health in promoting its products and
261 services as part of our commitment to provide affordable and quality risk protection and
262 mitigation schemes for cooperatives.
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- 264 10. **Non-life Insurance** – Merger of R&B Insurance Corporation with 1 CISP is now in process
265 pending the release of the Insurance Commission of our license to operate as a composite
266 insurance. We are now strongly marketing non-life insurance products such as motor vehicle,
267 fire, surety bonds, and personal accident, including the hot-selling “Home Protect” – a
268 personal accident cover that will provide assistance in the event that the insured experienced
269 fire and other calamities (e.g. flood, earthquake). We were able to generate non-life premium
270 of P51.96 million in 2017 from P20.14 million in 2016, from which 1 CISP earned a service fee
271 of P1.1 million. Part of the target of our marketing team for 2018 is to generate non-life
272 production of at least 20%.
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- 274 11. **2017 Theme** – Last year’s theme, “People, Purpose, and Passion: Key to Continuous Growth
275 and Success”, recognized and appreciated the tireless effort and unparalleled drive of the Board
276 of Directors, Committees and Management to continuously improve and exceed expectations
277 in achieving organizational goals. The theme for 2018 is, “Leadership and Innovation:

Sustaining Growth and Empowering Communities”, highlights the two critical factors that will ensure the continued growth and increase its impact on the communities where our member-cooperatives are present. It is with conviction that 1 CISP will always strive for excellence and continue to touch the lives of Filipino cooperators.

12. Other initiatives:

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

Consequently, Mr. Mario F. Jaraulla of Amoros Farmers MPC moved for the approval of the Joint Report duly seconded by Mr. Bartolome Barredo Sr. of Malaybalay City Employees MPC. Thus, the following Resolution was approved, to wit:

G.A. RESOLUTION NO. 04 S. 2018

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

BE, AS IT IS HEREBY, APPROVED.

B. APPROVAL OF THE 2017 AUDITED FINANCIAL STATEMENTS

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

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and Cash Equivalents	P 704,016,339	P 738,363,848
Short-term Investments	333,477,637	66,390,666
Insurance Receivables	13,241,718	42,501,854
Reinsurance Assets	19,653,111	12,732,185
Financial assets at cost	51,861,549	28,758,069
Fin. assets at fv through profit or loss	11,070,824	10,691,106
Loans and Receivables	22,913,362	4,848,806

338	Other current assets	1,260,479	1,239,860
339	Total Current Assets	1,157,495,019	905,526,394
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341	Noncurrent Assets		
342	Loans Receivable	P 52,000,000	P -
343	Financial assets at cost	26,881,501	9,462,053
344	Financial Assets at amortized cost	258,759,083	109,989,453
345	Property and Equipment:		
346	At revalued amounts	38,946,133	9,150,000
347	At cost	18,504,879	6,175,088
348	Total Noncurrent Assets	395,091,596	134,776,594
349	TOTAL ASSETS	P 1,552,586,615	P 1,040,302,988
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351	LIABILITIES	2017	2016
352	Current Liabilities		
353	Insurance Contract Liabilities	P 279,171,020	P 215,055,995
354	Dividend and Patronage Refund Payable	159,625,907	105,944,535
355	Due to reinsurers	12,251,844	7,696,415
356	Other Current Liabilities	27,202,391	10,097,834
357	Total Current Liabilities	478,251,162	338,794,779
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359	Noncurrent Liability		
360	Net Retirement Liability	5,066,291	2,608,370
361	TOTAL LIABILITIES	483,317,453	341,403,149
362			
363	EQUITY	2017	2016
364	Capital Stock	P 951,029,200	P 599,631,400
365	Contributed Surplus	85,298	85,298
366	Revaluation Surplus	6,150,000	6,755,702
367	Cum. unrealized gain on financial assets	-	858,151
368	Cum. remeasurement loss on ret. Liability	-	(6,234,760)
369	Statutory funds:		
370	General Reserve Fund	60,254,212	50,424,812
371	Optional Fund	27,537,282	22,723,521
372	Cooperative Educ. and Training Fund	12,361,449	17,006,807
373	Community Development Fund	11,851,721	7,648,908
374	Total Equity	1,069,269,162	698,899,839
375	TOTAL LIABILITIES AND MEMBER'S EQUITY	P 1,552,586,615	P 1,040,302,988
376			
377	REVENUE	2017	2016
378	Gross Premiums on Insurance Contracts	P 553,264,813	P 442,456,324
379	Reinsurer's share on of GP on ins. Contracts	(35,894,823)	(26,443,378)
380	Net Insurance Premiums	517,369,990	416,012,946
381	Interest Income	15,283,600	9,789,517
382	Other Income	2,295,748	1,532,170
383	TOTAL REVENUES	534,949,338	427,334,633
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385	BENEFITS, CLAIMS AND EXPENSES		
386	Benefits and claims on insurance contracts	169,331,311	156,173,448
387	Increase in legal policy reserves	53,000,000	49,000,000
388	Salaries and benefits	37,469,229	26,323,092
389	Collection cost	51,988,873	35,524,172
390	Commission Expense	32,242,079	22,815,375
391	General and administrative expenses	27,175,770	19,174,999
392	Depreciation	3,283,367	2,309,515
393	Total Benefits, Claims and Expenses	374,490,629	311,320,601
394	NET SURPLUS	P 160,458,709	P 116,014,032
395			
396	ALLOCATION OF NET SURPLUS		
397	Dividend and patronage refund payable	131,243,029	87,553,064
398	General reserve fund	16,780,130	11,601,403

399	Optional Fund	4,813,761	5,258,162
400	Cooperative education and training fund	2,808,028	8,120,982
401	<u>Community development fund</u>	<u>4,813,761</u>	<u>3,480,421</u>
402		<u>160,458,709</u>	<u>116,014,032</u>

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404 Consequently, Ms. Marites M. Bartolome of Mariveles Public Market Development Cooperative
405 moved for the approval of the 2017 Audited Financial Statements, duly seconded by Mr. Vicente
406 Rana of Memorial Services Cooperative Federation. Thus, the assembly unanimously approved the
407 2017 AFS, to wit:

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

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

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

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

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

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

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

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

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

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

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

	BUDGET 2017	ACTUAL 2017	VARIANCE	PROPOSED BUDGET 2018
<u>REVENUES</u>				
Gross Prem. on Ins. Contracts	505,000,000	553,264,813	48,264,813	719,300,000
Reinsurer's share of gross prem.	(22,000,000)	(35,894,823)	(13,894,823)	(46,700,000)
Net Insurance premiums	483,000,000	517,369,990	34,369,990	672,600,000
Investment Income	12,000,000	15,283,600	3,283,600	25,300,000
Other Income	<u>2,000,000</u>	<u>2,295,748</u>	<u>295,748</u>	<u>1,100,000</u>
	497,000,000	534,949,338	37,949,338	699,000,000
<u>BENEFITS AND EXPENSES</u>				
Increase (decrease) in LPR	50,000,000	53,000,000	3,000,000	67,300,000
Gross benefits and claims paid	172,000,000	169,331,311	(2,668,689)	220,200,000
Net Ins. benefits and claims	222,000,000	222,331,311	331,311	287,500,000
Commission	67,700,000	84,230,952	16,530,952	107,600,000
Compensation and Benefits	44,700,000	42,856,838	(1,843,162)	66,600,000
Utilities	4,800,000	3,156,005	(1,643,995)	4,700,000
Depreciation	3,300,000	3,283,367	(16,633)	9,000,000

Postage, Telephone & Telegram	2,300,000	1,802,005	(497,995)	2,500,000
Travelling Expenses	2,900,000	2,714,654	(185,346)	3,500,000
Prof. , Legal & Audit Fee	3,000,000	2,141,279	(858,721)	3,000,000
Printing, Stationery & Supplies	1,500,000	1,022,558	(477,442)	1,600,000
Officers Hon. and Allowance	1,200,000	1,937,225	737,225	2,500,000
Conference and Sales Meeting	2,900,000	2,586,111	(313,889)	2,800,000
Rep. and Entertainment	2,000,000	1,489,220	(510,780)	2,100,000
Mem. and Association Dues	1,000,000	410,837	(589,163)	1,000,000
Board Meeting Expenses	1,300,000	1,418,526	118,526	2,300,000
General Assembly Expenses	1,200,000	1,180,240	(19,760)	3,500,000
Provisions	1,200,000	-	(1,200,000)	1,000,000
Advertising/Donation Exp.	1,700,000	1,330,908	(369,092)	1,800,000
General and admin expenses	<u>1,300,000</u>	<u>609,593</u>	<u>(690,407)</u>	<u>800,000</u>
	366,000,000	374,501,629	8,501,629	503,800,000
NET SURPLUS (LOSS)	131,000,000	160,447,709	29,447,709	195,200,000

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Mr. Cesar Usigan of Countryside Builders MPC raised his observation specifying that in the budget for 2017 vs. 2018, there was an increase in the budget for the general assembly from P1.2 million to P3.5 million. Chairman Evangelista explained that as 1 CISP will now be conducting a two-day activity in celebrating its annual general assembly, it really demands additional cost depending on the venue and the resource speakers to be invited. The board and management treat this activity as an investment and that the general assembly deserve the best and a good venue considering the result of its profitability.

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

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

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

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G.A. RESOLUTION NO. 07 S. 2018

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

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BE, AS IT IS HEREBY, APPROVED.

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IX. APPROVAL OF DISTRIBUTION OF NET SURPLUS FOR THE YEAR 2017

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

486	NET SURPLUS		160,458,708.51	
487	General Reserve Fund	16,780,129.90		10.46%
488	Reserve for Education & Training	2,808,027.40		1.75%
489	Community Development Fund	4,813,761.26		3.00%
490	Optional Fund	4,813,761.26	<u>29,215,679.81</u>	3.00%
491	DISTRIBUTABLE SURPLUS		131,243,028.70	81.79%
492				
493	APPROPRIATIONS:			
494	Patronage Refund		13,124,302.87	10.00%
495	Experience Refund		<u>35,435,617.75</u>	27.00%
496	Amount Available for Dividend		82,683,108.08	63.00%
497	For Preferred Shares	160,023,358.87	9,290,732.23	4% & 6%
498	For Common Shares	611,602,978.12	73,392,375.84	12.00%
499				

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

G.A. RESOLUTION NO. 08 S. 2018

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

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

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

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

BE, AS IT IS HEREBY, APPROVED.

X. APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2018

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

G.A. RESOLUTION NO. 09 S. 2018

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

BE, AS IT IS HEREBY, APPROVED.

547 **XI. APPROVAL OF FIVE-YEAR STRATEGIC PLAN (2018-2022)**
548

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

554
555 Thereafter, Mr. Ramon L. Folloso of Sangguniang Panlungsod MPC moved for the approval of the
556 Five-Year Strategic Plan, duly seconded by Ms. Marciana Foryasen of Diffun Saranay Development
557 Cooperative.

558
559 With no further questions, the Assembly unanimously approved the Five-Year Strategic Plan for
560 2018 to 2022, thus, the following Resolution was adopted, to wit:

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562 **G.A. RESOLUTION NO. 10 S. 2018**

563

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

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

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570 **G.A. RESOLUTION NO. 11 S. 2018**

571

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

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

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577 **G.A. RESOLUTION NO. 12 S. 2018**

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

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

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584 **G.A. RESOLUTION NO. 13 S. 2018**

585

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

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

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591 **G.A. RESOLUTION NO. 14 S. 2018**

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

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

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598 **G.A. RESOLUTION NO. 15 S. 2018**

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

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

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608 **G.A. RESOLUTION NO. 16 S. 2018**

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610 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that 1 CISP will establish
611 branch offices in South Luzon, as presented and discussed,
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613 **BE, AS IT IS HEREBY, APPROVED.**

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615 **XII. PRESENTATION OF ELECTION GUIDELINES**

616
617 Mr. Danilo M. Capili, Chairperson of the Election Committee (ELECOM), informed the general
618 assembly that copies of the Election Guidelines for the 44th Annual General Assembly together with
619 the invitation and other pertinent documents were sent through electronic communications and
620 courier. Thus, Mr. Capili sought for a motion to dispense the reading of the election guidelines.
621

622 Accordingly, Mr. Reynaldo Garcia of Coops for Christ-Batangas MPC moved to dispense the
623 reading of the election guidelines, which was severally seconded. No question or objection was
624 raised therein, thus, the assembly unanimously adopted the following Resolution, to wit:
625

626 **G.A. RESOLUTION NO. 17 S. 2018**

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628 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that 1 CISP member-
629 shareholders approved the proposed Election Guidelines for the 44th General
630 Assembly/Election of Officers, as presented,
631

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

633
634 **XIII. ELECTION OF BOARD OF DIRECTORS AND COMMITTEE MEMBERS**

635
636 Mr. Capili announced the election for the following vacant positions:

- 637 • 4 Regular Members of the Board of Directors
- 638 • 1 Independent Member of the Board of Directors
- 639 • 3 Members of the Audit and Inventory Committee
- 640 • 3 Members of the Election Committee

641
642 As part of good governance, the general assembly appointed three members as independent
643 observers for the election, namely: Ms. Hyasmin Ruth June C. Azarcon of DMPI Employees
644 Agrarian Reform Beneficiaries Cooperative, Ms. Jarelyn G. Tolosa of City Hall Employees MPC
645 and Mr. Noel Altamirano of UPLB Credit and Development. Cooperative. The independent
646 observers will check the electronic voting system and computers that will be used during the
647 election to ensure that they are free from error and human intervention, as well as the voting results.
648

649 Mr. Capili inhibited his position as Chairperson of the ELECOM for he was a candidate and
650 running for the position of new set of members of the ELECOM. He turned over the floor to
651 Mr. Frederico Blanco, also a member of the committee, to be the Acting Chairperson of the
652 ELECOM.
653

654 Then, Mr. Blanco requested the presence of the remaining member of the ELECOM, Ms. Karen Ann
655 Balbuena. Thereafter, Mr. Blanco convened the ELECOM and announced the qualified candidates:
656

657 For Regular Members of the Board of Directors:

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

659
660 For Members of the Election Committee:

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

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For Members of the Audit and Inventory Committee:

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

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

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

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

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

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XIV. ANNOUNCEMENT OF ELECTION RESULT BY THE ELECOM

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

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Regular Members of the Board of Directors

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

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Regular Members of the Election Committee

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

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Regular Members of the Audit & Inventory

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|--------------------|-----------|
| 1. Wilma L. Gidaya | 2,605,359 |
| 2. Joel L. Canuel | 2,510,857 |

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

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

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

1. **Alfred T. Allaga**
2. **Danilo M. Capili**
3. **Roger R. Manlangit**

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

1. **Wilma L. Gidaya**
2. **Joel L. Canuel**

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

XV. NEW BUSINESS

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

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

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

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

XVI. ADJOURNMENT

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

Certified True and Correct:


ATTY. LYMAN A. MANZANARES
Co-operative Secretary

Attested:


BGEN. TEODORO P. EVANGELISTA (RET)
Chairperson