Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, 9DO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226

Management System ISO 9001:2015
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27 December 2022

PHILIPPINE CROP INSURANCE CORP.
RECEIVED
JAN 09 2023
23-01-009
RECORDS MANAGEMENT UNIT
BY:

MR. BENJAMIN E. DIOKNO
Chairperson and DOF Secretary
ATTY. JOVY C. BERNABE
President
PHILIPPINE CROP INSURANCE COMMISSION
7th Floor, Building A, National Irrigation Administration(NIA) Complex,
EDSA, Diliman Quezon City,

SHC /Sorbi — Let's post approved.

RE : VALIDATION RESULT OF 2021 PERFORMANCE SCORECARD OF PCIC

Dear Secretary Diokno and President Bernabe,

This is to formally transmit the validation result of PCIC's 2021 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, PCIC gained an overall score of **86.70%** (See ***Annex A***). The same is to be posted on PCIC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.[1]

In relation to the grant of 2021 Performance-Based Bonus (PBB) to eligible officers and employees, PCIC failed to satisfy the requirements of GCG M.C. No. 2019-02,[2] particularly the achievement of a weighted-average score of at least 90% in its 2021 performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.[3]

Consequently, pursuant to GCG M.C. No. 2018-04,[4] failure for the PBB means that the Appointive Members of the Governing Board of ECC shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR PCIC'S INFORMATION AND GUIDANCE.

Very truly yours,

Justice ALEX L. QUIROZ (Ret.)
Chairperson

ATTY. GIDEON D.V. MORTEL, D.C.L.
Commissioner

ATTY. GERALDINE MARIE B. BERBERABE-MARTINEZ
Commissioner

cc: The Resident Auditor - PCIC

[1] Code of Corporate Governance for GOCCs, dated 28 November 2012.
[2] Interim Performance-Based Bonus (PBB) dated 25 July 2019.
[3] GOCC GOVERNANCE ACT OF 2011.
[4] Interim Performance-Based Incentive (PBI) System for Appointive Directors of GOCCs covered by GCG for 2016 and for the Years Thereafter.

PHILIPPINE CROP INSURANCE COMMISSION (PCIC)
Validation Result of 2021 Performance Scorecard

	Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating[1]	Score	Rating		
SOCIAL IM...CT	**SO 1**	**Protect Investment in Farming and Fishing by Farmers, Fisherfolk and Other Agricultural Stakeholders**										
	SM 1	Amount of Cover (P M)	Absolute Amount	15%	(Actual / Target)	79,450	110,095.79	-	110,095	15%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	Target exceeded.
		Subtotal		***15%***						***15%***		
CUSTOMERS / STA...IOLDERS	**SO 2**	**Expand the Number of Farmers and Other Agricultural Stakeholders Insured**										
	SM 2	Share of small farmers and fisherfolk with agricultural insurance to total number of farmers and fisherfolk increased (in percent)	Total number of unique farmers and fisherfolk enrolled/ Total number of farmers and fisherfolk listed in RSBSA	0%	(Actual / Target)	26.70%	30.8%	-	30.80%	0%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	For reporting purposes only.

[1] There was no indicated rating in the submission of PCIC.

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating'	Score	Rating		
SM 3	Number of Subsistence Farmers Enrolled										
	a. Fully Subsidized	Actual number of subsistence farmers	20%	(Actual / Target)	2,126,192	2,458,588	-	2,458,588	20%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	Target exceeded
	b. Partial/ Non-subsidized		10%		550,000	898,952	-	853,870	10%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	Target exceeded
SO 3	**Raise Satisfaction Level for Insurance Products and Services Among its Clients**										
SM 4	Percentage of Satisfied Customers	Number of respondents which gave at least a Satisfactory rating/Total number of respondents	10%	(Actual / Target) 0% = if less than 80%	92%	93.01%	-	93.01%	10%	a. 2021 PCIC CSS Final Report b. 15 Samples of Accomplished Survey Questionnaires	Acceptable.

	Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating[1]	Score	Rating		
	SO 4	**Expand partnership for Agricultural Insurance**										
	SM 5	Proportion of LGUs with established partnerships for the implementation of agricultural insurance to the total number of LGUs (%)	Number of LGUs with established partnership for the implementation of agricultural insurance/ Total number of LGUs	0%	(Actual / Target)	95%	90.45% (148/1634)	-	90.41%	0%	List of LGUs that Provided Services to, vis-a-vis the total number of LGUs from the Philippine Statistics Authority (PSA)	For monitoring purposes only.
		Subtotal		***40%***						***40%***		
FINANCE	**SO 5**	**Increase Revenue Generation and Ensure Financial Stability**										
	SM 6	Percentage of utilized Government Premium Subsidy for farmers	Utilized Budget / GPS Received	15%	(Actual / Target)	100%	100% (3,500.00)	-	100% (3,500.00)	15%	Statement of Allotment Obligations, Disbursements, and balances (SAODB) Quarter Ending 31 December 2021	Acceptable
	SM 7	EBITDA (P M)	Absolute Amount	5%	(Actual / Target)	569.23	387.396	-	331.82	4.28%	2021 COA Audit Report	Target not met.
	SM8	Policy on Reinsurance	Milestone	2.5%	All or Nothing	Board-Approved Policy on Reinsurance	Policy on reinsurance drafted, ready for presentation to the Board	-		0%	a. PCIC Board Resolution No. 2021-036 b. Reinsurance Treaty for Non-Crop Agricultural Asset Insurance with National	The draft policy on reinsurance was not approved by the PCIC Board.

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
		Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating[1]	Score	Rating		
											Reinsurance Corporation of the Philippines	
		Subtotal		***22.5%***						***19.28%***		
INTERNAL PROCESS	**SO 6**	**Improve Efficiency and Effectiveness of the Systems and Procedures for Implementing the Agricultural Insurance Programs**										
	SM 9	Number of Documented Procedures Revised										
		a. PCIC Manual of Operations	Milestone	2.5%	All or nothing	Board-Approved Revised PCIC Manual of Operations	Revised PCIC Manual of Operations for Rice and Corn approved by the Board, drafted Manual of Operations for High Value Crops, Livestock, Fisheries, Non-Crop Insurance and Credit and Life Term Insurance	-		0%	a. Chronology of Events on the updating of the PCIC Operations Manual b. Draft Manual of Operations on (a) Credit and Lifetime Insurance, (b) Fisheries Insurance, (c) High-Value Crops, (d) Livestock, (e) non-crop insurance, (f) Rice and Corn	The PCIC Manual of Operations was not approved by the PCIC Board in 2021.

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
		Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating[1]	Score	Rating		
		b. Procedure on Handling Complaints	Milestone	2.5%	All or nothing	Board-Approved Revisited Procedure on Handling Complaints	Procedure on Handling Complaints drafted, ready for presentation to the Board	-	-	0%	a. Chronology of Events on the updating of Procedure on Handling of Complaints b. Draft Procedures on Handling Complaints	No documents were submitted to substantiate the reported status report.
		c. Procedure on Processing of Claims	Milestone	2.5%	All or nothing	Board-Approved Revisited Procedure on Processing of Claims	Procedure on Processing of Claims drafted, ready for presentation to the Board	-	-	0%	-	The procedure on the processing of complaints was not approved by the PCIC Board.
	SM10	Percentage of complaints resolved within the prescribed timeline	Number of complaints resolved within the prescribed timeline/ Total number of complaints received with complete documents	2.5%	(Actual / Target)	100%	93.68%	-	93.68%	2.34%	PCIC Quarterly Monitoring Report per Regional Ofice	Target not met. A total of 326 out of 348 complaints were resolved within the prescribed timeline.

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating[1]	Score	Rating		
SM11	Percentage of claims processed within the prescribed timeline	Number of claims settled within the prescribed timeline / Total number of complaints received with complete documents	7.5%	(Actual / Target)	100%	67.77%	-	67.77%	5.08%	PCIC Quarterly Monitoring Report per Regional Office	Target not met. A total of 346,063 out of 510,656 claims were processed within the prescribed timeline.
SM 12	ISO 9001 Certification	Milestone	2.5%	All or Nothing	ISO Recertification	ISO Recertification	-		2.5%	a. ISO 9001:2015 for offices in NCR and Regions I to XII b. Audit Report from the third-party	Acceptable
	Subtotal		***20%***						***9.92%***		
SO 7	**Enhance the Human Resource Management**										
SM 13	Percentage of employees with required competencies met	Number of incumbents meeting the required competencies/ Total employees	2.5%	All or Nothing	55%	78.01%	-	84.00%	2.5%	a. Executive Summary of Competency Assessment for CY 2021 b. Computation of the competency level per Office c. Samples of self & supervisor assessment	161 out of 191 plantilla personnel met the required competencies of their respective positions.

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
		Objective/Measure	Formula	Weight	Rating System	2021	Actual	Rating[1]	Score	Rating		
											d. PCIC Competency-Based HR Systems Manual e. Competency Evaluation	
		Subtotal		**2.5%**						**2.5%**		
		Total		**100%**						**86.70%**		

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GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226

BAGONG PILIPINAS

04 December 2023

ABR —

HON. BENJAMIN E. DIOKNO
Secretary, Department of Finance (DOF)
and PCIC Chairperson
HON. JOVY C. BERNABE
President
PHILIPPINE CROP INSURANCE CORPORATION (PCIC)
7/F, Building A, NIA Complex, EDSA
Diliman, Quezon City

PHILIPPINE CROP INSURANCE CORP.
RECEIVED
DEC 20 2023
RECORDS MANAGEMENT UNIT
BY:

RE: REVALIDATION RESULT OF THE 2021 PERFORMANCE SCORECARD OF PCIC

Dear Secretary Diokno and President Bernabe,

This refers to the letter of PCIC dated 23 January 2023[1] for the reconsideration on the validated ratings of Strategic Measures (SMs) 8 and SM 9 under its 2021 Performance Scorecard.

Upon evaluation, the validated score of PCIC's 2021 Performance Scorecard increased from **86.70%** to **91.70%.** Attached as ***Annex A*** is the summary of our review.

Very truly yours,

ATTY. MARIUS P. CORPUS
Chairperson

ATTY. BRIAN KEITH F. HOSAKA
Commissioner

ATTY. GERALDINE MARIE B. BERBERABE-MARTINEZ
Commissioner

cc: **HON. REYNALDO A. REGALADO**
Commissioner
INSURANCE COMMISSION

The Resident Auditor - PCIC

[1] Officially received by the Governance Commission on 02 February 2023.

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Annex A

PHILIPPINE CROP INSURANCE CORPORATION (PCIC)
Revalidation Result of the 2021 Performance Scorecard

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
SOCIAL IMPACT	**SO 1**	**Protect Investment in Farming and Fishing by Farmers, Fisherfolk and Other Agricultural Stakeholders**										
	SM 1	Amount of Cover (₱ M)	Absolute Amount	15%	(Actual / Target)	79,450	110,095.79	-	110,095	15%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	Target exceeded.
		Subtotal		***15%***						***15%***		
CUSTOMERS / STAKEHOLDERS	**SO 2**	**Expand the Number of Farmers and Other Agricultural Stakeholders Insured**										
	SM 2	Share of small farmers and fisherfolk with agricultural insurance to total number of farmers and fisherfolk increased (in percent)	Total number of unique farmers and fisherfolk enrolled / Total number of farmers and fisherfolk listed in RSBSA	0%	(Actual / Target)	26.70%	30.8%	-	30.80%	0%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	For reporting purposes only.
	SM 3	Number of Subsistence Farmers Enrolled										
		a. Fully Subsidized	Actual number of subsistence farmers	20%	(Actual / Target)	2,126,192	2,458,588	-	2,458,588	20%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	Target exceeded

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
		b. Partial / Non-subsidized		10%		550,000	898,952	-	853,870	10%	a. 2021 Executive Summary b. 2021 Highlights of Regional Operations per Insurance Lines and per Program for CY 2021	Target exceeded
	SO 3	**Raise Satisfaction Level for Insurance Products and Services Among its Clients**										
	SM 4	Percentage of Satisfied Customers	Number of respondents which gave at least a Satisfactory rating/Total number of respondents	10%	(Actual / Target) 0% = if less than 80%	92%	93.01%	-	93.01%	10%	a. 2021 PCIC CSS Final Report b. 15 Samples of Accomplished Survey Questionnaires	Acceptable.
	SO 4	**Expand partnership for Agricultural Insurance**										
	SM 5	Proportion of LGUs with established partnerships for the implementation of agricultural insurance to the total number of LGUs (%)	Number of LGUs with established partnership for the implementation of agricultural insurance / Total number of LGUs	0%	(Actual / Target)	95%	90.45% (148/1634)	-	90.41%	0%	List of LGUs that Provided Services to, vis-a-vis the total number of LGUs from the Philippine Statistics Authority (PSA)	For monitoring purposes only.
		Subtotal		***40%***						***40%***		

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
FINANCE	**SO 5**	**Increase Revenue Generation and Ensure Financial Stability**										
	SM 6	Percentage of utilized Government Premium Subsidy for farmers	Utilized Budget / GPS Received	15%	(Actual / Target)	100%	100% (3,500.00)	-	100% (3,500.00)	15%	Statement of Allotment Obligations, Disbursements, and balances (SAODB) Quarter Ending 31 December 2021	Acceptable
	SM 7	EBITDA (₱ M)	Absolute Amount	5%	(Actual / Target)	569.23	387.396	-	331.82	4.28%	2021 COA Audit Report	Target not met.
	SM 8	Policy on Reinsurance	Milestone	2.5%	Conduct of study/ research and stakeholders' consultation = 1.25%; Approval by the PCIC Board of Directors = 1.25%	Board-Approved Policy on Reinsu-rance	Policy on reinsurance drafted, ready for presentation to the Board	-	Policy on reinsurance drafted, ready for presentation to the Board	1.25%	a. PCIC Board Resolution No. 2021-036 b. Reinsurance Treaty for Non-Crop Agricultural Asset insurance with National Reinsurance Corporation of the Philippines c. Email Conversation with the National Reinsurance Corporation of the Philippines (NatRe) d. Minutes of the meeting review on 28 December 2021 *e.* Minutes of the meeting with the Committee on Governance on 14 January 2022	The request for reconsideration is **APPROVED**. Based on the evaluation of the representations and submitted supporting documents of PCIC, the Governance Commission notes that the Policy on Reinsurance was reported to the Management in 2021.
		Subtotal		***22.5%***						***20.53%***		

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
INTERNAL PROCESS	**SO 6**	**Improve Efficiency and Effectiveness of the Systems and Procedures for Implementing the Agricultural Insurance Programs**										
	SM 9	Number of Documented Procedures Revised										
		a. PCIC Manual of Operations	Milestone	2.5%	Conduct of study/ research and stakeholders' consultation = 1.25%; Approval by the PCIC Board of Directors = 1.25%	Board-ApprovedRevised PCIC Manual of Opera-tions	Revised PCIC Manual of Operations for Rice and Corn approved by the Board, drafted Manual of Operations for High Value Crops, Livestock, Fisheries, Non-Crop Insurance and Credit and Life Term Insurance	-	Conducted Technical Working Group meetings and Regional Office consultations to amend the Manual; Submitted the Manual to the Insurance Commission for review	1.25%	a. Chronology of Events on the updating of the PCIC Operations Manual b. Draft Manual of Operations on (a) Credit and Lifetime Insurance, (b) Fisheries Insurance, (c) High-Value Crops, (d) Livestock, (e) non-crop insurance, (f) Rice and Corn c. Minutes of the Meeting Committee on Governance on 02 December 2021 d. Board Resolution Nos. 2022-02, 2022-05, 2022-06, 2022-10, 2022-11, and 2022-12	The request for reconsideration is **APPROVED**. Based on the evaluation of the representations and submitted supporting documents of PCIC, the Governance Commission notes the substantial groundwork done for the revision of the manual within 2021. For future targeted Board-approved outputs, PCIC is reminded to include in its project planning sufficient time for the Board to review and approve the required output before the year ends.

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
		b. Procedure on Handling Complaints	Milestone	2.5%	Conduct of study/ research and stakeholders' consultation = 1.25%; Approval by the PCIC Board of Directors = 1.25%	Board-Approved Revisited Procedure on Handling Complaints	Procedure on Handling Complaints drafted, ready for presentation to the Board	-	Procedure on Handling Complaints drafted, ready for presentation to the Board	1.25%	a. Chronology of Events on the updating of Procedure on Handling of Complaints b. Draft Procedures on Handling Complaints c. Minutes of the meeting dated 15 March 2022, and 17 March 2022 d. PCIC's Citizen Charter Manual as submitted to ARTA	The request for reconsideration is **APPROVED**. Based on the evaluation of the representations and submitted supporting documents of PCIC, the Governance Commission notes the substantial groundwork done for the revision of the procedure within 2021. For future targeted Board-approved outputs, PCIC is reminded to include in its project planning sufficient time for the Board to review and approve the required output before the year ends.

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
		c. Procedure on Processing of Claims	Milestone	2.5%	Conduct of study/ research and stakeholders' consultation = 1.25%; Approval by the PCIC Board of Directors = 1.25%	Board-Approved Revisited Procedur on Process-ing of Claims	Procedure on Processing of Claims drafted, ready for presentation to the Board	-	Conducted Technical Working Group meetings and Regional Office consultations to amend the procedure; Submitted the procedure to the Insurance Commission for review	1.25%	a. Manual of Operations on (a) Credit and Lifetime Insurance, (b) Fisheries Insurance, (c) High-Value Crops, (d) Livestock, (e) non-crop insurance, (f) Rice and Corn b. Minutes of the Meeting Committee on Governance on 02 December 2021 c. Board Resolution Nos. 2022-02, 2022-05, 2022-06, 2022-10, 2022-11, and 2022-12	The request for reconsideration is **APPROVED**. Based on the evaluation of the representations and submitted supporting documents of PCIC, the Governance Commission notes the substantial groundwork done for the revision of the manual within 2021. For future targeted Board-approved outputs, PCIC is reminded to include in its project planning sufficient time for the Board to review and approve the required output before the year ends.

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
	SM 10	Percentage of complaints resolved within the prescribed timeline	Number of complaints resolved within the prescribed timeline/ Total number of complaints received with complete documents	2.5%	(Actual / Target)	100%	93.68%	-	93.68%	2.34%	PCIC Quarterly Monitoring Report per Regional Office	Target not met. A total of 326 out of 348 complaints were resolved within the prescribed timeline
	SM 11	Percentage of claims processed within the prescribed timeline	Number of claims settled within the prescribed timeline / Total number of complaints received with complete documents	7.5%	(Actual / Target)	100%	67.77%	-	67.77%	5.08%	PCIC Quarterly Monitoring Report per Regional Office	Target not met. A total of 346,063 out of 510,656 claims were processed within the prescribed timeline
	SM 12	ISO 9001 Certification	Milestone	2.5%	All or Nothing	ISO Recertification	ISO Recertification	-		2.5%	a. ISO 9001:2015 for offices in NCR and Regions I to XII b. Audit Report from the third-party	Acceptable
		Subtotal		***20%***						***13.67%***		

Component						Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Objective/Measure		Formula	Weight	Rating System	2021	Actual	Rating	Score	Rating		
LEARNING AND GROWTH	**SO 7**	**Enhance the Human Resource Management**										
	SM 13	Percentage of employees with required competencies met	Number of incumbents meeting the required competencies/ Total employees	2.5%	All or Nothing	55%	78.01%	-	84.00%	2.5%	a. Executive Summary of Competency Assessment for CY 2021 b. Computation of the competency level per Office c. Samples of self & supervisor assessment d. PCIC Competency-Based HR Systems Manual e. Competency Evaluation	161 out of 191 plantilla personnel met the required competencies of their respective positions.
		Subtotal		***2.5%***						***2.5%***		
		Total		**100%**						**91.70%**		