



Philippine Crop Insurance Corporation

MOVING ALONG THE NEW SERVICE PATH

ANNUAL REPORT

2023

A collage of four images with a teal overlay. Top left: People at a table with papers. Top right: A man in a dark shirt standing with others. Middle left: A man in a dark shirt standing with others. Middle right: A man in a dark shirt standing with others. Bottom: A group of people sitting at a table.

Who we are

The Philippine Crop Insurance Corporation (PCIC) is the implementing agency of the government's agricultural insurance program. It currently operates under the supervision of, and as an attached agency to, the Department of Finance, by virtue of Executive Order 148 (September 14, 2021).

Vision

By 2028, PCIC will be a sustainable, technology-driven agricultural insurance provider for the Filipino farmers and fisherfolk that provides value for money and fosters resiliency.

Mission

PCIC is a state-owned agricultural insurer committed to developing and implementing insurance programs highly responsive to the needs of small farmers and fisherfolk and other agricultural stakeholders.

Core Values

PCIC's core values guide all our decisions and actions. These values are:

Dependability. We provide prompt and adequate service where and when we are needed.

Integrity. We provide the quantity and quality of service that we have agreed with and committed to our stakeholders.

Innovation. We conduct research and think of new ways to improve the delivery of services required by our clients and stakeholders.

Partnership. We engage our stakeholders in improving the way we serve them.



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MESSAGE FROM THE PRESIDENT



Dear Insurance Partners,

In 2023, President Ferdinand R. Marcos, Jr. approved the Philippine Development Plan 2023-2028. It set out among others the contribution of the Philippine Crop Insurance Corporation (PCIC) to the country's progress in the next six years. Naturally, the PCIC committed to support its agricultural component, the centerpiece of the plan, promising to help build the resilience of the agricultural value chain, particularly at the production level consisting mostly of the small farmers and fisherfolk.

As a measure of its commitment, the PCIC targeted the coverage of a little over 53% of the universe of insurable farmers and fisherfolk listed in the Registry System for Basic Sectors in Agriculture (RSBSA), at the end of the planning horizon, from a 2021 baseline of 33.43%. This end-term target was based on the optimum available resources from the national government as well as the internal resources and capacities of the PCIC.

To keep up with this new formidable challenge, the PCIC focused its activities on 1) building partnership for knowledge and resource sharing in agricultural insurance product development; 2) updating and clarifying guidance documents for standard processes and procedures toward ensuring consistent quality of both the processes and products in the agency; and 3) strengthening the competencies of the workforce.

We entered into partnership agreements with official development assistance (ODA) agencies as well as the private sector for the development of new insurance products, particularly one enabled by satellite technology. Chief of these was the partnership with the International Rice Research Institute (IRRI) and the Department of Agriculture's Philippine Rice Research Institute (DA-PhilRice) for the development of the Area-Based Yield Index Insurance for Rice (ARBY). With funding from the Consultative Group on International Agricultural Research (CGIAR) facilitated by IRRI and using data from the PhilRice's PRiSM or Philippine Rice Information System, a satellite-aided rice monitoring system, the ARBY may be developed in 2024 and pilot tested by PCIC in succeeding years.

The first internal guidance document enhanced during the year was the Anti-Red Tape Authority (ARTA) manual and citizen's charter. Apart from identifying the services covered, the client requirements, and duration for completing transactions, the revised document included the new feature for processing positive comments and feedback from stakeholders.

The second guidance document reviewed and enhanced was the Quality Management System (QMS) Manual. The effort resulted in clear and comprehensive mapping of the duties and responsibilities and the corresponding program, activities and projects of the various PCIC units against its core business processes, insurance underwriting and claims processing, and support service processes. It likewise identified and integrated risks faced by each of the operating units of the agency and the risk actions they take.

The competency enhancing trainings involved the operations staff - insurance underwriters and claims adjusters, and the finance staff. The training among the operations staff involving a good part of the PCIC insurance underwriter and claims adjuster workforce nationwide was on the use of geographic information system for post-planting inspection with pin-mapping as an added feature for verifiability of data. The finance staff reviewed their operations and identified strategies to address transaction record backlogs.

Immediate results were felt. In the first year of this medium term plan, the PCIC made good on this commitment by providing insurance coverage to 3.909 million. Reflecting a year-on-year growth of 1.84%, it represents 41.12% of the total insurable RSBSA count of 7.612 million, or 3.54 percentage points higher than the PDP target of 37.58%. On the financial side, our net income grew a staggering 956% year-on-year to Php 772.97 Million. On the instance of the PCIC Management, and to help alleviate the government's financial situation, the Board approved that the entire income be declared as dividend to the National Government.

The effort and dedication of the PCIC's workforce that underpin this remarkable output was matched by the superb satisfaction rating bestowed upon us by our clientele. Under a new satisfaction measurement scheme championed by the ARTA and concurred in by the Governance Commission for GOCCs, the PCIC earned an average overall rating on the Likert Scale of 4.6 and percentage of satisfaction of 97.49% classified as "outstanding" in the ARTA qualitative rating scale. PCIC received same "outstanding" rating in eight other specific dimensions with average percentage rating across all eight dimensions at 97.12%. These dimensions are responsiveness, reliability, access and services, access and facilities, costs, integrity, assurance, and outcome.

The entire PCIC workforce exemplified great energy as it fulfilled the development tasks in the new heightened service path we have charted for the Filipino people. It is the same energy that hopefully will move us further ahead in the years to come.

Very truly yours,



JB JOVY C. BERNABE
President

Highlights of Operation

Physical Results

While it received the same level of budgetary support as the previous year from the National Government in 2023, PCIC turned in significant improvements in key performance indicators of its agricultural insurance program.

PCIC increased its insurance coverage by 1.84% among farmers and fisherfolk. Year-end reports collected from the regional offices show that the number of farmers and fisherfolk enrolled in 2023 reached over 3.909 Million from about 3.84 Million the previous year, or an increase of 70,542 farmers and fisherfolk.

Reflecting the uptick in the number of insured, the premium generated by year-end showed a growth rate of 3.96%. This means that insurance policy sales reached Php 6.297 Billion by end of 2023, from Php 6.057 Billion the previous year.

The drivers of the growth in agricultural insurance operation by insurance line were the non-crop agricultural assets insurance, which grew year-on-year by 13.68%; fisheries insurance, 10.19%; and corn insurance, 9.66%.

The amount of cover or total sum insured during the year reached Php 127.766 Billion, reflecting $\frac{3}{4}$ of 1 per cent downturn from the previous year's figure of Php128.729 Billion. The slight slippage is due to the smaller farms and poultry and livestock holdings among the farmers in these subsectors.

The details about the insurance production results in 2023, their implications on cover and premium generation, are contained in Table 1.

Table 1. Number of Insured, Premium Generated and Amount of Cover by Line, 2022 vs. 2023

Insurance Line	No. of Farmers/ Fisherfolk Insured			Amount of Cover (in million)			Premium Generated (in million)		
	2023	2022	Inc./ (Dec.)	2023	2022	Inc./ (Dec.)	2023	2022	Inc./ (Dec.)
Rice	1,432,750	1,359,263	5.41%	34,626.608	33,250.512	4.14%	3,463.016	3,325.459	4.14%
Corn	508,307	463,512	9.66%	12,766.457	12,020.627	6.20%	1,280.146	1,217.566	5.14%
High-Value Crops	576,765	584,824	(1.38%)	20,693.175	21,756.838	(4.89%)	684.679	684.262	0.06%
Livestock	518,966	533,911	(2.80%)	20,123.575	18,952.304	6.18%	685.484	644.137	6.42%
Fisheries	19,208	17,432	10.19%	782.697	690.053	13.43%	50.794	44.155	15.04%
Non-Crop Agri-Assets	74,105	65,190	13.68%	3,228.780	3,758.885	(14.10%)	65.299	61.507	6.17%
Credit and Life Term	779,626	815,053	(4.35%)	35,544.902	38,300.373	(7.19%)	67.808	80.203	(15.45%)
Total	3,909,727	3,839,185	1.84%	127,766.193	128,729.592	(0.75%)	6,297.225	6,057.289	3.96%

In terms of indemnification, PCIC paid over Php 4.517 Billion, a little less than half percent greater than the Php 4.495 Billion paid a year earlier. Across insurance lines, the highest payments were for rice and corn, as has been for most years, and livestock. The disaggregation by region shows that the highest payments were made to Region VI (Php 868.617 Million); Region IV (Php 569.158 Million); and Region II (Php 507.816 Million).

The number of claimants during the year reached 744,562 insured farmers and fisherfolk, which is 5.96% more than the number who claimed indemnities for losses the previous year, at 702,673.

Across insurance lines, the highest number of claimants came from rice, corn and livestock insurance lines.

The damage rate, computed as the ratio of total amount of claims over total amount of insurance cover, was calculated at 3.54%, about 0.05% higher than last year. The loss ratio, computed as the proportion of indemnity paid to premium generated, was calculated at 1:0.72 which is lower by 0.02, and therefore more favorable than the ratio last year.

The indemnification activities by line are contained in Table 2.

Table 2. Number of Claimant, Indemnity Paid and Damage Rate and Loss Ratio 2022 vs. 2023

Insurance Line	No. of Claimants			Indemnity Paid (in million)			Damage Rate (%)		Loss Ratio	
	2023	2022	Inc./ (Dec.)	2023	2022	Inc./ (Dec.)	2023	2022	2023	2022
Rice	499,930	492,714	1.46%	2,867.222	2,898.667	(1.08%)	8.28%	8.72%	0.83	0.87
Corn	193,532	147,098	31.57%	1,061.478	877.645	20.95%	8.31%	7.30%	0.83	0.72
High-Value Crops	21,860	39,834	(45.12%)	136.324	311.039	(56.17%)	0.66%	1.43%	0.20	0.45
Livestock	23,556	16,925	39.18%	378.270	295.745	27.90%	1.88%	1.56%	0.55	0.46
Fisheries	2,725	2,734	(0.33%)	15.492	30.132	(48.59%)	1.98%	4.37%	0.30	0.68
Non-Crop Agri-Assets	1,152	1,438	(19.89%)	14.631	35.507	(58.79%)	0.45%	0.94%	0.22	0.58
Credit and Life Term	1,807	1,930	(6.37%)	44.136	46.654	(5.40%)	0.12%	0.12%	0.65	0.58
Total	744,562	702,673	5.96%	4,517.552	4,495.387	0.49%	3.54%	3.49%	0.72	0.74

PCIC's insurance operation was enabled by three sources of funds. These are the Agri-Agra Fund, which comes from the Bangko Sentral ng Pilipinas; the General Appropriations Act (GAA) which provided full premium subsidy for farmers listed in the Registry System for Basic Sectors in Agriculture; and Others, largely from premiums generated from LGU premium payments for farmers, Coconut Industry Trust Fund for the coverage of coconut farmers and paying clients.

The Agri-Agra Fund provided some Php 1.4 Billion in 2023; the GAA allocated Php 4.5 Billion; while others like commercial farmers, local government units and coconut trust fund, contributed Php 395.59 Million. In terms of the number of farmers and fisherfolk supported, the GAA was able to enroll the insurance coverage of over 2.33 million small farmers and fisherfolk; the Agri-Agra Fund, 473,896 farmers; and Others, with about 1.09 Million farmers. Other details of the insurance coverage by fund are in Table 3.

Support for agricultural insurance using the Agri-Agra Fund has been withdrawn by law, in favor of supporting agricultural entrepreneurs. Remaining agri-agra funds with the PCIC is expected to last till 2025 only.

Table 3. Results of Insurance Operations by Fund Source, 2023

	No. of Farmers/Fisherfolk	Amount of Cover (PHP M)	Gross Premium (PHP M)
Agri-Agra Fund	473,896	17,805.874	1,401.626
General Appropriations Act (GAA)	2,336,752	61,581.092	4,500.001
Others	1,099,079	48,379.227	395.598
Total	3,909,727	127,766.193	6,297.225

By geographic areas or PCIC regional offices, the sources of growth in terms of number of insured were Regions VI, II, and VII; in terms of premium, it was Regions II, IV and VI. Detailed production data by PCIC Regions are contained in Table 4.

Highlights of Operation

Table 4. Number of Insured, Premium Generated and Amount of Cover by PCIC Regions

RO	No. of Farmers/Fisherfolk Insured		Amount of Cover (PhP M)		Premium Generated (PhP M)	
	2023	% to total	2023	% to total	2023	% to total
I	380,397	9.73%	9,065.293	7.10%	455.669	7.24%
II	587,414	15.02%	19,119.286	14.96%	1,005.027	15.96%
III	123,502	3.16%	4,180.995	3.27%	327.969	5.21%
III-A	123,447	3.16%	5,700.189	4.46%	352.982	5.61%
IV	289,384	7.40%	12,531.709	9.81%	639.524	10.16%
IX	203,050	5.19%	6,469.158	5.06%	330.608	5.25%
V	265,083	6.78%	7,926.756	6.20%	410.471	6.52%
VI	625,111	15.99%	20,489.615	16.04%	625.403	9.93%
VII	401,259	10.26%	11,685.999	9.15%	462.526	7.34%
VIII	305,568	7.82%	9,791.189	7.66%	445.033	7.07%
X	203,669	5.21%	6,249.760	4.89%	389.963	6.19%
XI	226,111	5.78%	8,218.752	6.43%	415.400	6.60%
XII	175,732	4.49%	6,337.492	4.96%	436.650	6.93%
Total	3,909,727	99.99%	127,766.193	99.99%	6,297.225	100.01%

The performance by PCIC regions against the year's target are contained in Table 5. Six of the 13 PCIC regions outpaced their targets in the number of farmers insured. Region II turned in 117%; Region IV, 112%; Region IIIA, 110%; Region XII, 107%; Region III, 106%; and Region VII, 105%.

Table 5. Accomplishment vs. Target by PCIC Regions

RO	No. of Farmers/Fisherfolk			Amount of Cover (PhP M)			Premium (PhP M)		
	Actual	Target	% Accompl.	Actual	Target	% Accompl.	Actual	Target	% Accompl.
I	380,397	434,445	87.56	9,065.293	10,442.117	86.81	455.669	416.344	109.45
II	587,414	502,649	116.86	19,119.286	18,831.308	101.53	1,005.027	981.051	102.44
III	123,502	116,740	105.79	4,180.995	4,657.650	89.77	327.969	330.955	99.10
III-A	123,447	112,234	109.99	5,700.189	5,808.196	98.14	352.982	305.418	115.57
IV	289,384	258,126	112.11	12,531.709	12,942.656	96.82	639.524	590.947	108.22
V	265,083	267,556	99.08	7,926.756	9,496.206	83.47	410.471	402.784	101.91
VI	625,111	647,331	96.57	20,489.615	29,194.173	70.18	625.403	644.055	97.10
VII	401,259	382,707	104.85	11,685.999	18,760.915	62.29	462.526	497.387	92.99
VIII	305,568	361,535	84.52	9,791.189	12,079.472	81.06	445.033	445.017	100.00
IX	203,050	210,917	96.27	6,469.158	8,011.198	80.75	330.608	314.614	105.08
X	203,669	226,081	90.09	6,249.760	7,993.675	78.18	389.963	410.865	94.91
XI	226,111	255,523	88.49	8,218.752	12,491.774	65.79	415.400	453.295	91.64
XII	175,732	163,515	107.47	6,337.492	7,496.414	84.54	436.650	405.553	107.67
Total	3,909,727	3,939,359	99.25	127,766.193	158,205.755	80.76	6,297.225	6,198.284	101.60

Highlights of Operation

Financial Operations

PCIC's net income significantly increased to Php 772.99 Million in 2023, rebounding from the relatively low levels of Php 73.19 Million (2022) and Php 66.83 Million (2021) over the last two years.

Total income amounted to Php 1.72 Billion, 15.5% greater than the Php 1.49 Billion in 2022. This growth is largely attributed to the raise in service and business income, which rose by Php 259 million or 19%, showing PCIC's stronger operational performance and improved demand for its crop insurance services.

Total expenses in 2023 stood at Php 5.45 billion, which is a 7.9% reduction from Php 5.92 billion in 2022. The reduction in direct costs, which decreased by Php 525 million or 10.4%, contributed significantly to the lower expense figure. This decline in expenses was achieved despite a slight increase in maintenance and other operating expenses.

Total assets dropped from 2022, from Php 8.91 billion to Php 7.96 Billion. Total liabilities similarly dropped to Php 5.28 Billion from Php 6.93 Billion, reflecting the use of Agri-Agra Funds during the year.

Total equity increased by 35% in 2023, to Php 2.68 Billion from Php 1.98 Billion the previous year, and this reflects a strong net asset position resulting from increased net income.

To sum up, PCIC's financial performance indicates recovery and growth in total income and equity during the year, despite drops in total assets and liabilities.

On the whole, the organization stands at a better position in 2023 compared to recent years, which could lead further to greater stability and growth in the years ahead.

Table 6. Income Overview 2018-2023

	2023	2022 As Restated	2021 As Restated	2020 As Restated	2019 As Restated	2018 As Restated
Gross Revenue	6,221,346,156	6,057,285,254	5,085,689,356	5,133,653,661	5,725,585,423	4,908,658,927
Total Income	1,721,346,156	1,490,299,769	1,970,659,737	1,362,468,701	2,492,074,925	908,024,526
Total Expenses	5,448,353,052	5,917,106,439	5,403,834,107	3,961,808,771	5,036,315,819	4,343,806,344
Net Comprehensive Income	772,993,104	73,193,330	66,825,630	900,659,930	995,721,093	39,975,085

Table 7. Financial Overview 2018-2023

	2023	2022 As Restated	2021 As Restated	2020 As Restated	2019 As Restated	2018 As Restated
Total Assets	7,960,889,025	8,911,677,077	7,952,870,575	5,936,372,830	7,608,287,936	7,137,787,290
Total Liabilities	5,281,814,997	6,932,978,402	5,540,928,681	3,167,789,994	4,546,860,110	5,293,272,174
Total Equity	2,679,074,028	1,978,698,675	2,411,941,894	2,768,582,836	3,061,427,826	1,844,515,116

Highlights of Operation

COCONUT INSURANCE PROGRAM



Article II Sec. 4 paragraph d of Republic Act 11524, known as the Coconut Farmers and Industry Trust Fund (CFITF) Act, mandates the PCIC to implement a crop insurance program for farmers whose coconut farms are 5.0 ha and below. In response, PCIC implemented the CFITF Crop Insurance Program. This crop-specific program aims to protect the coconut farmers from financial losses and reverse the risk-averse nature of coconut productivity.

The CFITF Crop Insurance Program covered coconut trees as the only insurable commodity and death of the tree as the only compensable risk.

In 2023, the second year of its implementation, the CFITF Crop Insurance Program received an allocation of Php 200 million.

It supported the insurance coverage of 246,733 small coconut farmers tending a total of about 201,420 hectares of coconut farms nationwide.

The disbursement of the available premium subsidy across the PCIC regions, along with key insurance performance indicators, are contained

in Table 8. Note that Regional Office VIII has the highest number of farmers insured with 51,825 coconut farmers, followed by Regional Office IV with 36,191 coconut farmers, and Regional Office IX with 32,878 coconut farmers.

Among those insured, 240 filed claims for losses or death of coconut trees in about 209 hectares of farms. Total damage compensation paid was about Php 968,599. In addition, a total of Php 1.74 million was paid to 174 claimants, representing the built-in death benefit, compensating the family of the insured coconut farmers in the unfortunate event of the farmer's demise.

For the project, PCIC mobilized its Regional and Extension Offices to reach remote areas. All PCIC field offices conducted a number of mass orientations and enrollments throughout the country, focusing on coconut-producing areas

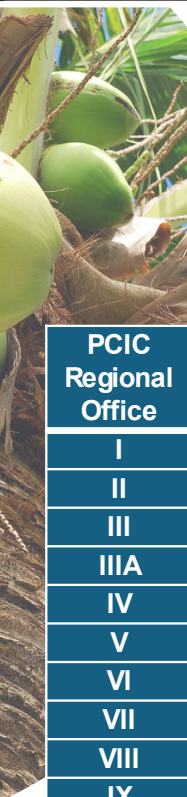


Table 8. Results of Coconut Insurance Program by PCIC Regional Office

PCIC Regional Office	No. of Farmers		Area Insured (ha)		Amount of Cover (PHP)		Financial Accomplishment	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
I	484	1,046	484	484	0.024B	0.024B	0.484M	0.484M
II	913	1,141	913	913	0.046B	0.046B	0.913M	0.913M
III	402	458	402	416	0.020B	0.020B	0.402M	0.402M
IIIA	1,832	1,853	1,832	1,832	0.092B	0.092B	1.832M	1.832M
IV	33,182	36,191	33,182	33,312	1.659B	1.659B	33.182M	33.182M
V	11,619	12,546	11,619	11,828	0.581B	0.581B	11.619M	11.619M
VI	12,994	20,922	12,994	13,287	0.650B	0.650B	12.994M	12.995M
VII	15,363	26,491	15,363	15,309	0.768B	0.768B	15.363M	15.363M
VIII	46,026	51,825	46,026	46,034	2.301B	2.301B	46.026M	46.026M
IX	25,887	32,878	25,887	25,887	1.294B	1.294B	25.887M	25.887M
X	21,047	26,350	21,047	21,048	1.052B	1.052B	21.047M	21.045M
XI	14,685	16,728	14,685	14,814	0.734B	0.734B	14.685M	14.686M
XII	15,566	18,304	15,566	16,256	0.778B	0.778B	15.566M	15.566M
Total	200,000	246,733	200,000	201,420	10.000B	10.000B	200.000M	200.000M

that are prone to natural calamities, pests, and diseases.

The main challenge in the implementation of the program was finding the listed coconut farmers for insurance coverage.

To address this, PCIC has utilized its existing partnerships with different Local Government Units (LGUs) and opened new networks of communication in target areas down to the barangay level.

Furthermore, different PCIC Offices conducted massive information dissemination campaigns to educate the farmers and introduce the benefits of the program. As a result, the Corporation was able to use collaborative efforts efficiently. PCIC also used this opportunity to introduce other programs it is offering to the farmers especially their free insurance program for other crops.

Highlights of Operation

Board Actions

Pursuant to Presidential Decree (PD) No. 1467, as amended by PD 1733 and Republic Act No. 8175, the powers of PCIC are vested in and exercised by its Board of Directors.

For CY 2023, the PCIC Board is composed of the following:

Benjamin E. Diokno	Ex-Officio Chairperson (Department of Finance Secretary)
Francisco P. Tiu Laurel, Jr. ¹	Ex-Officio Vice Chairperson (Department of Agriculture Secretary)
Domingo F. Panganiban ²	Ex-Officio Vice Chairperson (Department of Agriculture Senior Undersecretary)
JB Jovy C. Bernabe	PCIC President
Lynette V. Ortiz ³	Ex-Officio Board Member, Land Bank of the Philippines President and CEO
Cecilia C. Borromeo ⁴	Ex-Officio Board Member, Land Bank of the Philippines President and CEO
Jose Arnulfo A. Veloso	Ex-Officio Board Member, Government Service Insurance System President and General Manager
Dr. Gina C. Terencio	Subsistence Farmer's Sector Representative

¹Term started on November 5, 2023

³Term started on May 24, 2023

²Term ended on November 3, 2023

⁴Term ended on May 23, 2023

Meetings

In 2023, the Board of Directors held 11 meetings.

The Board meetings were supported by the meetings of the Board Committees, which acted as clearinghouse for the Board agenda.

For 2023, the Committee on Governance held five meetings while the Committee on Audit and Risk Management had four meetings.

Board Accomplishments

In 2023, the Board approved several enhancements to features of the rice and corn insurance lines and to insurance guidelines and procedures which will help PCIC improve the provision of agricultural insurance.

These actions are documented as follows:

Board Resolution No. 2023-8

Increased the maximum amount of cover ceilings for rice crop production of borrowing farmers as follows:

Rice Variety	Amount of Cover Ceiling per Hectare (in Php)	
	From	To
Inbred	41,000	67,000
Hybrid	50,000	78,000

Board Resolution No. 2023-12

Issued PCIC's Insurance Product Pricing Framework which will serve as PCIC's guide in the review and/or repricing of its insurance products

Board Resolution No. 2023-13

Issued PCIC's Insurance Product Governance Framework which puts into writing product oversight, governance, and development processes

Board Resolution No. 2023-17

Increased the maximum amount of cover ceilings for corn crop production of borrowing farmers as follows:

Corn Variety	Amount of Cover Ceiling per Hectare (in Php)	
	From	To
White corn (open-pollinated)	34,000	57,000
Yellow corn (hybrid)	50,000	61,000

Committee Accomplishments

PCIC has two Board Committees: the Committee on Governance and the Committee on Audit and Risk Management, which were created to assist the Board in performing its duties and responsibilities.

The Committee on Governance assists the Board in fulfilling its corporate governance responsibilities. It also covers the functions of the Committee on Nomination and Compensation/Remuneration. For 2023, it held five meetings.

The composition of the Committee on Governance is as follows:

Chairperson	Secretary Benjamin E. Diokno
Vice-Chairperson	GSIS PGM Jose Arnulfo A. Veloso
Members	Secretary of Agriculture
	PCIC Pres. JB Jovy C. Bernabe

For the Committee on Governance's accomplishments for CY 2023, it reviewed the reports of Management on the following topics before presentation to the Board:

- Performance Scorecards for CYs 2023 and 2024
- Insurance Product Pricing Framework
- Insurance Product Governance Framework
- Amendments to the PCIC Charter bill
- Increase in the amount of cover ceilings for rice and corn crop production of borrowing farmers
- Setting of salaries of certain position at higher step increments under the Compensation and Position Classification System (CPCS)

The Committee on Audit and Risk Management assists the Board in fulfilling its oversight responsibilities on internal audit and control, risks faced by the Corporation, and compliance with applicable laws and regulations. For 2023, it held four meetings.

The composition of the Committee on Audit and Risk Management is as follows:

Chairperson	Secretary of Agriculture ¹
	LBP Pres. Cecilia C. Borromeo ²
Members	LBP Pres. Lynette V. Ortiz ³
	GSIS PGM Jose Arnulfo A. Veloso
	Dr. Gina C. Terencio

¹Chairpersonship started on June 20, 2023

²Term ended on May 23, 2023

³Membership started on June 20, 2023

Board Actions

For the Committee on Audit and Risk Management's accomplishments for CY 2023, it reviewed the reports of Management on the following topics before presentation to the Board:

- Corporate Operating Budgets for FYs 2023 and 2024
- Financial statements for FY 2022
- Declaration of dividends for FY 2022
- Internal audit plan for CY 2023
- Commission on Audit (COA) Annual Audit Report on PCIC for FY 2022
- Internal audit reports on the PCIC Regional Offices
- Fire Surplus Reinsurance Treaty with the National Reinsurance Corporation of the Philippines (Nat Re)
- Highlights of operations (physical and financial results)
- Updates on Management's compliance with the COA recommendations

Partnership and Linkages

I. PCIC Regional Information, Marketing and Education (PRIME) Results

PRIME is the Corporation's harmonized and integrated communication effort aimed at continuously informing and educating farmers, fisherfolk and the general public about the programs, projects and activities of the PCIC as well as its development in the agricultural insurance system.

PCIC continued to create greater awareness for its products and services by producing and distributing more brochures, tarpaulins, flyers, and posters. These are complemented by hosting farmers' meetings and actively attending farmers' fora organized by other government entities.

In 2023, marketing activities increased by 20% compared to the previous year. This surge is particularly evident in the distribution of brochures, as we strove to reach more farmers and increase awareness for our products and services.

Table 9. Production and Distribution of IEC Materials, 2023 vs 2022

Activity/Material	Performance indicator	2023	2022	Increase/Decrease	Increase/Decrease (%)
Rice insurance Brochure	No. of pieces	242,931	142,738	100,193	70.19%
Corn Insurance Brochure	No. of pieces	102,367	76,153	26,214	34.42%
HVC Insurance Brochure	No. of pieces	161,932	151,488	10,444	6.89%
Livestock Insurance Brochure	No. of pieces	133,061	111,537	21,524	19.30%
Non Crop Insurance Brochure	No. of pieces	65,576	49,193	16,383	33.30%
Fisheries Insurance Brochure	No. of pieces	47,147	35,540	11,607	32.66%
Credit and Life Term Insurance Brochure					
Accident Dismemberment Security Scheme	No. of pieces	128,841	101,204	27,637	27.31%
Agricultural Producers Protection Plan	No. of pieces	70,038	62,334	7,704	12.36%
Loan Repayment Protection Plan	No. of pieces	11,744	10,068	1,676	16.65%

Highlights of Operation

Activity/Material	Performance indicator	2023	2022	Increase/Decrease	Increase/Decrease (%)
Other Brochure/Pamphlets: Leaflets/Flyers:					
One Page Flyer	No. of pieces	135,484	29,854	105,630	353.82%
Paalala sa mga magsasakang nagpaseguro ng palay at mais	No. of pieces	142,913	149,019	-6,106	-4.10%
RSBSA Program	No. of pieces	35,497	15,711	19,786	125.94%
Palay at Mais	No. of pieces	977	-	977	0.00%
" Mahahalangang Alituntunin na dapat gawin ng bawat magsasaka na nakaseguro ang alagang hayop."	No. of pieces	9,744	6,406	3,338	52.11%
Tarpaulins	No. of pieces	2,025	3,741	-1,716	-45.87%
Posters	No. of pieces	93	922	-829	-89.91%
Signages	No. of pieces	2	315	-313	-99.37%

II. Expanding Strategic Partnerships

The Corporation also continued to forge new partnerships, finding both public and private entities that share the goal of helping farmers and fishers. They helped PCIC in a number of ways -- in information dissemination, utilizing data and technology, and helping with additional funding that can subsidize premiums.

By end of 2023, PCIC had a total of 4,517 partners, up from the previous year's 4,500. Of this number, there were additional 15 local government units (LGUs), 27 national government agencies (NGAs), and 4 State Universities and Colleges. In addition, PCIC has formed alliances with farmer associations/ organizations (FAs/FOs), microfinance institutions (MFIs), and local radio stations (LRSs).

The breakdown of this expansion is detailed across various major partner-groups:

- Government Agencies — up to 166.
- State Universities — maintained collaboration with four state universities.
- Lending Institutions - partnerships up to 125.
- Local Government Units (LGUs): 1,584 partners.
- Cooperatives: partner-cooperatives are at 635.
- Farmers' Associations/Organizations — registered the biggest increase, reaching 1,897.
- Microfinance Institutions - 67 microfinance partner-institutions.
- Local Radio/TV Stations - 39 radio and TV stations.

Highlights of Operation

Table 10. Insurance Partners by Sector, 2023

RO	Major Groups								Total
	Government Agencies	State Universities	Lending Institutions	Local Govt. Units	Cooperatives	Farmers' Association/Organizations	Micro-Finance Institutions	Local Radio/TV Stations	
I	13	1	6	176	28	9	11	—	244
II	19	—	14	119	157	890	3	7	1,209
III	10	—	5	90	32	102	5	—	244
IIIA	12	—	11	40	88	229	3	—	383
IV	11	—	8	227	31	4	—	6	287
V	17	2	16	114	28	13	1	4	195
VI	20	1	12	133	58	32	3	1	260
VII	20	—	11	132	68	221	4	7	463
VIII	8	—	3	143	33	294	5	9	495
IX	10	—	13	100	38	9	—	1	171
X	3	—	19	126	14	2	—	1	165
XI	4	—	4	68	45	90	30	2	243
XII	19	—	3	116	15	2	2	1	158
Total	166	4	125	1,584	635	1,897	67	39	4,517

A highlight of PCIC's partnership efforts in 2023 was the landmark agreement with the International Rice Research Institute (IRRI) and the Philippine Rice Research Institute (PhilRice). This collaboration - formalized on October 19, 2023, during the 6th International Rice Congress - introduced the development of an Area-Based Yield Index Insurance (ARBY) product. ARBY is an innovative agri-risk transfer mechanism which uses an area's average harvested yield as basis in giving compensation. ARBY gives farmers a reliable safety net against yield fluctuations and climate-related risks.

The ARBY project gets to use the data culled by the Philippine Rice Information System (PRISM), the first satellite-based rice monitoring mechanism in Southeast Asia. The ARBY product will be piloted in three major rice-producing provinces: Isabela, Camarines Sur, and Capiz. In this phase, ARBY will cover 3,000 rice farmers.

PCIC President Atty. JB Jovy C. Bernabe said "the development of ARBY for rice is a proactive effort of PCIC to develop inovative insurance products that utilize available modern technology."

For PhilRice Executive Director Dr. John De Leon, "farmers' enduring spirit has found a new ally in technology" in the PRISM.

Present during the signing ceremony were other PCIC representatives, including Mr. Segundo Guerrero, Acting Senior Vice President; Mr. Sem Cordial, Acting Vice President for Risk Management; Mr. Israel Dela Cruz, Department Manager of Planning and Management Information Office; and Mr. Manuel Cortina, Department Manager of Business Development and Marketing Department.



Highlights of Operation

Organizational Learning

As part of PCIC's quality policy statement to empower the workforce through continuous learning and development, the officers and employees of the PCIC participated in various learning and development interventions to expand skill sets, enhance knowledge retention, generate new ideas and perspectives, boost morale, and raise overall performance. The table below enumerates all L&D activities in 2023 provided to PCIC officers and employees.

A. LEADERSHIP/SUPERVISORY TRAININGS

TITLE OF TRAINING / SEMINAR	OBJECTIVES	VENUE	PARTICIPANTS		PARTICIPANTS	DATE	SERVICE PROVIDER
			MALE	FEMALE			
Seminar on Personal Leadership	By the end of this training, participants will be able to gain knowledge and skills on Personal Leadership.	Online via Zoom	37	28	Head Office officers and employees	April 18, 2023	Philippine Crop Insurance Corporation
Developmental Conversations for Leaders	By the end of this training, participants will increase the awareness and enhance supervisory skills.	Quezon City	15	25	Head Office and Regional Offices officers and employees	July 11-14, 2023	Civil Service Institute
Supervisory Development Course Track 1	By the end of this training, participants will develop mentoring and coaching skills of supervisors in relation with CSC PRIME-HRM Performance Management System	Virtual via Zoom	10	25	Head Office and Regional Offices officers and employees	July 11-14, 2023	Civil Service Institute
Workforce Planning with Career Development and Succession Management	By the end of this training, participants will develop strategic and measurable steps to achieve the goals and initiatives concerned with workforce planning.	Virtual via Zoom	17	33	Head Office and Regional Offices officers and employees	August 7-9, 2023	Civil Service Institute

B. FUNCTIONAL/TECHNICAL TRAININGS

Webinar on Records Inventory and Disposition Administration	By the end of this training, participants will enhance the competence of participants on sound records management practices	Virtual via Zoom	17	43	Regional Offices' officers and employees	January 31, 2023	National Archives of the Philippines
Continuing Education for GAD Focal Persons - GAD Agenda Setting	By the end of this training, participants will continuously strengthen the GAD Focal Point System to efficiently and effectively carry out duties and responsibilities.	Virtual via Zoom	18	26	Head Office Regional Offices' officers and employees	September 15, 2023	Philippine Commission on Women
Re-orientation on the Competency-Based Human Resource System (CBHRS) Program	By the end of this training, participants will be re-oriented on the competency assessment process.	Virtual via Zoom	15	35	Head Office and Regional Offices' officers and employees	October 19-20, 2023	Civil Service Institute
Training on Procurement Management	This training aims to update all participants on recent GPPB and Procurement Management issuances and procedures	Virtual via Zoom	73	105	HO and RO's GAD, TWG, End User, and concerned employees	November 9-10, 2023	Government Procurement Policy Board (GPPB) / PCIC

Highlights of Operation

TITLE OF TRAINING / SEMINAR	OBJECTIVES	VENUE	PARTICIPANTS		PARTICIPANTS	DATE	SERVICE PROVIDER
			MALE	FEMALE			
PhilSys 101 Webinar	By the end of this training, participants will gain knowledge on the Salient Features of RA 11055 and Relevant Issuances.	Virtual via Zoom	177	278	HO and RO's officers and employees	November 13, 2023	Philippine Statistics Authority
Technical Sharing Session on How Satellite Data is Changing Agricultural Insurance	By the end of this activity, participants will be able to gain knowledge on satellite data and its effects to agricultural insurance.	Quezon City	37	34	Head Office officers and employees	December 21, 2023	Philippine Crop Insurance Corporation

C. FOUNDATIONAL TRAININGS

Virtual Orientation on Public Service Continuity Plan (PSCP)	By the end of this training, participants will gain knowledge, skills and attitude required in the development of PSCP that forms part of the overall Public Service Continuity Management for the government	Online via Zoom	33	29	Head Office and Regional Offices' officers and employees	January 18, 2023	Office of Civil Defense
Philippine Commission on Women's DigiALL Forum Series "ChatGE: Talk About Gender Equality"	To participate in the celebration of National Women's Month which include, but are not limited to, the following activities: the conduct of seminars and trainings, physical and wellness programs, and financial and livelihood programs among others.	Quezon City	33	29	Head Office officers and employees	March 15, 2023 March 15, 2023	Philippine Commission on Women
Seminar on Newly Enacted Child Protection Laws & Their Implications on Girl Children						March 23, 2023	Council for the Welfare of Children
Gender Equality and Mental Wellness in the Workplace						March 24, 2023	National Council on Disability Affairs
Women in Fire Forum						March 30, 2023	
Orientation on Sexual Orientation, Gender Identity and Expression, and Sexual Characteristics (SOGIESC)	By the end of this training, participants will be able to mainstream GAD in PCIC programs and to include the corporate social responsibility advocacy of the Corporation	Region I	98	93	Head Office officers and employees	May 4-5, 2023	Philippine Commission on Women
Pre-Retirement Seminar	By the end of this training, participants will be able to gain knowledge on GSIS Retirement Benefits	Quezon City	8	3	Head Office officers and employees	May 26, 2023	Government Service Insurance System
Orientation on 6S in the Workplace and Job Hazard Analysis	By the end of this training, participants will be able to explain the expansion of the traditional 6S of housekeeping to 6S in order to incorporate the concept of safety awareness in the organization	Quezon City	35	31	Head Office officers and employees	May 30, 2023	Occupational Safety and Health Center
Seminar on Gender and Development and Mental Health and Wellness	By the end of this training, participants will be able to gain knowledge in GAD and enhance mental and health wellness	Region IV	192	216	All PCIC officers and employees	December 5-7, 2023	PCIC and Philippine Commission on Women

TITLE OF TRAINING / SEMINAR	OBJECTIVES	VENUE	PARTICIPANTS		PARTICIPANTS	DATE	SERVICE PROVIDER
			MALE	FEMALE			
D. OTHER TRAININGS / SEMINARS ATTENDED BY PCIC EMPLOYEES							
40-hour Basic Occupational Safety and Health Training	This training aims to equip participants with the basic knowledge and skills on identifying safety, health, and environmental hazards.	Online via Zoom	1	1	Aida Castro and Mansueto Tizon	February 20-24, 2023	Occupational Health and Safety Center (OSGC) - DOLE
Climate Change Expenditure Tagging (CCET) Orientation	This training aims to provide the latest information on climate budget tagging for national government planning, budget, and climate change officers.	Online via Zoom	2	2	Sem Cordial, Cleofas Ventic, Rita May Pura, and Bryan Paguirigan	March 7, 2023	Climate Change Commission
DAP Senior Executive Class Shuttle Course - Public Sector Economics and Finance Module	This training aims to enhance the management and leadership competencies of senior executives.	Tagaytay City	2	0	Allan Retamar and Manuel Cortina	May 22-24, 2023 and June 19-22, 2023	Development Academy of the Philippines (DAP)
3rd Government Internal Auditors Summit	This training aims to underscore the basics of fraud and the participant's role in preventing and detecting fraud, and the thin line between fraud audit and investigation.	Online via Zoom	1	3	Rowena Samia, Solita D. Samera, Evalyn T. Austria, and Eduardo D. Adino	June 22-23, 2023	Association of Government Internal Auditors Inc.
CSI Leadership Series" Embracing LeaderSHIFT towards Leading A Multigenerational Workforce"	This training aims to enhance leadership effectiveness and showcase the best practices of successful leaders and managers.	Online via Zoom	1	0	Julius Batenga	June 23, 2023	Civil Service Institute (CSI)
Manager's Role in Capacity Building Training	By the end of this training participants will be able to prepare a draft Office Development Plan for own office/division and strategize on Plan implementation	Online via Zoom	1	0	Julius Batenga	July 4-6, 2023	Civil Service Institute (CSI)
Ethical Leadership Training	By the end of this training participants will be able to apply ethical and moral standards in practicing leadership in public sector.	Online via Zoom	1	0	Julius Batenga	July 19-21, 2023	Civil Service Institute (CSI)
Effective Audit Report Writing	This training aims to enhance the skill of PCIC employees on effective Audit Report Writing	Online via Zoom	1	1	Evalyn T. Austria and Eduardo Adino	August 8-11, 2023	Association of Government Internal Auditors Inc.
DAP Senior Executive Class Shuttle Course — Innovation and Strategic Management	This training aims to enhance and expand the participants' abilities in organization development, innovation and deepen understanding of approaches in resource allocation and principles in public procurement processes.	DAP Conference Center, Tagaytay City	1	0	Allan E. Retamar	August 21-25, 2023	Development Academy of the Philippines
DAP Senior Executive Class Shuttle Course — Phronetic Leadership	This training aims to enhance the leadership skills of the participants that is responsive to the needs of the personnel.	DAP Conference Center, Tagaytay City	1	0	Allan E. Retamar	September 11-15, 2023	Development Academy of the Philippines

Highlights of Operation

TITLE OF TRAINING / SEMINAR	OBJECTIVES	VENUE	PARTICIPANTS		PARTICIPANTS	DATE	SERVICE PROVIDER
			MALE	FEMALE			
ISO 190112018 Guidelines on Auditing Management Systems	This training aims to update PCIC on the ISO 190112018 Guidelines on Auditing Management Systems compliance.	Online via Zoom	1	2	Solita D. Samera and Evalyn T. Austria	September 12-15, 2023	Development Academy of the Philippines
Ain't No GAD Budget High Enough: From GAD Plan Preparation to GAD Funds Audit	This training aims to update PCIC knowledge in the preparation of GAD Plans and Budget until preparation of GAD Funds Audit.	Online via Zoom	0	2	Cleofas M. Ventic and Maria Regina Pamela Y. Rosales	September 19, 2023	Philippine Commission on Women
Virtual Orientation on the Harmonized Client Satisfaction Measurement (CSM)	This training aims to provide update on ARTA and CGC Harmonized Client Satisfaction Measurement (CSM).	Online via Zoom	1	1	Caila Eunice S. Bayron and Matthew Yap	September 20, 2023	Anti Red Tape Authority
One-Time Cleansing of PPE Account Balances of Government Agencies	This training aims to further improve the PCIC management of PPE Account and one time cleansing of Account Balances of PCIC.	Quezon City	0	2	Fe Ramos and Arlene Salisa	November 7-8, 2023	Government Financial Management Innovators Circle (GFMIC), Inc.

Corporate Social Responsibility Activities

The Corporation continued to conduct activities that demonstrate its good corporate citizenship. Each main unit of the agency – the ROs and the HO, conduct separate or joint activities to contribute towards resolving social and environmental issues of the communities they are part of. CSR activities improve public perception of the Corporation and its products and services as well as help promote a cohesive workforce through organic teambuilding opportunities that CSR offers. In 2023, the Corporation's CSR highlights involved relief operations, charity, coastal cleanup and tree planting.



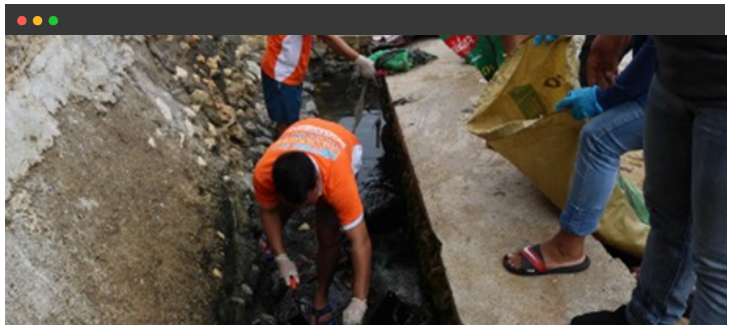
RO 5 distributes food and other basic necessities to Mayon volcano evacuees.

178 households from Barangay San Fernando, Sto. Domingo, Albay received food packs on August 31, 2023 from RO 5. They were temporarily staying in the nearby barangay, Barangay San Andres. In her message to beneficiaries, RO 5 OIC Engr. Maria Janice Obias assured that the Corporation was ready to help them recover from Mayon Volcano's eruption on June 11, 2023. In response, village chief Fatima Banua thanked the PCIC.

COASTAL CLEANUP EFFORTS

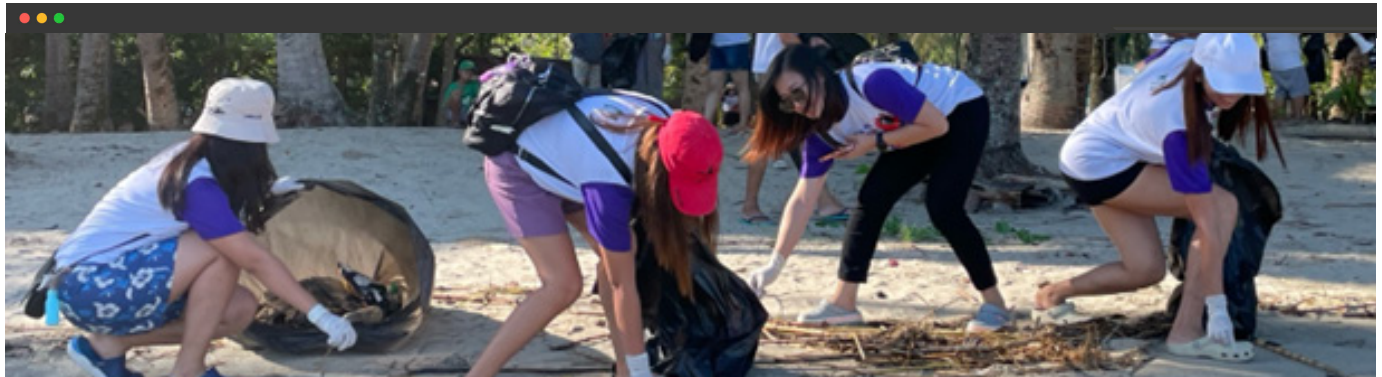
Regional Offices also acted on concerns for the environment. PCIC recognizes the need to keep bodies of water and waterways free of garbage and unnecessary debris. Any refuse that are discarded in these areas contribute to flooding and ultimately the destruction of standing crops.

With this in mind, these were the coastal cleanup activities done by the ROs in 2023.



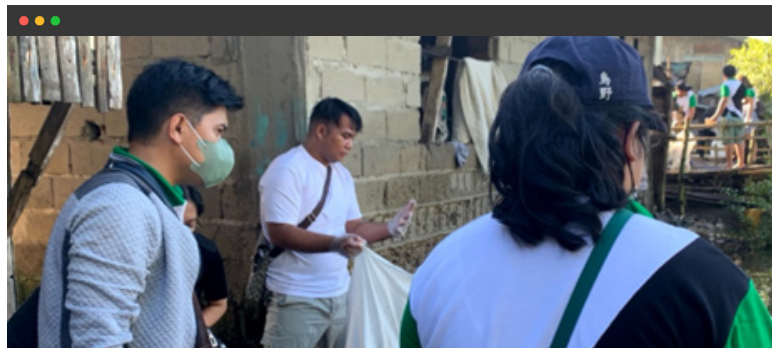
RO 7 removes trash along Boljoon coastline.

The cleanup drive was done in the municipality of Boljoon in Cebu on May 3, 2023. The activity was also an opportunity to distribute indemnity checks to beneficiaries. In attendance was Boljoon Mayor Joie Genesse Derama.



RO 9 cleans Pagadian City coastline during International Coastal Cleanup Day.

Plastic and other non-biodegradable garbage were gathered from the coastline in Pagadian City on September 16, 2023. This is in line with the celebration's theme: "Clean Seas for Healthy Fisheries," which aims to protect beaches and coastlines from garbage and encourage the local community to be more responsible in protecting the environment and marine life.



Care for children and women



RO 3 help abandoned, special children.

Poor, abandoned, surrendered, handicapped and special children from the shelter Munting Tahanan ng Nazareth in Mabalacat, Pampanga were the chosen beneficiaries. They were given sacks of rice, assorted grocery items, and toiletries including diapers, bottles of shampoo and bath soaps on May 4, 2023, PCIC's 42nd anniversary. RO 3 Manager Ma. Lilian Aguilar said the children were in dire need of the above-mentioned items, which is why the RO 3 chose the shelter to be its beneficiary. The shelter's staff members thanked the RO 3 employees for spending time with the children.

Highlights of Operation



RO 11 gives slippers and food packs to needy students in Talaingod, Davao Del Norte. The distribution was done on November 21, 2023. Recipients were students of Butay Integrated School in Barangay Palma Gil. The 300 participants were also given a lecture and guidance on Child Protection Policy. Present were RO 11 Manager Rosalina Grabulan, Administrative and Finance Division Officer-in-Charge John Carlo Franilla, Marketing and Sales Chief Gracia Salloman and Claims Adjustment Head Sammy Glenn Santos. Kamaca Tribe Leader, Datu Asat Malabagtoc, thanked RO 11 for the assistance.



RO 12 distributes school supplies and food to Pigcawayan students. There were more than 160 beneficiaries present on August 24, 2023. They were students of Renibon Elementary School in Brgy. Renibon, Pigcawayan town in North Cotabato. They needed the school supplies delivered as 90 percent of the pupils belong to Manobo tribe, and many are residing in upland areas of the barangay. RO 12 staff, headed by Regional Manager Marissa Agudera were happy to have the opportunity to assist the children. RO personnel saw the excitement and the children expressed gratitude for the gifts they received.

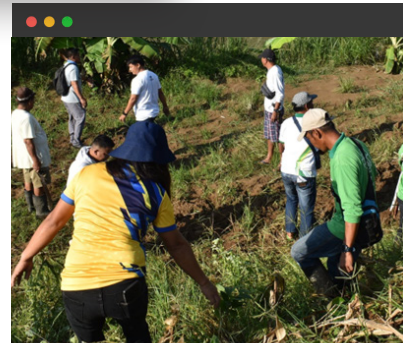


RO 2 hands out hygiene kits and T-shirts to Cagayan farmers and fishers. This was part of the commemoration of International Women's Month on March 8, 2023.

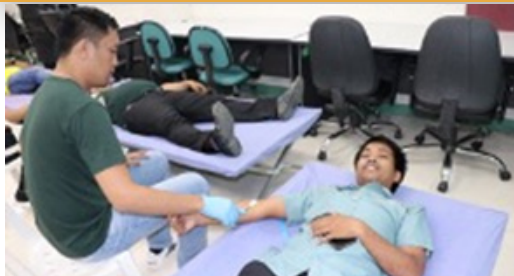
Tree Planting Activities

RO 12 plants 700 Mahogany tree seedlings.

The activity was done in Barangay Kilada, municipality of Matalam in Cotabato. It aimed to help save the environment, prevent floods and mitigate the consequences of climate change. RO 12 Manager Marissa Agudera and National Irrigation Administration-Kabacan River Irrigation System (NIA-KABRIS) Acting Chief Flora Mae Respicio led the activity. Participants included RO 12 employees, division chiefs, and members of the irrigators' association under NIA-KABRIS.



Blood-letting activity



RO 2 employees donate blood on May 1, 2023. This was done in partnership with the Cagayan Valley Medical Center-Blood Bank.

Implementation of the Information Systems Strategic Plan (ISSP) during the year focused on completing Phase 2 of the PCIC Automated Business Systems (PABS), enhancing Phase 1, and soft-starting Phase 3.

PABS is an enterprise resource planning system and a business process management software. It is envisioned to allow the PCIC, being a government financial institution, to use a system of integrated applications to manage its business and automate all the functions in the front, middle and back offices.

Phase 1 consists of three (3) system modules, namely the corporation's two main business processes: the underwriting and marketing system and the claims processing and settlement, as well as the support Management Information System. In 2023, this phase was enhanced with new requirements, including preparations to connect it to the systems of potential service providers. This is for the checkless release of indemnity payment to insured farmers and fisherfolk through Land Bank of the Philippines and the Development Bank of the Philippines digital disbursement systems or private non-bank intermediaries, (e.g. Palawan Express Inc., and MLhuillier).

Phase 2 consists of Head Office and Regional Offices' Accounting Systems with Consolidated Financial Statements. All systems are in place, however, in 2023, these were enhanced to meet new requirements. Some of these are as follows: subsidiary ledger processing has also been provided for "accounts receivable" and accounts payable transactions. Bank reconciliation and monitoring system and cash management system with cash flow statement have been set on stream; so was the investment monitoring system. Started in July but continuing to be installed is the budget management system. Also, the integration of Phase 1 and Phase 2 continues to be worked on.

Phase 3 consists of the Administrative and General Services System composed of four system modules, namely: human resource information

management system (HRMIS), property and supply management system, document management system, and general support services system. In 2023, the development of the HRMIS was outsourced from a third-party developer.

The Geographic Information System (GIS) is a powerful tool that allows capture, storage, analyses and visualization of spatial data. It combines geography with information technology to provide a platform for understanding and interpreting complex relationships within our environment. GIS relies on geographic data-information tied to specific locations on Earth's surface. By layering this information onto maps, GIS users can gain insights into various phenomena and make informed decisions about planning, resource management and policy development.

In a major effort to upgrade IT capacity in 2023, the PCIC leveraged GIS for its operations and conducted a nationwide training on Georeferencing Smartphone App and Interfaces with PABS. The training aimed to build skills among the participants, consisting of PCIC's insurance underwriters and insurance adjusters, in: a) generating from the PABS notice of post-planting inspection assignments consisting of farms to be georeferenced by an inspector; using the georeferencing smartphone app to bet the actual farm sizes insured and their geospatial data; b) updating the georeferenced farm record in the PABS with geocoordinates of farm and the polygons; and c) generating post-planting inspection report from the PABS.

GIS can connect to the PABS and enhance agency capacities for post-planting inspection, especially Phase 1.

The training was participated in by about 250 participants from 13 PCIC regions. It was conducted by Engr. Ernesto Chaves, technical assistant at the Office of the Senior Vice President, through regional seminar-workshops from July to November.

Highlights of Operation

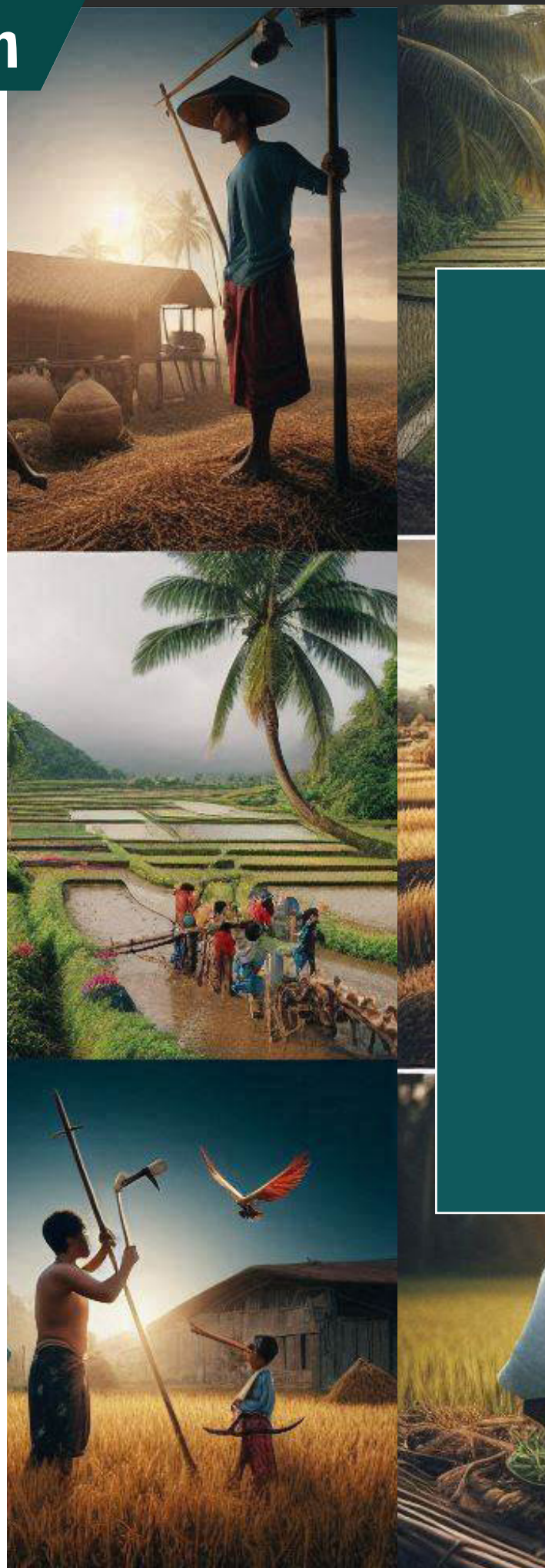
In the first year of the new client satisfaction measurement (CSM) regime installed among government agencies by the Anti-Red Tape Authority (ARTA) and concurred in by the Governance Commission for GOCCs, PCIC obtained a rating of "Outstanding," having gained 4.60 average rating on the Likert scale and 97.49% for overall satisfaction among over 6,000 clients it served last year.

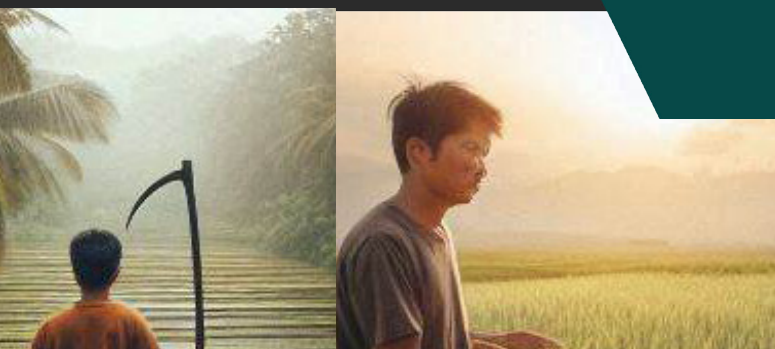
This rating for overall satisfaction, tagged as Service Quality Dimension (SQD) 0, is the only rating accepted by the GCG for customer satisfaction among the GOCCs it supervises.

PCIC likewise obtained an average rating of 4.57 and overall satisfaction rating of 97.12%, similarly translated as "Outstanding," in the eight other SQDs that the survey measures for all government agencies.

The ARTA-designed CSM includes three questions related to the agency's citizen's charter, one question related to the client's overall satisfaction with the service he/she availed of which is SQD 0, and eight questions related to other SQDs.

The eight SQDs are: responsiveness or the willingness to help, assist and provide prompt service to clients; reliability or the provision of what is needed and what was promised following the policy and standards with zero to minimal error rate; access and facilities, or the convenience of location, ample amenities for comfortable transaction, use of clear signages and modes of technology; communication or the act of keeping citizens and clients informed in a language they can easily understand, as well as listening to their





Clients rate PCIC's service "outstanding" in new client satisfaction measurement regime

feedback; costs, or the satisfaction with timeliness of the billing, billing processes, preferred methods of payment, reasonable payment period, value for money, acceptable range of costs, and qualitative information on the cost of each service; integrity, the assurance that there is honesty, justice, fairness and trust in each service while dealing with citizens/clients; assurance, or the capability of frontline staff to perform their duties, product and service knowledge, understand citizen/client needs, helpfulness and good client relationship; and outcome, or the extent of achieving outcomes or realizing intended benefits of government service.

The decimal rating averages client assessment to a statement corresponding to each of the SQDs in a Likert Scale where 4 and 5 means the clients agree and strongly agree to the positive statements about the SQDs. The percentage rating is the ratio of the number of clients who responded with 4 and 5 against the total number of respondents. PCIC was able to collect 6,118 responses to the survey nationwide.

On the ARTA matter, 72.3% of the respondents were familiar with the PCIC Citizen Charter and have seen it in the offices, while 12.33% only knew about the citizens charter when they saw it in the PCIC office. Some 5.16% said they did not know about the citizens charter and did not see one in the offices. Finally, some 4.28% said they were familiar with the citizens charter, but did not see one in the PCIC office.



Notes to Financial Statements

PHILIPPINE CROP INSURANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION
 As at December 31, 2023 and 2022
 (In Philippine Peso)

		Note	2023	2022 As Restated
ASSETS				
Current assets				
Cash and cash equivalents	2		2,961,352,653	6,262,043,424
Investments	3		3,012,432,129	-
Receivables, net	4		39,330,222	158,399,492
Inventories	5		16,946,068	12,822,695
Other current assets	6		8,597,690	5,663,973
Total Current assets			6,038,658,762	6,438,929,584
Non-current assets				
Investments	7		1,796,478,007	2,379,389,928
Receivables, net	8		12,350,457	12,372,638
Property, plant and equipment, net	9		109,258,776	77,828,890
Intangible assets	10		1,394,580	1,866,931
Other non-current assets	11		2,748,443	1,289,106
Total Non-current assets			1,922,230,263	2,472,747,493
TOTAL ASSETS			7,960,889,025	8,911,677,077
LIABILITIES				
Current liabilities				
Financial liabilities	12		44,323,653	20,755,741
Inter-agency payables	13		40,642,322	16,062,137
Trust liabilities	14		2,127,427,919	3,521,011,047
Deferred credits/unearned income	15		29,715,292	33,625,212
Provisions	16		81,198,693	79,508,053
Other payables	17		541,271,805	208,165,212
Total Current liabilities			2,864,579,684	3,879,127,402
Non-current Liabilities				
Trust liabilities	18		322,335,603	314,148,483
Deferred credits/unearned income	19		-	-
Provision for insurance contract liabilities	20		2,094,899,710	2,739,702,517
Other payables	21		-	-
Total Non-current liabilities			2,417,235,313	3,053,851,000
TOTAL LIABILITIES			5,281,814,997	6,932,978,402
EQUITY				
Contributed capital	22		1,500,000,073	1,500,000,073
Stockholders' equity	23		259,451,431	259,451,431
Retained earnings	24		919,622,524	219,247,171
TOTAL EQUITY			2,679,074,028	1,978,698,675
TOTAL LIABILITIES AND EQUITY			7,960,889,025	8,911,677,077
			-	-

PHILIPPINE CROP INSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2023 and 2022
(In Philippine Peso)

				2022
		Note	2023	As Restated
Income				
	Service and business income	26	1,631,050,317	1,371,848,752
	Other non-operating income	27	90,295,839	118,451,017
	TOTAL INCOME		1,721,346,156	1,490,299,769
Expenses				
	Direct costs	28	4,511,399,616	5,036,518,819
	Personnel services	29	224,199,436	224,609,015
	Maintenance and other operating expenses	30	697,756,155	637,799,729
	Financial expenses	31	196,803	136,580
	Non-cash expenses	32	14,801,042	18,042,296
	TOTAL EXPENSES		5,448,353,052	5,917,106,439
	Loss before tax		(3,727,006,896)	(4,426,806,670)
	Income tax expense/(benefit)		-	-
	Loss after tax		(3,727,006,896)	(4,426,806,670)
	Net assistance/subsidy	33	4,500,000,000	4,500,000,000
	Net income		772,993,104	73,193,330
	COMPREHENSIVE INCOME		772,993,104	73,193,330

NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022
(All amounts in Philippine Peso unless otherwise stated)

1. GENERAL INFORMATION

PCIC is a government-owned and/or controlled corporation (GOCC) formerly attached to the Department of Agriculture (DA) per Executive Order (EO) No. 74, s. 2002 dated February 28, 2002. On September 14, 2021, former President Rodrigo Roa Duterte signed EO No. 148, transferring PCIC to the Department of Finance (DOF) for "policy and program coordination, and general supervision."

PCIC was created as a social-oriented corporation under Presidential Decree (PD) No. 1467 on June 11, 1978, "prescribing its powers and activities, providing for its capitalization and for the required Government Premium Subsidy (GPS) and for other purposes." The PD was amended through PD No. 1733 dated October 21, 1980, by adding penal sanctions therein and EO No. 708 dated July 27, 1981. It was further amended by Republic Act (RA) No. 8175 enacted on December 20, 1995, or an Act further amending PD No. 1467, otherwise known as the Charter of the PCIC, in order to make crop insurance system stable and more beneficial to the farmers and the national economy.

The PCIC is an agricultural insurer committed to help stabilize the income of agricultural producers and promote the flow of credit in the countryside by:

- a. Providing insurance protection to qualified farmers and other agricultural stakeholders against losses of their crops and produce, including their farm machinery and equipment, transport facilities, and related infrastructure arising from natural calamities, pests and diseases, and other perils beyond their effective control; and
- b. Extending innovative and client-responsive insurance packages and other services through people's organizations, including farmers' cooperatives, agricultural lenders, and service providers.

Financial Statements

The powers of the Corporation are vested in and exercised by the Board of Directors (BOD) composed of seven (7) members, as follows:

- The Secretary of the DOF;
- The Secretary of the DA;
- The President of the Land Bank of the Philippines (LBP);
- The President and General Manager of the Government Service Insurance System (GSIS);
- The President of the PCIC;
- A representative from the private insurance industry nominated by the Secretary of Finance; and
- A representative from the subsistence farmers' sector preferably representing agrarian reform beneficiaries/cooperatives/associations, selected and nominated by the different farmers' organizations and/or cooperatives.

Its mandate is to provide insurance protection to the country's agricultural producers, particularly the subsistence farmers, against losses of their crops and non-crop agricultural assets arising from natural calamities (such as typhoons, floods, droughts, earthquakes, and volcanic eruptions), plant pest and diseases, and/or other perils.

The PCIC has 13 Regional Offices (ROs) nationwide and as of December 31, 2023, had a personnel complement of 185 regular employees; 1,264 under job order (JO) basis; and two consultants.

2. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2023	2022
	2023	As restated
Cash on hand	457,825	281,545
Cash in bank-local currency	2,258,644,670	4,067,797,586
Cash equivalent	702,250,158	2,193,964,293
	2,961,352,653	6,262,043,424

The Cash in bank-local currency consists of the following:

	2023	2022
	2023	As restated
Current accounts		
PCIC-Agri-Agra Fund	1,129,208,889	2,422,710,303
Claims fund	655,565,121	329,021,617
General and administrative fund	372,882,385	996,095,341
Mother account	24,950,466	29,411,075
Special Revolving Trust Fund (SRTF) account	18,881,457	18,873,801
Investment fund	997,303	32,090,471
PCIC-GAA Fund	30,007	30,004
Philippine Coconut Authority (PCA) – Coconut Farmers and Industry Trust Fund (CFITF)	-	200,000,000
	2,202,515,628	4,028,232,612
Savings account		
Savings account – one way savings deposit account (OSDA)	56,129,042	39,564,974
	2,258,644,670	4,067,797,586

Cash equivalent consists of the following:

	2023	2022
Time deposit, local currency – PCIC	400,000,000	1,900,000,000
Time deposit, local currency – SRTF	302,250,158	293,964,293

DOF's Circular No. 002-2022 dated May 16, 2022, or the Revised Guidelines on Authorized Depository Banks, requires PCIC to maintain separate bank accounts and records for the accounting of unutilized subsidies and transfer funds, including unutilized proceeds/collections from lending programs funded by subsidy or transfers, and their corresponding interest income, and under no circumstances shall these funds be co-mingled with other bank accounts. The BOD approved the opening of the following bank accounts under the name of the PCIC, and are as follows:

1. PCIC-GAA Fund - for the subsidy releases from the National Government (NG), its receipts and disbursements; and
2. PCIC-Agri-Agra Fund - for the transfer funds from the Bangko Sentral ng Pilipinas (BSP) under RA No. 10000, its receipts, and disbursements.
3. CFITF - Under RA No. 11524 or the CFITF, the PCIC, as one of the implementing agencies, is the government agency mandated to provide insurance protection to the country's agricultural producers particularly the subsistence farmers, against loss of their crops and/or non-crop agricultural assets on account of natural calamities such as typhoons, floods, droughts, earthquakes and volcanic eruptions, plant pests and diseases, and/or other perils.

These Modified Disbursement System (MDS) sub-accounts will take in receipts and MDS disbursements from National Government Agencies (NGAs). There shall be a direct transfer of funds from the Bureau of the Treasury (BTr) to the implementing agency's MDS Trust Account by means of issuance of a Notice of Cash Allocation (NCA).

3. INVESTMENTS - CURRENT

This account consists of:

	2023	2022
Investment in bonds-local short term	3,012,432,129	-
Investment in time deposits, local currency - Special Revolving Trust Fund (SRTF)	-	-
Investment in time deposits, local currency	-	-

4. RECEIVABLES – CURRENT

This account consists of the following:

	2023	2022
	2023	As restated
Loans and receivables	36,753,869	156,322,374
Inter-agency receivables	2,028,045	1,759,537
Other receivables	548,308	317,581
	39,330,222	158,399,492

The bulk of the CY 2023 Loans and receivables account is the Interest receivables and contributions and receivables from farmers.

Financial Statements

4.1 Loans and receivable account consists of:

	2022	
	2023	As restated
Interest receivable	21,116,875	12,305,961
Contributions and premiums receivable	15,636,994	144,016,413
	36,753,869	156,322,374

Interest receivable includes interest from Investments in bonds and Time deposits.

4.1.1 Contributions and premiums receivable from:

	2022	
	2023	As restated
NG	-	134,061,333
Farmers	15,667,048	9,985,134
Lis	1,983,956	1,983,956
Less: Allowance for impairment	(2,014,010)	(2,014,010)
	15,636,994	9,955,080
	15,636,994	144,016,413

Contributions and premiums receivable-NG represents the amount of unreleased share of government in the total insurance premiums, pursuant to Section 5 of RA No. 8175.

The Contributions and premiums receivable from farmers and Lending Institutions (LIs) represent the share of farmers and LIs in the premiums whose names are not included in the RSBSA list.

4.1.2 Contributions and premiums receivable - NG

	2023	2022
Unreleased balance of GPS for CY 2022 released in 2023	-	134,061,333
	-	134,061,333

4.2 Inter-agency receivables

This account consists of the following:

	2022	
	2023	As restated
Due from NGAs	2,020,556	1,560,351
Due from Government Corporations	-	49,597
Due from other funds	7,489	149,589
	2,028,045	1,759,537

Due from NGAs account represents payment or deposit to the Department of Budget and Management-Procurement Service (DBM-PS) for the plane tickets and office supplies of PCIC.

4.3 Other receivables-current

Due from officers and employees for CY 2023 and 2022 are 548,308 and 317,581, respectively.

The Corporation provides an allowance for impairment of 10 per cent after two years when the account becomes past due. Accounts that are more than 20 years past due or those whose possibility of collection is almost zero are given a 100 per cent allowance for impairment.

5. INVENTORIES

This account consists of Inventory held for consumption, details as follows

	2023			2022 (As restated)
	Inventories carried at lower of cost and net realizable value	Inventories carried at fair value less cost to sell	Inventories carried at lower of cost and net realizable value	Inventories carried at fair value less cost to sell
Office supplies inventory				
Carrying amount, January 1	4,920,650	-	5,938,830	-
Additions/acquisitions during the year	17,292,792	-	14,820,766	-
Expensed during the year except for write-down	(26,653,413)	-	(20,834,051)	-
Other adjustments	8,889,782	-	4,995,105	-
Carrying amount, December 31	4,449,811	-	4,920,650	-
Other supplies and materials inventory				
Carrying amount, January 1	5,313,570	-	4,359,878	-
Additions/acquisitions during the year	12,537,999	-	18,129,489	-
Expensed during the year except for write-down	(16,256,640)	-	(14,486,400)	-
Other adjustments	4,747,252	-	(2,689,397)	-
Carrying amount, December 31	6,342,181	-	5,313,570	-
Semi-expendable inventory				
Carrying amount, January 1	2,588,475	-	2,441,369	-
Additions/acquisitions during the year	10,891,258	-	5,616,934	-
Expensed during the year except for write-down	(7,416,234)	-	(4,781,677)	-
Other adjustments	90,577	-	(688,151)	-
Carrying amount, December 31	6,154,076	-	2,588,475	-
	16,946,068	-	12,822,695	-

Inventory held for consumption consists mainly of consumable materials and supplies.

Semi-expendables are tangible items below the capitalization threshold of P50,000 which are yet to be issued to end-users.

The supplies issuances to the COA were charged to the auditing services account.

6. OTHER CURRENT ASSETS

This account includes the following:

	2023	2022
		As restated
Deposits	6,288,138	3,560,637
Advances	794,055	278,669
Other assets	1,515,497	1,824,667
	8,597,690	5,663,973

6.1. Deposits represent guarantee deposits on leased office premises.

6.2. Advances include the following:

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	2023	2022
Advances to Special Disbursing Officer	633,237	127,237
Advances to Officers and Employees	160,818	151,432
	794,055	278,669

6.3. Prepayments:

There are no prepayments for the years 2023 and 2022.

6.4. Other Assets

	2023	2022
Other Assets	1,515,497	1,824,667
	1,515,497	1,824,667

7. INVESTMENTS – NON-CURRENT

This account consists of:

	2023	2022
Investment in bonds-long term-fixed rate treasury notes (FXTN)	1,095,438,229	1,246,057,045
Investment in bonds-long term-retail treasury bonds (RTB)	698,898,178	1,131,191,283
	1,794,336,407	2,377,248,328
Other investments	2,141,600	2,141,600
	1,796,478,007	2,379,389,928

The breakdown of the Investment in bonds is as follows:

Particulars	Amount	Term	Interest Rate %	Maturity Date
LBP-RTB:				
RTB 5-13	448,787,334	3.85 yrs.	2.63%	08/12/2025
RTB 3-11	200,110,844	2.42 yrs.	2.38%	03/09/2024
RTB 5-13	50,000,000	4.21 yrs.	2.63%	08/12/2025
	698,898,178			
FXTN:				
FXTN 07-64	497,932,520	6.91 yrs.	3.63%	04/22/2028
FXTN 05-77	496,542,580	4.87 yrs.	3.38%	04/08/2026
FXTN 05-77	100,963,129	4.51 yrs.	3.38%	04/08/2026
	1,095,438,229			
	1,794,336,407			

Other investments represent investments in the following:

	2023	2022
Asia Pacific Rural and Agricultural Credit Association (APRACA) Trust Development Fund	1,500,000	1,500,000
Cooperative Insurance System of the Philippines (CISP)-3,000 shares @ P100 per share	300,000	300,000
Philippine Long Distance Telephone Company (PLDT)	199,100	199,100
Club Filipino	100,000	100,000
Pool of Livestock Insurers (PLIs)	40,000	40,000
Eastern Visayas Telephone Company, Inc. (EVTCI)- 50 shares @ P50 per share	2,500	2,500
	2,141,600	2,141,600

The fair value of investments to APRACA Trust Development Fund, CISP, PLIs, and EVTCl are not available because these are not publicly listed companies.

8. RECEIVABLES - NON-CURRENT

This account consists of the following:

	2023	2022 As restated
Loans and receivables	1,161	1,161
Less: Allowance for impairment	(1,161)	(1,161)
	-	-
Other receivables	121,673,267	121,895,928
Less: Allowance for impairment	(109,322,810)	(109,523,290)
	12,350,457	12,372,638
	12,350,457	12,372,638

8.1. Inter-agency receivables

Pursuant to COA Circular Nos. 2015-010 and 2016-006 as well as PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, inter-agency receivables account for CY 2022 was restated as follows:

	2022
Inter-agency receivables	327,488
Deduct: Prior period adjustments (Note 28)	
Re-class to Other receivables	(327,488)
Inter-agency receivables, as restated	-

8.2. Loans and receivables account consist of the following:

	2023	2022
Reinsurance commission	1,161	1,161
Less: Allowance for impairment	(1,161)	(1,161)
	-	-

8.3. Other receivables consist of the following:

	2023	2022 As restated
Guarantee receivables	106,332,924	106,455,713
Receivable-disallowances/charges	10,966,399	12,372,638
Unremitted recoveries	352,639	352,639
Other receivables-others	4,021,305	2,714,938
	121,673,267	121,895,928
Less: Allowance for impairment	(109,322,809)	(109,523,290)
	12,350,458	12,372,638

The following disclosures pertain to Guarantee and Other receivables-others accounts:

- Guarantee receivables account refers to amounts due from banking institutions and lending conduits that extended production and production-related loans to small farmers.
- The Other receivables-others account consists of the following:

Financial Statements

- b.1 Special time deposit (STD) claims paid were governed by PCIC Circular Letter No. 004 dated May 27, 1981. The PCIC pays 85 per cent of the outstanding loan balances of farmers, while LBP undertakes the collection to be remitted to the PCIC RO within 30 days from receipt.
- b.2 Adjudicated claims account stemmed from the paid STD claims, where the LIs applied for adjudication after five years of collecting loans from farmers-borrowers, thus resulting in the transfer of the collection function to the PCIC. This receivable represents claims from the Rural Bank of Nasipit in the year 1983.
- b.3 One of the PCIC's business lines is Agricultural Guarantee. Under this program, the agricultural loans of farmers from the rural banks or LIs were guaranteed by the PCIC using the Agricultural Guarantee Fund (AGF).
- b.4 Claims on the bank— unremitted recoveries represent recoveries on guarantee loans not yet remitted by LIs.
- b.5. Due from banks represents excess payments made by the PCIC to LIs under the guarantee program.
- c. Receivable-disallowances/charges account represents the amount due from public/private individuals/entities for audit disallowances that have become final and executory.

9. PROPERTY, PLANT AND EQUIPMENT

This account consists of the following:

	Land	Land and land improvements	Building and other structures	Machinery and equipment	Transportation equipment	Furniture, fixtures and books	Leased assets and leased asset improvements	Other PPE	Total
Cost:									
Jan. 1, 2023, as restated	501,800	2,387,868	17,232,436	40,361,010	82,743,857	3,940,003	21,098,801	5,667,004	173,932,780
Add:									
Acquisitions				9,678,488	36,443,674	761,000	2,757,948		49,641,110
Less:				(186,874)					(186,874)
Disposals									
Add/(Deduct):									
Adjustments				847,939	1,383,849	(79,327)	(4,039,691)	(5,573,368)	(7,460,598)
December 31, 2023	501,800	2,387,868	17,232,436	50,700,563	120,571,380	4,621,676	19,817,058	93,636	215,926,418
Accumulated Depreciation:									
Jan. 1, 2023, as restated	-	1,133,762	2,972,424	20,722,416	53,884,297	2,118,677	10,013,875	5,258,439	96,103,890
Depreciation expense, (Note 36)	-	214,908	516,973	5,504,185	6,028,561	339,303	1,054,568	7,840	13,666,338
Add/(Deduct):									
Adjustments	-	-	-	522,038	2,169,804	(71,395)	(541,027)	(5,182,006)	(3,102,586)
December 31, 2023	-	1,348,671	3,489,397	26,748,639	62,082,662	2,386,585	10,527,416	84,272	106,667,642
Carrying amount, Dec. 31, 2023	501,800	1,039,198	13,743,039	23,951,924	58,488,718	2,235,091	9,289,642	9,364	109,258,776
Carrying amount, Dec. 31, 2022, as restated	501,800	1,254,106	14,260,012	19,638,594	28,859,560	1,821,326	11,084,926	408,566	77,828,890

Impairment loss on PPE occurs when the carrying amount of an asset exceeds its recoverable amount. Impairment loss on PPE for CY 2023 and 2022 are 91,178 and 469,882, respectively.

10. INTANGIBLE ASSETS

This account represents the cost of developing the PCIC Automated Business System (PABS), which is being amortized for 10 years. It also includes other computer software.

	2022	
	2023	As restated
Cost, beginning balance	7,418,404	7,177,766
Additions	170,814	240,638
	7,589,218	7,418,404
Accumulated amortization, beginning balance	5,551,473	4,878,814
Amortization (Note 36)	635,326	635,326
Adjustment	7,839	37,333
	6,194,638	5,551,473
Carrying amount	1,394,580	1,866,931

11. OTHER NON-CURRENT ASSETS

This account consists of the following:

	2022	
	2023	As restated
Prepaid rent	941,069	635,048
Prepaid insurance	774,838	579,391
Other prepayments	1,032,536	74,666
	2,748,443	1,289,105

This account includes prepaid rent and deposit for the Provincial Extension Offices (PEOs) in the ROs, prepaid insurance, and others.

12. FINANCIAL LIABILITIES – CURRENT

This account consists of the following:

	2022	
	2023	As restated
Accounts payable	43,621,519	10,821,179
Due to officers and employees	702,134	9,934,562
	44,323,653	20,755,741

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The Accounts payable account consists of the following:

		2022
	2023	As restated
Creditors/others	40,374,679	1,412,327
Operating lease payable	2,116,840	5,545,422
Accrued death benefits payable	1,130,000	2,110,000
COA	-	1,753,430
	43,621,519	10,821,179

13. INTER-AGENCY PAYABLES – CURRENT

This account consists of the following:

		2022
	2023	As restated
Due to NGAs	27,465,568	5,321,375
Due to Bureau of Internal Revenue (BIR)	6,539,836	4,899,568
Due to GSIS	4,424,760	3,952,170
Due to Other Funds	687,239	659,415
Due to PhilHealth	509,503	385,992
Due to Social Security System (SSS)	372,185	357,155
Due to local government units (LGUs)	368,391	368,391
Due to Pag-IBIG	274,840	118,071
	40,642,322	16,062,137

Due to NGAs account as at December 31, 2022 consists of premiums from LGUs while the Due to LGUs account as at December 31, 2022 consists of local government taxes.

Due to BIR account consists of the following:

		2022
	2023	As restated
Withholding taxes	5,029,897	3,000,190
Documentary stamps and other taxes	1,509,939	1,899,378
	6,539,836	4,899,568

Due to Other Funds account consists of the following:

		2022
	2023	As restated
Agricultural Credit Policy Council	478,791	478,791
SRTF	112,097	84,273
Comprehensive Agricultural Loan Facility (CALF)	96,351	96,351
	687,239	659,415

The CALF is a temporary account lodged at the ROs, debited for cash receipts initially identifiable as for the CALF program, but the proper account to credit cannot yet be identified until supporting papers accompanying the remittance have been processed, after which entries against this account are reversed (credited).

14. TRUST LIABILITIES - CURRENT

This account consists of the following:

		2022
	2023	As restated
Trust liabilities – Agri-Agra	2,103,072,287	3,505,268,430
Trust liabilities – SRTF	723,148	321,426
Trust liabilities - DA/Philippine Council for Agriculture and Fisheries (PCAF)	412,784	180,873
Trust liabilities – others	23,219,700	15,240,318
	2,127,427,919	3,521,011,047

14.1 In CY 2023, Trust liabilities account includes unutilized Agri-Agra funds from the BSP amounting to P2.103 billion, representing the PCIC's 45 per cent share (50 per cent of 90 per cent) on the penalties collected by the BSP from lending/banking institutions due to the latter's non-compliance with the Agri-Agra Law (RA No. 10000), specifically Section 6 thereof.

The movement of the fund in CY 2023 is as follows:

Particulars	2023
Balance, December 31, 2022	3,505,268,430
Add: Remittances from BSP for the year	-
Adjustments	(570,186)
Available funds for the year	3,504,698,244
Less: Amount utilized for the year	(1,401,625,957)
Balance, December 31, 2023	2,103,072,287

The amount utilized for the year totaling P1,401,625,957 pertains to insurance granted to subsistence farmers and fisherfolk under various programs of the PCIC, such as DA-Sikat-Saka, PLEA/SURE, APCP, DA HYBRID, PPI and Non-RSBSA, as approved by the BOD through BRs, wherein the PCIC assumes 100 per cent of the insurance premiums. The PCIC regular programs also utilized the fund for its 55 per cent share in premiums.

14.2. Trust liabilities – others account consists of the insurance premiums deposited to the PCIC bank accounts which are awaiting submission of necessary documents before they can be treated as income.

15. DEFERRED CREDITS/UNEARNED INCOME – CURRENT

This account consists of the following:

		2022
	2023	As restated
Deferred credits	29,715,292	33,625,212
	29,715,292	33,625,212

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16. PROVISIONS – CURRENT

This account consists of the following:

		2022
	2023	As restated
Leave benefits payable	79,542,747	78,425,582
Other provisions-provident fund	1,655,946	1,082,471
	81,198,693	79,508,053

This account represents leave benefits payable. Pursuant to PAS 19, Employee Benefits, the Corporation recognizes wages and other contributions as short-term employee benefits and termination benefits as post-employment benefits.

17. OTHER PAYABLES - CURRENT

This account consists of the following:

		2022
	2023	As restated
Other payables - accrued expenses	16,036,619	29,473,303
Return premiums payable	2,805,728	2,774,631
Other payables - service fee payable	1,164,088	2,214,289
Others	521,265,370	173,702,989
	541,271,805	208,165,212

18. TRUST LIABILITIES – NON-CURRENT

This account consists of the following:

	2023	2022
Trust liabilities – SRTF	321,131,614	312,838,094
Others	1,203,989	1,310,389
	322,335,603	314,148,483

The PCIC-SRTF was created under Letter of Instructions (LOI) No. 1242 dated May 21, 1982, "Providing a Measure to Facilitate Guarantee Payments Under the Masagana 99 Program." Under this program, LIs, particularly the Philippine National Bank and rural banks, may avail of special guarantee payments of up to 85 per cent of the past due Masagana 99 loans, with the following conditions: (a) have been in arrears for three years or more as of the date of effectivity of the LOI, and (b) were not the subject of previous advances/payments from the AGF.

The Fund was set up for the purpose of restoring the good credit standing of these banks with then Central Bank of the Philippines, now BSP, and also to enable them to regain their capability to render financial services to the rural communities through their continued participation in the supervised credit program.

A special guarantee payment scheme was developed wherein the PCIC, as Administrator of the fund, would pay up to 85 per cent of the principal portion of these arrearages in three installments: (a) 25 per cent of the eligible loan arrearages on the first year; (b) 30 per cent on the second year; and (c) 30 per cent on the third year.

The beneficiary LIs are required to restructure these past due loans and remit back to the PCIC 85 per cent of the principal portion of all collection on these accounts.

The NG appropriated P450 million for this purpose. The Corporation received P75 million in CY 1982, P345.780 million during the last quarter of CY 1984, and P29.220 million in CY 1985.

The remaining balance of the Trust Fund account of SRTF is included under Cash and cash equivalents – General and administrative fund and Time deposit, local currency, as disclosed in Note 2.

19. DEFERRED CREDITS/UNEARNED INCOME – NON-CURRENT

This represents fees received from LIs and farmers whose applications for insurance coverage are in process and held in abeyance.

There are no deferred credits for the years 2023 and 2022.

20. PROVISION FOR INSURANCE CONTRACT LIABILITIES

This account consists of the following:

	2022	
	2023	As restated
Claims liability	839,377,592	1,650,359,357
Premium reserve liability	1,255,522,118	1,089,343,160
	2,094,899,710	2,739,702,517

20.1 Claims liability-non-current account consists of the following:

	2022	
	2023	As restated
Due and unpaid claims	285,943,364	1,065,623,253
Incurred but not reported	491,258,110	484,941,267
Provision for claims handling expense	62,176,118	99,794,837
	839,377,592	1,650,359,357

This account pertains to claims incurred but not yet paid as of the valuation date. It includes Due and unpaid claims, IBNR, and Provision for claims handling expenses.

20.1.a Due and unpaid claims refer to the estimated amount of reported claims that have not been settled as of the valuation date and consist of the following:

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	2022	
	2023	As restated
Rice	169,724,924	637,649,749
Corn	42,665,437	186,485,525
HVC	9,691,114	132,654,985
Livestock	53,673,715	59,436,762
Fisheries	1,430,650	13,004,308
Non-crop	2,034,357	26,941,036
CLTI	6,723,167	9,450,888
Due and unpaid claims	285,943,364	1,065,623,253

20.1.b. IBNR refers to the amount to be provided for claims in respect of claims events that have occurred but have not been reported to the Corporation as of the valuation date and consist of the following:

	2022	
	2023	As restated
Rice	306,218,156	301,727,020
Corn	123,182,844	100,284,665
HVC	27,237,971	30,220,837
Livestock	25,555,292	35,943,451
Fisheries	2,302,016	5,514,930
Non-crop	2,064,770	6,553,303
CLTI	4,697,061	4,697,061
IBNR	491,258,110	484,941,267

20.1.c. Provisions for claims handling expense refers to the estimated amount of expenses for settling all claims, whether reported or unreported, outstanding as of the valuation date and consist of the following:

	2022	
	2023	As restated
Rice	38,075,447	58,374,750
Corn	13,267,862	17,882,233
HVC	2,954,327	13,450,585
Livestock	6,338,321	5,804,858
Fisheries	298,613	1,213,504
Non-crop	327,930	2,227,180
CLTI	913,618	841,727
Provision for claims handling expense	62,176,118	99,794,837

20.2 Premium reserve liability-non-current

This account represents the statutory legal reserve required for all unexpired risks of the PCIC, computed as the proportion of the remaining unexpired coverage period over the period covered by the premium, exact to days.

This account consists of the following:

	2022
	As restated
2023	
Rice	442,709,977
Corn	178,078,125
HVC	312,962,985
Livestock	255,833,901
Fisheries	7,495,650
Non-crop	27,348,578
CLTI	31,092,902
Premium reserve liability	1,255,522,118
	1,089,343,160

The Actuarial Research and Product Valuation Department (ARPVD), together with the Finance Department (FD), computed the actuarial valuation for the provision for insurance contract liabilities for CY 2023 and 2022 per IC Circular No. 2018-18.

As prescribed in IC Circular No. 2018-18, the Unearned Premium Reserves (UPR) as of valuation date, shall be computed as the proportion of the remaining unexpired coverage period over the period covered by the premium, exact to days.

Unearned Risk Reserves (URR) with Margin for Adverse Deviation (MfAD) and Expense Reserves are composed of the URR (UPR x Loss Ratio), the Expense Reserves (UPR x Expense Ratio), and the MfAD (URR x MfAD ratio).

The Premium reserves will be the higher between the UPR and URR with MfAD and Expense Reserves.

The Claims reserves on the other hand are composed of:

1. Due and Unpaid or the accrued claims as of the valuation date;
2. IBNR amount to be provided for claims in respect of claims events that have occurred but have not been reported to the PCIC as at the valuation date; and

(A loss development triangle was formed considering the dates incurred and reported claims on a yearly basis. Loss Development Factors (LDF) are estimated as the weighted mean of individual development factors with the cumulative losses serving as weights. The resulting LDFs are correspondingly applied to the claims for the year. The difference is then set-up as the IBNR for the year. This method of computation was recommended by the actuary engaged by PCIC last year.)

3. Provision for claims handling expense [(Due and Unpaid + IBNR) X Expense Ratio].

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21. OTHER PAYABLES – NON-CURRENT

There are no other payables-non-current account for CY 2023 and 2022.

22. CONTRIBUTED CAPITAL

Under RA No. 8175, the authorized share capital of the PCIC increased from P750 million to P2 billion divided into 15 million common shares each with a par value of P100 for government subscription, and five million preferred shares also with a par value of P100 per share.

As at December 31, 2023, the Corporation's subscribed capital stock amounting to P1.500 billion was fully paid by the NG.

23. STOCKHOLDERS' EQUITY

This account consists of the following:

	2023	2022
Share capital	100,000,000	100,000,000
Share premium	159,451,431	159,451,431
	259,451,431	259,451,431

23.1 Share capital

The total authorized preferred share is five million shares with par value of P100 per share. As at December 31, 2023, the Corporation's paid-up Share capital stood at P100 million subscribed and paid by the LBP.

23.2 Share premium

This represents the amount by which the assets (mostly receivables of the Agricultural Guarantee Fund net of valuation reserves) exceeded the P150 million initial contribution of the government to the capital of the Corporation.

24. RETAINED EARNINGS

	2023	2022
	2023	As restated
Balance, beginning of year	219,247,171	652,490,390
Add/(Deduct):		
Prior period adjustments	-	7,343,058
Dividends	(72,617,751)	(513,779,607)
Comprehensive income	772,993,104	73,193,330
Retained earnings	919,622,524	219,247,171

25. DIVIDENDS TO THE NG

For the dividend year (DY) 2023, the PCIC will declare dividends to the NG amounting to P772.993 million, representing 100 per cent of the year's net income. For the DY 2022, the PCIC declared dividends to the NG amounting to P72.618 million, representing 50 per cent of the year's net income. For DY 2021, the PCIC declared dividends to the NG amounting to P154.856 million, representing 50 per cent of the year's net income and an additional P358.924 million for the restated net income in DY 2020. For DY 2020, the PCIC declared dividends amounting to P317.075 million and paid an additional P176.373 million representing adjustments of dividends for DYs 2014 to 2018 as recommended by COA.

26. SERVICE AND BUSINESS INCOME

This account represents insurance premiums underwritten for the year, net of Premium reserve, discounts, and cancellations.

	2022	
	2023	As restated
Rice	3,463,016,169	3,325,414,028
Corn	1,280,146,089	1,217,600,265
Livestock	685,483,835	644,137,413
HVC	684,678,329	684,260,933
CLTI	67,807,546	80,211,112
Non-crop	65,299,199	61,506,957
Fisheries	50,794,116	44,154,546
Total Insurance premiums	6,297,225,283	6,057,285,254
Less: Subsidy	(4,500,000,000)	(4,500,000,000)
Insurance premiums, net of subsidy	1,797,225,283	1,557,285,254
Less: Changes in Premium reserve	(166,174,966)	(175,200,975)
Premium discounts	-	(10,153,059)
Returns and cancellations	-	(82,468)
	1,631,050,317	1,371,848,752

26.1 INSURANCE PREMIUMS, NET OF SUBSIDY

An insurance premium is the amount of money that the farmers and fisherfolk must pay for an insurance policy. The insurance premium is income for the PCIC, once it is earned, and also represents a liability since the PCIC must provide coverage for claims being made against the policy. A breakdown of the sources of insurance premiums, net of subsidy is as follows:

	2022	
	2023	As restated
Agri-Agra funds from BSP	1,401,627,605	1,168,796,211
Farmers, fisherfolk, and LIs	195,597,678	188,489,043
PCIC funds and other sources	200,000,000	200,000,000
	1,797,225,283	1,557,285,254

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Breakdown of sources of insurance premiums from farmers, fisherfolk, and LIs for 2023:

	Farmers/Fisherfolk	LIs	Total
Rice	25,597,221	-	25,597,221
Corn	15,789,816	-	15,789,816
HVC	4,080,912	-	4,080,912
Livestock	72,666,317	-	72,666,317
Non-crop	7,299,581	-	7,299,581
Fisheries	2,356,285	-	2,356,285
CLTI	67,807,546	-	67,807,546
	195,597,678	-	195,597,678

Pursuant to Section 5 of RA No. 8175 on the rate of premiums and its sharing, the rate of premium, as well as the allocated sharing thereof by the farmers, the LIs, the Government of the Republic of the Philippines (herein called the Government) and other parties, shall be determined by the BOD of the Corporation, subject to approval by the President of the Philippines and provided that the share of the Government in the premium cost, in the form of premium subsidy, shall be limited to the subsistence farmers.

26.1.1. PREMIUM RESERVE

This account is a contra account of the insurance premiums and is used to increase or decrease the statutory legal reserve for unexpired risks of the PCIC or the Reserve for an unearned premium account in the SFP, depending on the required reserve for the period. When the balance of the reserve is more than the required for the period, the Premium reserve is credited, therefore, increasing the premiums earned. However, when the balance of the reserve is less than the required, the Premium reserve is debited which decreases the premiums earned. The required reserve is based on the computation as the proportion of the remaining unexpired coverage period over the period covered by the premium, exact to days, as prescribed in IC Circular No. 2018-18.

Details of Premium reserve are as follows:

	2023	2022 As restated
Rice		
Corn		
HVC		
Livestock		
Non-crop		
Fisheries	2,567,003	
CLTI	527,144	

The adjustments are mainly due to the adoption of the PFRS 4 and are based on the analysis and valuation of the ARPVD and the Finance Department.

26.1.2. PREMIUM DISCOUNTS

This account represents the amount of premium discount granted to assured farmers in accordance with PCIC policy.

	2023	2022
Premium discounts	-	10,153,059
	-	10,153,059

26.1.3 RETURNS AND CANCELLATIONS

This account represents premiums returned to assured farmers and/or LIs arising from insurance cancellations.

	2023	2022
Returns and cancellations	-	82,468
	-	82,468

27. OTHER NON-OPERATING INCOME

This account consists of the following:

	2023	2022
	2023	As restated
Interest income	88,289,522	109,900,225
Grants in kind	-	501,800
Other miscellaneous income	2,006,317	8,048,992
	90,295,839	118,451,017

28. DIRECT COSTS

This account consists of the following:

	2023	2022
	2023	As restated
Insurance benefits	4,486,250,584	4,995,434,861
Underwriting expenses:		
Death benefits	14,531,000	12,547,893
Commission expense	9,859,428	22,628,718
Reinsurance premiums ceded treaty/facultative	758,604	736,670
Honoraria and incentives	-	5,170,677
	4,511,399,616	5,036,518,819

28.1. INSURANCE BENEFITS

This represents losses/claims paid and accrued for the period, details as follows:

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	2022	
	2023	As restated
Rice	2,851,785,499	3,293,902,928
Corn	1,079,762,495	956,644,044
Livestock	368,129,006	341,751,287
HVC	122,844,290	272,355,995
CLTI	44,207,234	48,996,572
Fisheries	11,281,931	40,373,026
Non-crop	8,240,129	41,411,009
	4,486,250,584	4,995,434,861

28.2. COMMISSION EXPENSE

This represents commission, service fees, and incentives given to underwriters and/or solicitors.

	2022	
	2023	As restated
Commission expense	9,859,428	22,628,718
	9,859,428	22,628,718

28.3. DEATH BENEFITS

This is a built-in death benefit component of the insurance package for rice and corn assured farmers who may suffer death within the term of coverage; provided said farmer is not more than 65 years of age at the inception of insurance.

	2022	
	2023	As restated
Death benefits	14,531,000	12,547,893
	14,531,000	12,547,893

28.4. REINSURANCE PREMIUMS CEDED TREATY/FACULTATIVE

This represents premium on outward cessions under treaty/facultative agreement with reinsurers.

	2022	
	2023	As restated
Reinsurance premiums ceded treaty/facultative	758,604	736,670
	758,604	736,670

29. PERSONNEL SERVICES

This account consists of the following:

	2022	
	2023	As restated
Salaries and wages	127,203,895	125,774,355
Other compensation	42,819,366	45,856,970
Personnel benefits contribution	29,669,201	30,220,620
Other personnel benefits	24,110,974	22,442,070
Directors' fee and allowances	396,000	315,000
	224,199,436	224,609,015

Other compensation consists of the following:

	2022	
	2023	As restated
Year end Bonus	10,940,965	18,295,062
Mid-year Bonus	10,025,930	2,795,286
Representation allowance (RA)	5,027,862	4,948,250
Transportation allowance (TA)	4,810,294	4,807,159
Personnel economic relief allowance (PERA)	4,423,528	4,465,379
Other bonuses and allowances	3,700,394	6,261,151
Clothing/uniform allowance	1,114,000	1,140,000
Cash gift	930,500	975,000
Overtime and night pay	924,117	952,792
Productivity incentive allowance	615,000	761,500
Quarters allowance	161,818	144,000
Longevity pay	144,958	311,391
	42,819,366	45,856,970

Other personnel benefits consist of the following:

	2022	
	2023	As restated
Terminal leave benefits	17,937,280	20,817,064
Other bonuses and allowances - medical, dental and hospital	243,602	285,763
Other bonuses and allowances - loyalty	150,000	65,000
Other bonuses and allowances - rice subsidy	141,521	994,246
Other bonuses and allowances - meals	48,461	278,004
Other bonuses and allowances — children's	110	1,993
Retirement Gratuity	40,000	-
Other personnel benefits	5,550,000	-
	24,110,974	22,442,070

30. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

This account consists of the following:

	2022	
	2023	As restated
Professional services	410,075,863	359,288,005
Traveling expenses	69,233,446	61,814,305
Supplies and materials expenses	50,326,288	41,177,025
Utility expenses	30,831,419	31,863,618

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		2022
	2023	As restated
Training and scholarship expenses	16,337,305	17,358,083
Communication expenses	14,917,948	14,582,082
General services	14,521,836	13,227,652
Repairs and maintenance	11,390,276	9,437,933
Confidential, intelligence and extraordinary expenses	2,155,936	1,915,243
Survey, research, exploration and development	-	1,380,000
Other MOOE	61,569,412	55,513,311
	697,756,155	637,799,729

Supplies and materials expenses consist of the following:

	2023	2022 As restated
Office supplies expense	26,653,413	20,835,901
Accountable forms expense	9,900,228	10,652,073
Semi-expendable machinery and equipment expenses	6,235,373	4,146,487
Semi-expendable furniture, fixtures and books	1,180,862	1,708,237
Other supplies and materials expenses	6,356,412	3,834,327
	50,326,288	41,177,025

Utility expenses consist of the following:

	2023	2022 As restated
Electricity expenses	18,737,637	19,189,003
Fuel, oil and lubricant expenses	10,254,886	11,174,086
Water expenses	1,277,812	1,096,330
Other utility expenses	561,084	404,199
	30,831,419	31,863,618

Training and scholarship expenses for CY 2023 and 2022 are 16,337,305 and 17,358,083 respectively.

General services consist of the following:

Other MOOE consists of the following:

	2023	2022 As restated
Security services	10,001,169	8,973,975
Janitorial services	4,505,409	4,253,677
Other general services	15,258	-
	14,521,836	13,227,652

31. FINANCIAL EXPENSES

This account consists of the following:

	2023	2022
Bank charges	33,895	18,175
Interest expenses	9,830	6,631
Other financial charges	153,078	111,774
	196,803	136,580

32. NON-CASH EXPENSES

This account consists of the following:

	2023	2022 As restated
Depreciation expense (Note 13)	13,666,337	16,314,110
Amortization expense (Note 14)	635,326	635,326
Impairment loss	499,379	988,330
Losses	-	104,530
	14,801,042	18,042,296

33. NET ASSISTANCE/SUBSIDY

This account represents the share of the NG in the premiums through GPS. Insurance premiums for palay and corn are being shared by the farmers, LIs, and the Government. The premium rating and the corresponding share of the Government were approved by the President of the Philippines.

For the CY 2023, the approved GPS amounted to P4.500 billion representing 100 per cent cost of insurance premiums of farmers and fisherfolk listed under the RSBSA for all the insurance programs of the PCIC. The amount is covered by Special Allotment Release Order (SARO) No. SARO-BMB-C-23-0015500 dated March 31, 2023.

Aside from the P4.500 billion approved GPS for farmers and fisherfolk listed under the RSBSA, the PCIC also underwrites P1.797 billion worth of premium production. Below is the breakdown of Insurance premiums – Government share:

	2023	2022
Premiums from GPS for RSBSA listed farmers and fisherfolk	4,500,000,000	4,500,000,000
	4,500,000,000	4,500,000,000

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34. RELATED PARTY TRANSACTIONS

Below are the key Management personnel compensation for the years ended December 31, 2023 and 2022.

	2023	2022
Post-employment benefits	954,634	666,390
Short-term employee benefits	14,094,610	9,736,189
	15,049,244	10,402,579

The short-term employee benefits include salaries and allowances received by the President, Senior Vice President, and Vice Presidents. These also include per diems and allowances received by the members of the BODs for the year.

The post-employment benefits represent benefits received by the above personnel after their tenure at PCIC. This is the share of PCIC to their Provident Fund contribution.

	2023	2022
I. Basic salary	9,546,341	6,663,896
II. Allowances and other benefits		
PERA/ADCOM	106,903	72,000
Collective negotiation agreement incentives	150,000	75,000
Honoraria	9,000	-
Per diem on board meetings attended	210,000	144,000
Clothing/uniform allowance	24,000	18,000
Dependent's allowance	-	90
Meal allowance	12,912	11,556
Gasoline allowance	255,448	122,819
Medical allowance	14,672	7,500
Representation allowance	515,050	360,000
Transportation allowance	300,891	228,000
Bonus - service recognition incentive	100,000	60,000
Other bonuses and allowances - anniversary bonus	1,410	-
Cash gift	25,000	15,000
Longevity pay	11,268	12,234
Extraordinary and miscellaneous expenses	668,076	483,785

All other allowances and benefits		
1) Rice subsidy	46,952	43,476
2) Performance-based incentive	-	-
3) Performance-based bonus	268,853	149,399
4) Productivity enhancement incentive	25,000	15,000
5) COVID-19 hazard pay	-	-
6) Mid-year bonus	734,323	713,578
7) Year-end bonus	867,693	396,856
8) Cellphone allowance	195,818	144,000
9) Loyalty cash award	5,000	-
Sub-total	4,548,269	3,072,293
Total short-term employee benefits	14,094,610	9,736,189
Indirect benefits		
Provident fund - employer share	954,634	666,390
Total post-employment benefit	954,634	666,390
Total remuneration of key management personnel	15,049,244	10,402,579

35. COMPLIANCE WITH REVENUE REGULATIONS (RR) NO. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 which prescribes additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying the tax returns. Under the said RR, companies are required to disclose, in addition to those already mandated under PFRS and such other standards and/or conventions that may be adopted, in the notes to the financial statements, information on taxes, duties and license fees paid or accrued during the taxable year. In compliance with the requirements set forth by RR No. 15-2010, hereunder are the information on taxes, duties, and license fees paid or accrued during the taxable year.

- a. The PCIC is a non-VAT entity under Philippine tax laws per RR No. 9-2004. The PCIC is subject to percentage and other taxes (presented as Taxes and Licenses in the SFP). Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax. The PCIC was also designated by the BIR as a withholding tax agent under RR No. 17-2003 and RR No. 12-94, as amended.

In compliance, the PCIC pays the corresponding GRT on all items treated as gross income, and fringe benefit tax (FBT) on the benefits provided to its officers in accordance with the tax law and revenue regulation prescribing FBT. The PCIC withholds corresponding taxes on payments of compensation to employees, fees to directors and cost or purchase price to contractors and suppliers of goods.

- b. The documentary stamp taxes paid/accrued during the year totaled P1.593 million.

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- c. The amount of withholding taxes paid for the year amounted to P36.623 million as follows:

Particulars	Amount
Compensation and benefits	16,984,065
Final withholding taxes	13,544,600
Expanded withholding taxes	4,632,801
Percentage tax	1,461,657
Total	36,623,123

Final withholding taxes represent 20 per cent final tax on interest on investments and interest on savings deposits which were deducted and remitted by the bank to the BIR.

- d. The Corporation has a pending tax assessment notice from the BIR for the Taxable Year 2013 dated October 23, 2018. According to the BIR assessment, the Corporation's tax remittances did not tally with the tax which should have been remitted based on the CY 2013 PCIC's financial statements.

The PCIC is granted a comprehensive tax exemption under Section 16 of PD 1467, covering a wide range of taxes and fees. This exemption is essential to PCIC's capacity to fulfill its mission of providing crop insurance, supporting the country's agricultural sector and ensuring the economic stability of the Filipino farmers.

36. STATUS OF LEGAL CASES

In two cases filed against PCIC, PCIC was held liable to pay the plaintiffs sum of money and damages. The judgments in both cases, one in the Supreme Court (SC) and the other in the Court of Appeals (CA), have attained finality. However, the exact amount PCIC has to pay the plaintiffs cannot be determined until execution of the judgments, wherein the award plus accumulated interests will have to be computed.

The following are summaries of the two cases:

1. Development Bank of the Philippines (DBP) vs. PCIC and Samahang Kabuhayan ng Iloilo sa Bulak (SKIB); CA G.R. CV No. 05601 (Court of Appeals - Cebu)

This case involves DBP's claim against PCIC for sum of money with damages. The CA affirmed the decision of the Regional Trial Court (RTC) finding PCIC jointly and solidarily liable with the Samahang Kabuhayan ng Ilo-Ilo sa Bulak (SKIB) to pay DBP's claim, in the amount of P1,256,244.44, plus legal interest of 6% per annum counted from August 31, 1997, until fully paid. PCIC has not received the Entry of Judgement from the CA, nor any motion for execution from DBP. The source of payment for this liability is the PCIC-Comprehensive Agricultural Loan Fund (CALF) Guarantee Fund.

2. Rural Bank of Guimba, Nueva Ecija (RB Guimba) vs. PCIC; G.R. No. 201808 (Supreme Court)

This case involves RB Guimba's claim against PCIC for sum of money with damages. The SC affirmed the decision of the RTC and CA finding PCIC liable to pay RB Guimba's claim, in the amount of P4,656,729.85, plus legal interest of 6% per annum counted from April 17, 2006, until fully paid, and P200,000.00 as attorney's fee. RB Guimba is currently undergoing receivership/liquidation proceedings by the Philippine Deposit Insurance Corp. (PDIC). PCIC has not received the Entry of Judgement from the SC, nor any notice or motion from PDIC. The source of payment for this liability is the Special Revolving Trust Fund (SRTF), funded by BSP and administered by PCIC.

37. COMPLIANCE WITH GSIS, PAG-IBIG AND PHILHEALTH LAWS

In compliance with the requirements of RA No. 8291, the total remittances made by the PCIC to the GSIS for CY 2023 corresponding to employer's share, employees' shares and employee compensation amounted to P14.985 million, P11.241 million, and P206,607, respectively.

The amount remitted to Pag-IBIG for the CY 2023 corresponding to employer's share and employees' shares (including Job Orders' remittances) amounted to P221,050 and P2.215 million, respectively.

The amount remitted to PhilHealth for the CY 2023 employer's share and employees' shares (including Job Orders' remittances) amounted to P2.124 million and P5.013 million, respectively.

KEY OFFICERS

HEAD OFFICE



Office of the President

Atty. JB Jovy C. Bernabe
President



Regional Management Group

Segundo H. Guerrero Jr.
Senior Vice President



Corporate Business Affairs Group

Melba P. Manalo
Acting Vice President



Support Services Group

Allan E. Retamar
Acting Vice President
and Department
Manager III, Admin



Risk Management Office

Sem H. Cordial
Acting Vice President



Legal Department

Atty. Gilbert S. Coronel
General Counsel



Internal Audit Service Department

Ma. Rowena G. Samia
Department Manager III



Finance Department

Jacqueline N. Razon
Officer-in-Charge



Business Development and Marketing Department

Manuel J. Cortina
Department Manager III



Planning and Management Information Office

Israel Q. De la Cruz
Department Manager III



Actuarial Research and Product Valuation Department

Arvin Jasper R. Adan
Officer-in-Charge

REGIONAL OFFICES



REGIONAL OFFICE I

RAUL A. SERVITO
Regional Manager II



REGIONAL OFFICE II

JEAN L. BAYANI
Regional Manager II



REGIONAL OFFICE III

MA. LILIAN E. AGUILAR
Regional Manager II



REGIONAL OFFICE III-A

MARIO G. LUMIBAO
Officer-in-Charge



REGIONAL OFFICE IV

RIC P. GREGORIO
Regional Manager II



REGIONAL OFFICE V

MARIA JANICE V. OBIAS
Officer-in-Charge



REGIONAL OFFICE VI

EVA ULIE D. LAUD
Regional Manager II



REGIONAL OFFICE VII

PAULITA C. SECUYA
Officer-in-Charge



REGIONAL OFFICE VIII

JULIUS P. BATENGA
Officer-in-Charge



REGIONAL OFFICE IX

VIRGIE A. BAROY
Officer-in-Charge



REGIONAL OFFICE X

IRENE L. OCO
Officer-in-Charge



REGIONAL OFFICE XI

ROSALINA G. GRABULAN
Regional Manager II



REGIONAL OFFICE XII

MARISSA F. AGUDERA
Regional Manager II

Head Office and Regional Offices Directory

REGIONAL OFFICES



Head Office and Regional Offices Directory



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Head Office and Regional Offices Directory



Head Office and Regional Offices Directory



REGIONAL OFFICE VIII

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141 Sto. Niño St., Tacloban City
Tel No. : (053) 321-3013
Email : ro8@pcic.gov.ph



REGIONAL OFFICE IX

2nd Floor, Bulaylay Building, National
Highway, Tiguma, Pagadian City
Tel No. : (062) 945-1588
Email : ro9@pcic.gov.ph

Head Office and Regional Offices Directory



REGIONAL OFFICE X

3rd Floor, One Montecarlo Bldg., Annex,
Corrales-Hayes St., Cagayan De Oro City
Tel No. : (088) 857-2983
Email : ro10@pcic.gov.ph



REGIONAL OFFICE XI

JYSL Building - Annex B, Balmores St.,
Brgy. Zone II, Koronadal City, South Cotabato
Tel No. : (083) 228-3902
Email : ro11@pcic.gov.ph

Head Office and Regional Offices Directory



HEAD OFFICE

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Head Office and Regional Offices Directory



Directory of PCIC Extension Office and Service Desks

REGIONAL OFFICE	PROVINCE	ADDRESS	CONTACT NUMBER
1	Benguet	BenCom Bldg. Sitio Bekes, Brgy. Buyacaoan, Buguias, Benguet	0946-727-7995
	Pangasinan	2nd Flr. EJR Bldg. Sadsaran St., Poblacion, Alaminos City, Pangasinan	0933-868-3757
	La Union	ABC Bldg. Ili Sur, San Juan, La Union	0977-738-5829
	Ilocos Sur	#5 Florentino Street. Brgy. 4, Vigan City, Ilocos Sur	0951-875-1714
	Ilocos Norte	115 General Luna Corner Guerrero St. Brgy. 19 Marcela, Laoag City, Ilocos Norte	0920-356-9749
	Benguet	2F Spot Trading Bay 2, Benguet Agri-Pinoy Trading Center (BAPTC), BSU Strawberry Field, La Trinidad, Benguet	0912-900-3812
	Mt. Province	Provincial Agriculture Office Compound, Upper Caluttit, Bontoc, Mt. Province	0912-055-6905
	Abra	Camp Juan Villamor, Calaba, Bangued, Abra	0946-989-9442
2	Cagayan	2nd Floor, National Highway, Libertad, Abulug, Cagayan	0955-685-2389
	Isabela	3rd Floor, Heritage Building, Room 315, Malvar Road, Santiago City	0953-270-3586
	Kalinga	OPA-Bulanao, Tabuk City, Kalinga	0910-266-8382
	Quirino	OPA-Quirino, Capitol Hills, San Marcos, Cabarroguis, Quirino	0975-415-4200
	Cagayan	OMA-Bulala, Bulala, Camalaniugan, Cagayan	0965-584-7342
	Cagayan	NIA-MPIS, Bulala, Camalaniugan, Cagayan	0965-584-7342
	Isabela	BRO-Office, Capitol, City of Ilagan, Isabela	0935-641-0811
	Isabela	Mallig FST Office, Casili, Mallig, Isabela	0926-978-2426
	Nueva Vizcaya	OPA-Bayombong, District IV, Bayombong, Nueva Vizcaya	0905-817-8639
3	Zambales	Magsaysay St. Corner Luna St., Zone 4, Poblacion, Iba, Zambales	0950-415-1559
	Bataan	Office of the Provincial Agriculturist (OPA) - Bataan The Bunker: Capitol Compound, City of Balanga, Bataan	0928-563-1981/ 0950-319-1820
	Bulacan	Department of Agrarian Reform - Bulacan: DAR Provincial Office, B. Aquino Avenue, Baliuag, Bulacan	0919-548-9177
	Tarlac	Department of Agrarian Reform - Tarlac: Santa Rosa - Tarlac Road, Tarlac City, Tarlac	0930-180-5050/ 0918-766-6513

Directory of PCIC Extension Office and Service Desks

REGIONAL OFFICE	PROVINCE	ADDRESS	CONTACT NUMBER
3A	Aurora	LPLO Bldg, Angara St., Brgy. Buhangin, Baler, Aurora	0920-559-1607
	Nueva Ecija	LPLANO Commercial Stalls, Padilla St., corner Baluyot St., Brgy. F.E. Marcos, San Jose City, Nueva Ecija	0960-360-3574
4	Quezon	Puache Commercial Building Maharlika Highway Brgy. Kanlurang Mayao, Lucena City Quezon	(049) 797-9138 / 0930-774-2519
	Occidental Mindoro	Buenavista, Sablayan, Occidental Mindoro	0917-814-6314
	Occidental Mindoro	2nd flr Santos Bldg, Rizal St. Cor. Manuel St. Brgy. 7, San Jose, Occidental Mindoro	(043) 491-1548 / 0917-866-471
		Poblacion, Calintaan, Occidental Mindoro	0917-814-6314
		Municipal Hall, Sablayan, Occidental Mindoro	0917-814-6314
	Oriental Mindoro	Madrid Blvd. Zone 11, Pinamalayan, Oriental Mindoro	(043) 738-2058 / 0917-815-8760
	Marinduque	Brgy. Murallo, Boac, Marinduque	(042)332-0665 / 0949-871-3820
	Romblon	Dapawan, Odiongan, Romblon	(042)752-5649 / 0908-679-8132
	Palawan	MDP Plaza, Sta. Monica, Puerto Princesa City, Palawan	(048) 717-4059 / 0917-814-6340
		Proper Pangobilian, Brooke's Point, Palawan	(048) 726-2988 / 0916-895-2432
		Office of the Municipal Agriculturist- 2nd Flr Municipal Building Poblacion 2, Coron, Palawan	0953-254-5519
	Cavite	Provincial Agriculture - Trece Martirez City	0907 617 7885 / 0965 316 4640
	Laguna	FAES OPAG - Brgy. Callios, Sta. Cruz, Laguna	0975 221 3088
	Batangas	SAN JUAN Municipal Agriculture Office - Talahiban 2.0, San Juan, Batangas	0921 783 4178
	Rizal	Municipal Agriculture Office - Mh del Pilar Brgy. Plaza Aldea, Tanay Rizal	0912 499 4017
5	Camarines Sur	0613 Emerald St. Lomeda Subd., San Felipe, Naga City	0970-156-3020
	Masbate	2nd Floor, Ricarte Bldg. Ricarte Road, Brgy. Espinosa, Masbate City	0970-469-0689
	Sorsogon	Sorsogon Office of the Provincial Agriculture	0907-033-3964
	Camarines Norte	Camarines Norte Office of the Provincial Agriculture	0991-329-8681
	Catanduanes	Catanduanes Office of the Provincial Agriculture	0961-026-9848
6	Aklan	D. Maagma Street, Brgy. Poblacion, Kalibo, Aklan, 5600 (Landmark: Near Caltex Gasoline Station)	09386216182 / (036)-500 6525
	Antique	Saint Nicolas Building, T.A. Fornier Street, Brgy. 2, San Jose De Buenavista, Antique 5700	09386216183 / (036)-641 6399
	Capiz	2nd Floor, E-Care Multipurpose Cooperative, Water Village, Brgy. Lawa-an, Roxas City, Capiz 5800	09386216194 / (036)-621 0167
	Iloilo	# 12 Washington Street, Brgy. Democracia, Jaro, Iloilo City 5000	09386216195 / (033) 323 3980
		2/F Regional Science Laboratory Building, Dept. of Agriculture, Fort San Pedro, Iloilo City	0938-621-6180 / (033) 323-3402
	Negros Occidental	ARDC Building, Brgy. 21, Galo St., Bacolod City, Negros Occidental 6100	09386216196 / (034)-445 6434
7	Bohol	Roje's Commercial Building, Purok 7, Brgy. Bood, Ubay, Bohol	09501010537
		Bodare MPC Compound, Dao District, Tagbilaran City	09659574201
	Negros Oriental	Ground Floor Southern Homes Apartment, Diego De La Vina Road, Daro, Dumaguete City, Negros Oriental	09121145370 & 0935-115-3844
		City Agriculture Office Compound, Barangay Villareal, Bayawan City, Negros Oriental	09368383304
	Siquijor	2nd Flr. Siquijor Business and Convention Center, Corner Mabini Sta. Fe St. Poblacion, Siquijor, Siquijor	09059574643

Directory of PCIC Extension Office and Service Desks

REGIONAL OFFICE	PROVINCE	ADDRESS	CONTACT NUMBER
8	Leyte	2nd floor, City Center Park ,Brgy. 60-A, Sagkahan, Tacloban City, Leyte 6500	0963-185-2632
	Leyte	2nd Floor, 4W Prime Bldg, Toog Highway, Brgy. Doña Feliza Mejia, Ormoc City, Leyte 6541	(053) 300-5989 /0946-376-8890
	Southern Leyte	2nd floor, Vista Building, Rizal Street, Zone 5, Sogod , Southern Leyte 6606	(053) 525-0104 /0946-376-9070
	Western Samar	2nd floor, Cabangangan Bldg, San Roque Extension, Brgy. 10, Catbalogan City, 6700	(053) 543-9156 / 0975-371-1885
	Northern Samar	Bonifacio St., Corner of Saint Michael Academy, Former Gildon Bakeshop Brgy. Casoy, Catarman, Northern Samar 6400	(055) 544-9124 /0926-102-6415
	Eastern Samar	2nd floor, Jidgar Bldg., Brgy. Can-abong, Borongan City, Eastern Samar 6800	(055) 560-2210 / 0962-081-2049
9	Zamboanga Del Norte	F. Lacaya St., Biasong	(065) 917-9309
		National Highway, Goleo	(065) 918-1991
	Zamboanga Sibugay	National Highway, Pangl	(062) 957-5059
	Zamboanga del Sur	2/f Mocreco Bldg., Yangco St., Makuguihon	(062) 945-1396
	Zamboanga City	2/f Zamboangan Bayanihan Cooperative, Gen. Vicente aAvarez St.	(062) 975-5544
	Misamis Occidental	Municipal Agriculture Office, Lopez Jaena Municipal Hall	0936-657-6534
10	Agusan del Norte	Rudy Tiu Bldg. III, Montilla Bo.cor.Montilla St., San Ignacio, Butuan City	0939-622-4821 or (085) 816-3673
	Agusan del Sur	G/F NGPI Bldg., Brgy. 5, San Francisco	0909-468-7414 or (085) 839-5639
		Municipal Agriculture Office - La Paz, Agusan del Sur	0951-415-1602
	Surigao del Norte	G/F Dumadag Bldg., KM3 Brgy. Luna, Surigao City	0950-709-3979 or 0905-894-3304
		Municipal Agriculture & Fisheries Office - Del Carmen, Siargao	0916-222-9986
	Surigao del Sur	2/F JTP Bldg. 2, Door 9, Capitol Road, P-Venus, Telaje, Tandag City	0930-470-0414 or 0939-622-4828
		City Agriculture Office - Bislig City	0995-426-4272
11	Davao del Sur	Unit 304-305, Level 3, Villa Oro Building, Corner Quimpo & Escandor Rosd, Brgy. Buacan, Davao City	0985-891-9038
		Unit 5-6, NZT Bldg., Luna East, Digos City, Davao del Sur	0985-869-6052
	Davao del Norte	Capitol Compound, Tagum City, Davao del Norte	0909-163-9254
	Siquijor	2nd Flr. Siquijor Business and Convention Center, Corner Mabini Sta. Fe St. Poblacion, Siquijor, Siquijor	09059574643
	Davao de Oro	Mawab Public Terminal, Mawab, Davao De Oro	0985-673-8649
	Davao Occidental	Public Market, Poblacion Malita, Davao Occidental	0985-869-6054
	Davao Oriental	DA Compound Matiao, Mati City, Davao Oriental	0985-872-1178
12	Cotabato	Bartolaba Subdivision, Lanao, Kidapawan City	09351644568
	Sultan Kudarat	Public Terminal, New Isabela, Tacurong City	09535124125
	Sultan Kudarat	Andrada Building, Poblacion 1, Lebak, Sultan Kudarat	09569624514
	Lanao del Norte	Office of the Municipal Agriculture Farmers Training Center Baroy, Lanao Del Norte	09192033490

PCIC protects agricultural producers and their investments thru the following insurance products:



RICE CROP INSURANCE

An insurance protection extended to farmers against losses in rice crops due to natural calamities as well as plant pests and diseases.



CORN CROP INSURANCE

An insurance protection extended to farmers against losses in corn crops due to natural calamities as well as plant pests and diseases.



HIGH-VALUE CROP INSURANCE

An insurance protection extended to farmers against losses in high-value crops due to natural calamities and other perils such as pests and diseases.



LIVESTOCK INSURANCE

An insurance protection for livestock and poultry raisers against loss of their animals due to accidental death or diseases.



FISHERIES INSURANCE

An insurance protection to fish farmers/growers against losses in unharvested crop or stock in fish farms due to natural calamities or fortuitous events.



NON-CROP AGRICULTURAL ASSETS

An insurance protection extended to farmers against loss of their non-crop agricultural assets like warehouse, rice mills, irrigation facilities and farm equipment due to perils such as fire and lightning, theft and earthquake.



AGRICULTURAL PRODUCERS PROTECTION PLAN

An insurance protection for agricultural producers, fisherfolk and other stakeholders that covers death of the insured due to accident, natural causes and murder or assault.

LOAN REPAYMENT PROTECTION PLAN

An insurance protection for agricultural producers, fisherfolk and other stakeholders that guarantees the payment of the face value or the amount of approved agricultural loan upon the death or total permanent disability of the insured borrower due to accident, natural causes and murder or assault.

ACCIDENT AND DISMEMBERMENT SECURITY SCHEME

An insurance protection for agricultural producers, fisherfolk and other stakeholders that covers death or dismemberment or disablement of the insured due to accident.

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SEM H. CORDIAL

Co-chairperson:

CLEOFAS M. VENTIC

Members:

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