

Department of Agriculture
PHILIPPINE CROP INSURANCE CORPORATION

# ANNUAL REPORT

Earmer's Dependable Partner





# MANDATE

Presidential Decree No. 1467, as amended by Presidential Decree No. 1733 and Republic Act 8175, tasks the PCIC to provide insurance protection to the country's agricultural producers, particularly the subsistence farmers, against loss of their crop and 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.

# MISSION

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

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

# MISION

We envision the Philippine Crop Insurance Corporation as:

- A viable service-oriented government institution attending to every insurance need of subsistence farmers and other agricultural stakeholders with utmost professionalism, integrity and efficiency;
- A corporate body working with a strong network of insurance and agricultural intermediaries in the spirit of partnership and oneness of purpose; and
- A key factor in the realization of a vibrant and progressive rural economy where Filipino farmers work with peace of mind under the protective mantle of crop insurance.

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Quezon City, Philippines
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# MESSAGE FROM THE PRESIDENT

**Dear Development Partners:** 

In 2018, the Philippine Crop Insurance Corporation, your agricultural insurance partner, pledged to become "The Farmer's Dependable Partner."

We committed to the farmers, fisherfolk and allied agricultural workers that when calamities strike, the PCIC stands ready to assist them by enabling them to purchase new seeds, fingerlings or any other asset, and rebuild their livelihoods in the shortest time possible. We wanted to give them peace of mind.

The key results of our operation show that we have delivered on this pledge in marked increase in the numbers over the previous year. They are as follows:

- Insurance protection was given to 2.267 Million farmers and fisherfolk, 33.57% more than the 1.697 Million covered in 2017;
- Of the 2.267 Million farmers and fisherfolk provided with insurance protection, about 72.21% or 1.637 Million were granted full free insurance coverage; and
- Payouts worth some ₱3.489 Billion in insurance claims were distributed to 433,188 farmers and fisherfolk, 80.13% more than the ₱1.937 Billion in 2017.

PCIC achieved these gains alongside our continuing effort to improve operational systems, attain utmost efficiency and provide world-class service. As a result, our Corporation was:

- Awarded the Certificate of Compliance to ISO 9001:2015, reflecting an upgrade from its previous quality management system certification; and
- Received the top citation among the government-owned and controlled corporations (GOCC) recognized by the Governance Commission for GOCCs with the "Award for Excellence in the Corporate Governance Scorecard," by earning a 100.5 rating.

More importantly, PCIC achieved a 95.49% satisfaction rating from farmers and fisherfolk in the 2018 Customer Satisfaction Survey conducted by the Development Academy of the Philippines. This is further proof that we are doing good as attested by our main stakeholders.

I believe that our Corporation's achievements for 2018 gave us a strong start for the following year. I wish everyone a better, stronger and hopefully, more exciting and fulfilling, year of service to all our stakeholders in 2019.

Very truly yours,

ATTY./JOVÝ C. BERNABE

President

# **CORPORATE OBJECTIVES**

In line with the framework for setting organizational targets for Government-Owned and Controlled Corporations (GOCCs) of the Governance Commission for GOCCs (GCG), the PCIC crafted the 2018 Strategy Map for its operation and organization that reflects corporate objectives and strategies.

The corporate objectives were formulated toward the attainment of PCIC's medium-term vision "To have broadened the availability and increased the effectiveness of its crop insurance programs for managing farm losses while at the same time ensuring their viability and sustainability."

The PCIC Strategy Map consists of five (5) strategic objectives that serve as the bases for the Performance Evaluation System (PES), institutionalized by the GCG for setting organizational targets of government corporations:

# **Social Impact Perspective**

1. Stabilize the income of the agricultural producers

# **Customers/Stakeholders Perspective**

2. Expand the number of farmers and other agricultural stakeholders insured

# **Finance Perspective**

3. Increase revenue generation

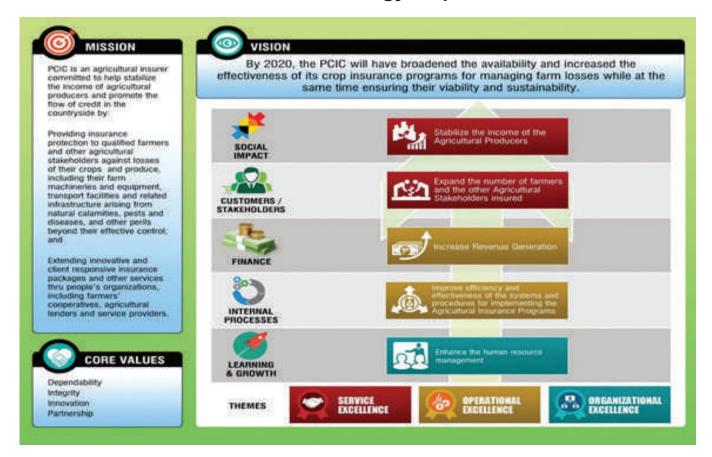
# **Internal Process Perspective**

4. Improve the efficiency and effectiveness of systems and procedures for implementing the agricultural insurance programs

# **Learning and Growth Perspective**

5. Enhance the human resource management

# **PCIC Strategy Map**



#### 2018 Performance Scorecard

The Corporation's 2018 Performance Scorecard was reviewed and modified during the technical panel meeting between the GCG and PCIC on October 18, 2017 to set out clear and holistic performance measures of the agricultural insurance operation. The defined measures for 2018 strategic objectives were as follows:

- Amount of insurance cover set at ₱65 Billion;
- Percentage of small farmers and fisherfolk with agricultural insurance to total number of registered farmers and fisherfolk increased by 14.4%;
- Stakeholders satisfaction rating at 90%;
- Coverage of subsistence farmers and fisherfolk with full premium subsidy at 1,600,000 enrollees, and other lines at 375,000;
- Amount of utilized government premium subsidy at ₱4 Billion;
- Earnings before interest, tax, depreciation, and amortization or EBITDA at ₱236.243
   Million;
- Resolve complaints within 10 working days;
- Claims response time after submission of complete documents at most 20 working days;
- Upgrade of Quality Management System Certificate of Compliance from ISO 9001:2008 to ISO 9001:2015; and
- Improvement from established personnel competency baseline.

#### **CORPORATE OBJECTIVES**

Adhering to its performance theme of "PCIC, The Farmer's Dependable Partner," PCIC posted an overall rating of 95.25% on its Performance Scorecard for FY 2018. The notable accomplishments in the Scorecard were the insurance protection given to 2.267 Million farmers and fisherfolk, that is 33.56% more than the 1.697 Million covered in 2017; attainment of ₱348.17 Million EBITDA, maintaining the stakeholders' satisfaction rate above 90%, and upgrading of the National Certificate ISO 9001:2015 that showed the incessant commitment of PCIC Head Office and Regional Offices to the international organization standards.

# **Review and Monitoring**

In accordance with the PCIC Manual on Corporate Governance (Part 3, Section 3.3.3), the Board of Directors monitors and evaluates the implementation of corporate strategies and policies, business plans, and operating budgets, as well as Management's overall performance through the reports during Management Committee Meetings.

The Board of Directors, the Top Management, and the Department and Regional Managers periodically convene for operation reviews and planning conferences to set performance targets, assess insurance production accomplishments, review overall corporate performance, identify operational issues and challenges, and formulate strategies to attain the targets. The operation reviews and planning conferences were held on February 7-9, June 20-22, and September 26-28 for FY 2018.









PCIC conducts National Mid-Year Planning Conference and Operations Review at the Head Office in Quezon City on June 20-22, 2018.

PCIC operationalizes the state policy of developing and supporting an "adequate agricultural insurance program as a mechanism for managing the risks inherent in agriculture and stabilizing the financial fluctuations suffered by the agricultural producers in case of loss on crops, including agricultural facilities and related infrastructure, with the end in view of encouraging lending institutions to extend credit to the agriculture sector," as laid down under Republic Act 8175 or the PCIC Charter.

The following report the results of the PCIC's operations through a more detailed account of all accomplishments and activities.

# A. Agricultural Insurance Programs

In 2018, the PCIC achieved significant growth in insurance production by striving to make agricultural insurance more accessible and affordable to farmers and fisherfolk.

### Insurance Production

A total of 2.267 Million farmers availed themselves of PCIC's various insurance products and programs, the highest in its corporate history so far. The total amount of insurance cover reached ₱79.828 Billion, up by 36.54%. The premium income and area covered by crop insurance increased by 45.06% and 39.14%, respectively, from the previous year (see Table 1).

Table 1. INSURANCE PRODUCTION, 2018 vs. 2017

	ACCOMPLISHMENTS											
Insurance	No. of F	armers		Amount of Cover (PM)		m (PM)	Area (Ha.)					
Line	December 2018	vs. 2017 %Inc./ (Dec)										
Rice	780,383	26.13	22,765.757	23.46	2,300.784	22.09	1,050,343	25.62				
Corn	248,126	38.36	7,122.280	44.59	739.663	37.94	371,129	44.93				
Rice & Corn Combined	1,028,509	28.87	29,888.037	27.92	3,040.447	25.60	1,421,472	30.15				
HVC	308,395	60.31	16,265.774	81.57	1,124.412	123.94	424,395	81.04				
Livestock	335,921	55.37	7,858.654	62.59	557.881	59.04	994,903					
Fisheries	40,496	601.72	1,530.963	638.66	83.881	643.13	5,256					
NCI	4,211	(81.58)	1,025.972	(24.46)	14.747	(47.31)	1,421					
CLTI	549,961	18.96	23,259.032	17.81	59.954	15.09	167,569					
TOTAL	2,267,493	33.57	79,828.433	36.54	4,881.323	45.06	1,845,867	39.14				

Most of the beneficiaries, totaling 1.637 Million farmers and fisherfolk, were provided with free insurance coverage through full premium subsidy under the special programs of PCIC, an increase of 48.11% from the 2017 figure (see Table 2). Of these fully subsidized enrollees, 82% were subsistence farmers and fisherfolk listed in the Registry System for Basic Sector in Agriculture (RSBSA).

Table 2. INSURANCE PRODUCTION BY PROGRAMS

	No. of F	armers	Amount	of Cover	Premium		
Insurance Program	December 2018	vs. 2017 %Inc./ (Dec.)	De cember 2018	vs. 2017 %lnc./ (Dec.)	De cember 2018	vs. 2017 %Inc./ (Dec.)	
Special Programs (100% GPS)							
RSBSA	1,342,786	30.48	42,933.474	42.82	3,613.269	42.67	
Non-RSBSA	217,677	100.00	6,239.346	100.00	531.716	100.00	
DA Insurance Programs							
Sikat Saka	15,642	6.71	1,709.547	10.40	170.952	10.34	
WARA 2015	<u> </u>	(100.00)	-	(100.00)	-	(100.00)	
HYTA 2015	622	(41.10)	21.635	42.74	2.163	42.68	
Hy brid Rice Program	4,796	100.00	117.409	100.00	11.741	100.00	
FSPAP-PPI	264	100.00	6.603	100.00	0.660	100.00	
Rice Model Farm	1,373	100.00	53.101	100.00	5.310	100.00	
YRRP	20,815	(40.29)	1,039.201	20.80	19.550	(55.26)	
PLEA	14,238	462.77	492.919	475.66	39.369	587.43	
SURE	457	100.00	11.557	100.00	1.133	100.00	
Sub-Total - DA Insurance Programs	58,207	0.83	3,451.972	33.05	250.878	17.45	
DAR-DA-LBP APCP & CAP-PBD*	18,494	(10.13)	1,066.005	(11.63)	98.982	(5.53)	
TOTAL	1,637,164	48.11	53,690.797	58.81	4,494.844	57.91	
Regular Programs							
Rice (55% PCIC Subsidy)	49,182	(29.80)	1,904.332	(29.71)	215.250	(30.10)	
Corn (55% PCIC Subsidy)	17,705	(42.77)	384.694	(41.16)	65.923	(38.66)	
HVC	3,546	(37.14)	429.104	(27.54)	10.411	(37.61)	
Livestock	25,670	2.17	652.957	28.75	34.643	21.18	
Fisheries/Aquaculture	3,471	6,705.88	140.568	195.68	4.696	495.88	
NCI	338	(93.64)	308.207	(59.14)	1.640	(78.68)	
CLTIP	530,417	16.55	22,317.774	15.08	53.915	9.30	
Total	630,329	6.43	26,137.636	6.01	386.478	(25.46)	
GRAND TOTAL	2,267,493	33.57	79,828.433	36.54	4,881.323	45.06	

The total number of rice and corn farmers who availed themselves of crop insurance increased because of the following:

- Increasing number of cooperatives, farmers' organizations and associations, and other lending institutions participating in Land Bank of the Philippines' (LBP) rice and corn production loan programs;
- Continuous participation of rice and corn farmers under the Department of Agriculture (DA) and LBP Sika't Saka Credit Program;
- Increase in insurance coverage of Agrarian Reform Beneficiaries (ARBs) under the Agrarian Production Credit Program – Credit Assistance Program for Program Beneficiaries Development (APCP-CAPPBD);
- Insurance coverage of farmers participating in the DA Hybrid Rice Program;
- Insurance coverage of farmers participating in various DA Programs for Unified Lending in Agriculture;
- Insurance coverage of farmers participating in the DA Survival Recovery Assistance Program (SURE);
- Insurance coverage of farmers participating under the Negros First Universal Crop Insurance Program in Region 6;

- Insurance coverage of farmers participating in the Yolanda Rehabilitation and Recovery Program (YRRP) in Region 8;
- Insurance coverage of small farmers and ARBs participating in Non-RSBSA Insurance Program; and
- Insurance coverage of farmers participating in the Special Comprehensive Insurance Program for Agri-Fishery Projects and Stakeholders of the Province of Cebu.

The rice and corn insurance programs remained on top of insurance production in terms of amount of cover at 37.44%; credit and life term insurance at 29.14%; high-value crops insurance ,20.38%; livestock insurance, 9.84%; fisheries insurance, 1.92%; and non-crop insurance, 1.29% (see Figure 1).

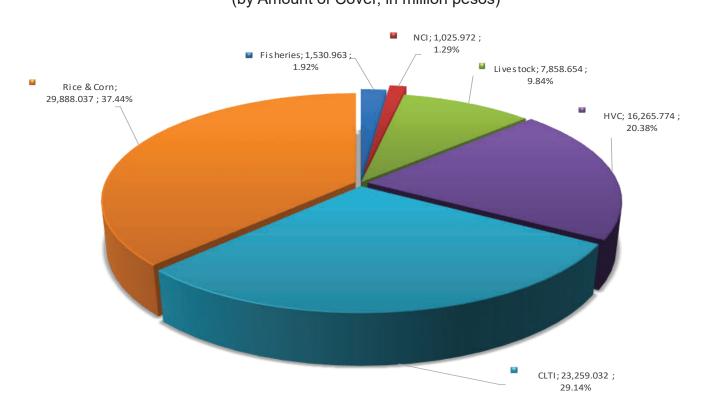


Figure 1. INSURANCE PRODUCTION PER PRODUCT LINE (by Amount of Cover, in million pesos)

More farmers of high-value crops (HVC) availed of crop insurance because of the insurance coverage of farmers participating in various DA Programs for Unified Lending in Agriculture, subsistence farmers and ARBs participating in Non-RSBSA Insurance Program, and farmers participating in the Special Comprehensive Insurance Program for Agri-Fishery Projects and Stakeholders of the Province of Cebu.

However, the non-crop insurance program registered the lowest insurance amount of cover at 1.29%, since many of the LBP Insurance Brokerage Incorporated (LIBI) accounts were not renewed in 2018.

### Claims Paid

The total insurance claims paid to the beneficiaries of PCIC programs increased by 80.13% reaching ₱3.489 Billion (see Table 3). Majority of these beneficiaries were rice and corn farmers. The fisheries sector recorded an increase of 106.05% in claims paid.

The total damage rate, or the ratio of total claims paid to amount of cover, was computed at 4.37%. The loss ratio, or the ratio of total claims paid to total premiums generated, was calculated at 0.71. This means that for every ₱1.00 premium received, ₱0.71 was paid for insurance claim. For 2018, PCIC experienced an increase of ₱0.14 in loss ratio.

**Table 3. CLAIMS PAID, 2018 VS. 2017** 

		Claims Pai	d	Differe	nce	For the Year Ended			
Insurance Line		December 2018		Increase/ (Decrease)		December 31, 2018			
	Number of Farmers	Indemnity (PM)	Indemnity (PM)	Amount (PM)	(%)	Damage 2017	Rate (%)	Loss Ra 2017	atio 2018
Rice	321,827	2,645.596	1,446.993	1,198.604	82.83	7.85	11.62	0.77	1.15
Corn	96,963	686.151	344.983	341.168	98.89	7.00	9.63	0.64	0.93
Rice and Corn Combined	418,790	3,331.747	1,791.976	1,539.772	85.93	7.67	11.15	0.74	1.10
HVC	7,327	75.601	91.215	(15.614)	(17.12)	1.02	0.46	0.18	0.07
Livestock	4,686	39.705	22.296	17.409	78.08	0.46	0.51	0.06	0.07
Fisheries	884	7.768	3.770	3.998	106.05	1.82	0.51	0.33	0.09
NCI	26	1.353	0.793	0.560	70.62	0.06	0.13	0.03	0.09
CLTIP	1,475	32.674	26.848	5.827	21.70	0.14	0.14	0.52	0.54
TOTAL	433,188	3,488.849	1,936.897	1,551.952	80.13	3.31	4.37	0.58	0.71
Increase (Decrease)	- (2018 vs. 2	2017)					1.06		0.14

Rice and corn farmers filed claims that were prompted by typhoons and floods, drought, and pests and diseases. Drought in Regions 1, 3, 6, 7, 10 and 12 during different periods of the year more than sextupled the claims paid in 2018. The same held true for claims paid due to typhoons and floods, as these more than doubled.

Meanwhile, claims paid to rice and corn farmers as a result of pests and diseases increased. The damage was brought about by rat and stem borer infestations.

The claims paid per program and per insurance product and corresponding damage rates and loss ratios are detailed in Table 4.

# Table 4. INSURANCE CLAIMS PAYMENT BY PROGRAM

Special Programs RSBSA Rice Corn HVCC Livestock Fisheries NCI Sub-Total Non-RSBSA Rice Corn HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total DA-Yolanda Rehabilitation & Recove	250,128 79,650 5,861 3,699 816 18 340,172 27,641 10,446 810 418 51 3 39,369	(Php M)  1,926.004 563.935 61.770 30.640 6.906 0.722 2,589.977  200.998 71.823 6.187 3.136 0.454 0.102	12.47 9.96 0.45 0.49 0.56 0.11 6.03 7.93 8.56 0.35	1.25 1.00 0.06 0.07 0.10 0.06 0.72
RSBSA  Rice Corn  HVCC Livestock Fisheries  NCI  Sub-Total  Non-RSBSA  Rice Corn  HVCC Livestock Fisheries  NCI  Sub-Total  DA Programs  DA Rice & Corn Programs  Sikat Saka - Rice  Sikat Saka - Corn  HYTA 2015  Hybrid Rice  PPI - Rice  Rice Model Farm  Sub-Total	79,650 5,861 3,699 816 18 340,172  27,641 10,446 810 418 51 3	563.935 61.770 30.640 6.906 0.722 <b>2,589.977</b> 200.998 71.823 6.187 3.136 0.454	9.96 0.45 0.49 0.56 0.11 <b>6.03</b> 7.93 8.56 0.35	1.00 0.06 0.07 0.10 0.06 <b>0.72</b>
Corn HVCC Livestock Fisheries NCI Sub-Total Non-RSBSA Rice Corn HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	79,650 5,861 3,699 816 18 340,172  27,641 10,446 810 418 51 3	563.935 61.770 30.640 6.906 0.722 <b>2,589.977</b> 200.998 71.823 6.187 3.136 0.454	9.96 0.45 0.49 0.56 0.11 <b>6.03</b> 7.93 8.56 0.35	1.00 0.06 0.07 0.10 0.06 <b>0.72</b>
HVCC Livestock Fisheries NCI Sub-Total Non-RSBSA Rice Corn HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	79,650 5,861 3,699 816 18 340,172  27,641 10,446 810 418 51 3	61.770 30.640 6.906 0.722 <b>2,589.977</b> 200.998 71.823 6.187 3.136 0.454	0.45 0.49 0.56 0.11 <b>6.03</b> 7.93 8.56 0.35	0.06 0.07 0.10 0.06 <b>0.72</b>
Livestock Fisheries NCI Sub-Total Non-RSBSA Rice Corn HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	3,699 816 18 340,172 27,641 10,446 810 418 51	30.640 6.906 0.722 <b>2,589.977</b> 200.998 71.823 6.187 3.136 0.454	0.49 0.56 0.11 <b>6.03</b> 7.93 8.56 0.35	0.07 0.10 0.06 <b>0.72</b>
Fisheries  NCI  Sub-Total  Non-RSBSA  Rice  Corn  HVCC  Livestock  Fisheries  NCI  Sub-Total  DA Programs  DA Rice & Corn Programs  Sikat Saka - Rice  Sikat Saka - Corn  HYTA 2015  Hybrid Rice  PPI - Rice  Rice Model Farm  Sub-Total	816 18 340,172 27,641 10,446 810 418 51	6.906 0.722 <b>2,589.977</b> 200.998 71.823 6.187 3.136 0.454	0.56 0.11 <b>6.03</b> 7.93 8.56 0.35	0.10 0.06 <b>0.72</b>
NCI Sub-Total Non-RSBSA Rice Corn HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	18 340,172 27,641 10,446 810 418 51 3	0.722 <b>2,589.977</b> 200.998  71.823  6.187  3.136  0.454	0.11 <b>6.03</b> 7.93 8.56 0.35	0.06 <b>0.72</b> 0.79
Sub-Total  Non-RSBSA  Rice  Corn  HVCC  Livestock  Fisheries  NCI  Sub-Total  DA Programs  DA Rice & Corn Programs  Sikat Saka - Rice  Sikat Saka - Corn  HYTA 2015  Hybrid Rice  PPI - Rice  Rice Model Farm  Sub-Total	27,641 10,446 810 418 51	2,589.977  200.998  71.823  6.187  3.136  0.454	7.93 8.56 0.35	0.72
Non-RSBSA  Rice  Corn  HVCC  Livestock  Fisheries  NCI  Sub-Total  DA Programs  DA Rice & Corn Programs  Sikat Saka - Rice  Sikat Saka - Corn  HYTA 2015  Hybrid Rice  PPI - Rice  Rice Model Farm  Sub-Total	27,641 10,446 810 418 51	200.998 71.823 6.187 3.136 0.454	7.93 8.56 0.35	0.79
Rice Corn HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	10,446 810 418 51 3	71.823 6.187 3.136 0.454	8.56 0.35	
Corn HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	10,446 810 418 51 3	71.823 6.187 3.136 0.454	8.56 0.35	
HVCC Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	810 418 51 3	6.187 3.136 0.454	0.35	0.86
Livestock Fisheries NCI Sub-Total DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	418 51 3	3.136 0.454		
Fisheries  NCI  Sub-Total  DA Programs  DA Rice & Corn Programs  Sikat Saka - Rice  Sikat Saka - Corn  HYTA 2015  Hybrid Rice  PPI - Rice  Rice Model Farm  Sub-Total	51	0.454	0.26	0.05
NCI Sub-Total  DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	3		0.36	0.05
Sub-Total  DA Programs  DA Rice & Corn Programs  Sikat Saka - Rice  Sikat Saka - Corn  HYTA 2015  Hybrid Rice  PPI - Rice  Rice Model Farm  Sub-Total		0.102	0.28	0.05
DA Programs DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	39,369	332	0.24	0.08
DA Rice & Corn Programs Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total		282.700	4.53	0.53
Sikat Saka - Rice Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total				
Sikat Saka - Corn HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total				
HYTA 2015 Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	6,802	134.078	7.92	0.79
Hybrid Rice PPI - Rice Rice Model Farm Sub-Total	97	1.387	7.97	0.80
PPI - Rice Rice Model Farm Sub-Total	243	1.913	8.84	0.88
Rice Model Farm Sub-Total	1,635	12.933	11.02	1.10
Sub-Total	52	0.239	3.62	0.36
	573	6.143	11.57	1.16
DA-Yolanda Rehabilitation & Recov	9,402.00	156.694	8.21	0.82
	very Program			
Rice	2,409	17.631	17.05	1.70
Corn	245	1.352	60.06	6.01
HVCC	9	0.052	0.43	0.06
Livestock	44	0.312	1.26	0.13
Fisheries	1	0.036	-	-
NCI	-	-	-	-
CLTIP	43	2.215	0.26	0.41
Sub-Total	2,751	21.599	2.08	1.10
DA- PLEA				
Rice	943	7.640	4.38	0.44
Corn	693	4.580	5.64	0.56
HVCC	229	3.820	4.72	0.37
Livestock	60	0.380	0.46	0.13
Fisheries	-	-	-	-
NCI	-	-	-	-
CLTIP	6	0.180	0.25	0.27
Sub-Total	1,931	16.600	3.37	0.42
DA-SURE	40	0.400	0.04	0.00
Rice	12	0.100	0.94	0.09
Corn	-	0.000	0.00	0.00
HVCC	-	0.000	0.00	0.00
Livestock	-	0.000	0.00	0.00
Fisheries NCI	-	0.000	0.00	0.00
CLTIP	-		0.00	0.00
Sub - Total		0.000 <b>0.100</b>	0.00	0.00
Total - DA Programs	12	n anni	0.88	0.09

Insurance Program	Number of Farmers	Indemnity (Php M)	Damage Rate (%)	Loss Ratio
DA-DAR-LBP APCP & CAP-PBD*	•			
Rice	3937	55.633	7.97	0.80
Corn	871	9.072	6.79	0.68
HVCC	22	0.442	0.20	0.03
Livestock	19	0.107	0.76	0.25
Fisheries	0	0.000	0.00	0.00
NCI	0	0.000	0.00	0.00
CLTIP	0	0.000	0.00	0.00
Sub - Total	4,849	65.254	6.12	0.66
PCIC Regular Program				
Rice	27,452	282.283	14.82	1.31
Corn	4,961	33.999	8.84	0.52
Combined Rice & Corn	32,413	316.283	13.82	1.12
HVCC	396	3.328	0.78	0.32
Livestock	446	5.134	0.79	0.15
Fisheries	16	0.372	0.26	0.08
NCI	5	0.529	0.17	0.32
CLTIP	1,426	30.279	0.14	0.56
Sub - Total	34,702	355.925	1.36	0.92
Grand - Total	433.188	3,488.849	4.37	0.71

# **Government Premium Subsidy Utilization**

The increased appropriation in Government Premium Subsidy (GPS) for the subsistence farmers and fisherfolk under the General Appropriations Act for FY 2018 contributed in the increased production in RSBSA Agricultural Insurance Program. The GPS was raised from ₱2.5 Billion in FY 2017 to ₱3.5 billion pesos in FY 2018.

The Corporation utilized 100% of the GPS for farmers and fisherfolk listed in the RSBSA. The ₱3.5 Billion allocated subsidy was used to insure more than 1.343 Million farmers and fisherfolk (see Table 5). Full GPS utilization may be attributed to the full trust and cooperation bestowed by farmers and irrigators associations and cooperatives, local government units as well as other private agricultural producers on the PCIC.

Moreover, the Corporation allocated ₱531.716 Million premium subsidy for farmers and fisherfolk not listed in RSBSA (Non-RSBSA Insurance Program). The premium subsidy was sourced from remittances of BSP pertaining to PCIC's share in the penalties charged against financial institutions for non-compliance or under-compliance with Agri-Agra Law (RA 10000).

**Table 5. GOVERNMENT PREMIUM SUBSIDY UTILIZATION** 

Insurance	Insur	ance Produ	ction	Pr	emium (P	M)	Government Premiu PCIC Premium S		
Program	Number of Farmers	No. of Hectares / Heads/	Cover	Farmer + Lending	PCIC	PS GAA / DA/	2018 Target (PM)	GPS Utilized (PM)	% Utilization
	WARRIED .	Policies	(PM)	Institution	Subsidy*	LGU	(1 111)	VV.	
Special Programs	i .								
RSBSA									
Rice	587,341	763,861	15,450.237			1,544.417	1,400.000	1,544.417	110.32
Corn	191,353	301,011	5,663.905			566.376	700.000	566.376	80.91
High-Value Crop	260,338	362,877	13,732.326		113.269	848.673	525.000	961.942	183.23
Livestock	267,346	675,972	6,212.458			458.843	525.000	458.843	87.40
Fisheries	33,325	4,094	1,228.930			70.181	175.00	70.181	40.10
NCI	3,083	865	645.618			11.509	175.00	11.509	6.58
Sub-total	1,342,786	2,108,680	42,933.474	0.000	113.269	3,500.000	3,500.000	3,613.269	103.24
Non-RSBSA*									
Rice	100,300	127,753	2,533.930		253.384		208.000	253.384	121.82
Corn	33,409	44,048	839.166		83.913		130.000	83.913	64.55
High-Value Crop	39,745	52,013	1,790.586		125.522		86.000	125.522	145.96
Livestock	39,880	127,940	872.193		58.664		70.000	58.664	83.81
Fisheries	3,675	774	160.515		8.946		8.500	8.946	105.25
NCI	668	177	42.956		1.287		17.500	1.287	7.35
Sub-total	217,677	352,705	6,239.346	0.000	531.716	0.000	520.000	531.716	102.25
DA Rice and Corn		A CONTRACTOR OF THE PARTY OF TH	turn from a construction of	0.000	001.710	0.000	520.000	331.710	102.20
Sikat Saka - Rice*	15,368	39,253	1,692.152		169.213		140.000	169.213	120.87
Sikat Saka - Corn*	274	523	17.395		1.739		36.000	1.739	4.83
1970 (NO. 1974 -					1.739				
HYTA 2015	622	541	21.635			2.163	5.580	2.163	0.00
Hybrid Rice						0.0000000000000000000000000000000000000		100000000000000000000000000000000000000	
Program*	4,796	5,866	117.409		11.741	0.000	30.000	11.741	0.00
PPI - Rice*	264	355	6.603		0.660	0.000	1.882	0.660	0.00
Rice Model Farm	1,373	1,185	53.101			5.310	5.925	5.310	0.00
Sub-total	22,697	47,723	1,908.295		183.353	7.473	219.387	190.826	86.98
DA - PLEA*									
Rice	5,199	7,946	174.226		17.423		45.484	17.423	38.31
Corn	2,647	3,155	81.181		8.118		22.742	8.118	35.70
High-Value Crop	1,763	1,084	80.949		10.250		13.266	10.250	77.26
Livestock	2,412	19,784	82.126		2.825		8.339	2.825	33.88
Fisheries	25	8	0.950		0.059		1.137	0.059	5.14
NCI	17	3	0.679		0.027		1.137	0.027	2.38
CLTIP	2,175	223	72.808		0.667		1.895	0.667	35.19
Sub-total	14,238	32,203	492.919	0.000	39.368		94.000	39.368	41.88

Insurance	Insurance Production Premium (PhP M)			P M)	Government Premiu Subsidy/ PCIC Premium Subs				
Program		No. of		Farmer +	G	PS			
	Number of Farmers	Hectares / Heads/ Policies	Amount of Cover (PM)	Lending Institution	PCIC Subsidy*	GAA / DA/ LGU	2018 Target (PM)	GPS Utilized (PM)	% Utilization
DA - SURE	•	•					•	•	
Rice	421	541	10.723		1.072		7.500	1.072	14.29
Corn	2	3	0.050		0.005		5.000	0.005	0.11
High-Value Crop	34	32	0.784		0.055		2.500	0.055	2.22
Livestock	0	0	0.000		0.000		1.250	0.000	0.00
Fisheries	0	0	0.000		0.000		1.250	0.000	0.00
NCI	0	0	0.000		0.000		1.250	0.000	0.00
CLTIP	0	0	0.000		0.000		1.250	0.000	0.00
Sub-total	457	575	11.557	0.000	1.133	0.000	20.000	1.133	5.66
DA - Yolanda Rehabili				0.000	1.155	0.000	20.000	1.133	3.00
Rice	2,470	2,960	103.434			10.353		10.353	
Corn	75	70	2.251			0.225	1	0.225	
High-Value Crop	412	534	12.083			0.843	1	0.843	
Livestock	385	3,735	24.789			2.474	86.094	2.474	22.71
Fisheries	0	0	0.000			0.000	00.004	0.000	
NCI	104	86					-		
CLTIP		16,842	28.194			0.282	-	0.282	
	17,369		868.450	0.000		5.372	00.004	5.372	22.71
Sub-total Total - DA Insurance	20,815	24,227	1,039.201	0.000		19.550	86.094	19.550	22.11
Programs	58,207	104,728	3,451.972	0.000	223.855	27.023	419.481	250.877	59.81
DA-DAR- LBP APCP &		101,7201	0,101.072	0.000	220.000	27.020	110.101	200.011	00.01
Rice	13,047	21,772	697.975		69.797		61.622	69.797	113.27
Corn	2,661	4,292	133.639		13.364		30.811	13.364	43.37
High-Value Crop	2,557	3,614	219.943		15.388		30.811	15.388	49.94
Livestock	228	1,824	14.130		0.431		10.270	0.431	4.20
Fisheries	0	0	0.000		0.000		6.162	0.000	0.00
NCI	1	1	0.318		0.002		6.162	0.002	0.03
CLTIP	0	0	0.000		0.002		6.162	0.000	0.00
Sub-total	18.494	31.503	1,066.005	0.000	98.982	0.000	152.000	98.982	65.12
Total - Special	10,454	31,503	1,000.005	0.000	30.302	0.000	132.000	30.302	05.12
Programs	1.637.164	2,597,616	53,690.797	0.000	967.821	3.527.022	4,591.481	4,494.843	97.90
PCIC Regular Program		2,00.,0.0	00,000			-,-	, , , , , , , , , , , , , , , , , , , ,	,	07.00
Rice*	49,182	78,310	1,904.332	106.798	108.452		100.000	108.452	108.45
Corn*	17,705	18,028	384.694	30.335	35.588		50.000	35.588	71.18
Combined Rice &									
Corn	66,887	96,337	2,289.026	137.133	144.040		150.000	144.040	96.03
High-Value Crop	3,546	4,241	429.104	10.413			-		
Livestock	25,670	165,648	652.957	34.643			-		
Fisheries Non-Crop Insurance	3,471	380 289	140.568 308.207	4.696 1.640			-		
CLTIP	530,417	150,504	22,317.774	53.915			-		
Total	630,329	417,400	26,137.636	242.440	144.040		150.000	144.040	96.0
Grand-total	2,267,493	3,015,016	79,828.433	242.440	1,111.861	3.527.022	4,741.481	4,638.883	

<sup>\*</sup>Premium Subsidy was sourced from remittances of BSP pertaining to PCIC's share in the penalties charged against financial institutions for non-compliance or under-compliance with Agri-Agra Law (RA 10000).

In 2018, PCIC exceeded the targets for the rice, high value crops, and livestock. This means that the Corporation used its surplus fund to subsidize the premiums of these enrollees. The increase can be attributed to the aggressive marketing programs implemented by the Corporation, particularly with the local government units through their respective provincial, municipal and city agriculture offices.

### **B.** Interaction with Communities

The Corporation recognizes the importance of the cooperation of its various stakeholders in fulfilling its mandate, particularly in ensuring the effective and efficient implementation of agricultural insurance programs.

Thus, the PCIC continued to reach out to farmers and fisherfolk, especially the subsistence and the marginalized, through fora and information caravans. It worked with lending institutions, local government units, people's organizations, cooperatives, rural banks and national government agencies to reach more clients in rural areas.

# **REGIONAL OFFICE 1**

# INDEMNITY CHECKS DISTRIBUTIONS



Farmers of Ilocos Sur receive indemnity check worth ₱9.913 Million from PCIC RO 1 on October 23-24, 2018.



PCIC RO 1 distributes ₱23.676 Million worth of indemnity checks to 2,349 farmers in Ilocos Norte on November 27-29, 2018.

# **MOA SIGNING**



The Provincial Government of Ilocos Norte and PCIC RO 1 sign a MOA in Batac City, Ilocos Norte on November 28, 2018 for the insurance of marginalized farmers in the province.

# **PCIC Extension Office (PEO) OPENING**



PCIC RO 1 opens extension office in Alaminos City, Pangasinan on March 28, 2018.

# **REGIONAL OFFICE 2**

## **CLAIMS PROCESSING**





PCIC RO 2 facilitates the application for claim for indemnity of 74,422 farmers from different provinces of Region 2 and the Cordillera Administrative Region after the devastation brought by Typhoon Ompong.

### INFORMATION CARAVANS



PCIC RO 2 conducts information caravans in Isabela, Apayao, Cagayan, Quirino and Nueva Vizcaya Provinces on January to February 2018.

# **FARMERS CONGRESS**



PCIC RO 2 awards ₱8 Million premium subsidy to farmers participating in the BRO-Paneguro sa Pananim Program of the Provincial Government of Isabela during the Farmers' Congress in Cabagan, Isabela on June 21, 2018.

# **REGIONAL OFFICE 3**

#### INDEMNITY CHECKS DISTRIBUTION



PCIC RO 3 distributes ₱9.499 Million worth of indemnity checks to 1,007 farmer-beneficiaries of the RSBSA Insurance Program in San Ildefonso and San Miguel, Bulacan on December 18, 2018.

# DA INFORMATION CARAVAN



The Department of Agriculture and PCIC RO 3 conduct information caravan in Bulacan on March 23, 2018.

### **FARMERS ORIENTATION**



PCIC RO 3 conducts briefing on the Sikat Saka Program and other agricultural insurance programs to farmers of San Luis, Pampanga on March 2, 2018.

# **TRAINING**



PCIC fieldmen attend Claims Settlement and Adjustment Retooling Process Seminar on May 28, 2018.

# **REGIONAL OFFICE 3A**

# **INDEMNITY CHECKS DISTRIBUTIONS**



The PCIC Board of Directors and RO 3A officials distribute indemnity checks to 51 farmer-claimants amounting to ₱566,221 in Cabanatuan City, Nueva Ecija on October 11, 2018.



PCIC RO 3A awards ₱1.907 Million worth of indemnity checks to 126 farmers of Nueva Ecija on August 14, 2018.

# **INFORMATION CARAVAN**



PCIC RO 3A conducts orientation on agricultural insurance programs for PCIC underwriters and solicitors on July 6-13 and August 3, 2018 in Cabanatuan City, Nueva Ecija.

# RADIO INTERVIEW



PCIC Manager Melba Manalo discusses crop insurance coverage and indemnity and claims processing at DWAY Sonshine Radio, Cabanatuan City, Nueva Ecija on August 18, 2018.

# **REGIONAL OFFICE 4**

# **INDEMNITY CHECKS DISTRIBUTION**



Farmers of San Jose, Occidental Mindoro receive indemnity checks worth ₱14 Million from PCIC RO 4.

# LBP COORDINATION MEETING



PCIC Regional Manager Evelyn Virtudez discusses the PCIC insurance programs, policies and process flow of PCIC-LBP business transaction in Puerto Princesa City, Palawan on April 19, 2018.

# **FARMERS ORIENTATION SEMINARS**



PCIC RO 4 participates in the Agrarian Production Credit Program orientation on May 23, 2018 at the Cavite Provincial Capitol located in Trece Martires City.



Agrarian Reform Beneficiaries attend orientation on agricultural insurance programs in Santa Cruz, Laguna on June 7, 2018.

# **REGIONAL OFFICE 5**

# INDEMNITY CHECKS DISTRIBUTION



PCIC RO 5 distributes indemnity checks worth ₱20.852 Million to 1,956 farmers of Camarines Sur on February 20-22, 2019.

# **OPENING OF NEW PCIC BUILDING**



PCIC BOD Members and President Jovy Bernabe lead the inauguration and blessing of PCIC RO 5 new office building in Bitano, Legazpi City on November 6, 2018.

### INFORMATION CARAVANS



PCIC RO 5 Manager Corazon Realubit discusses the application and claims process to farmers of Camarines Norte on April 4, 2018.



PCIC RO 5 orients the farmers of Siruma, Camarines Sur on agricultural insurance programs on March 21, 2018.

# **REGIONAL OFFICE 6**

#### INDEMNITY CHECKS DISTRIBUTION



PCIC RO 6 distributes ₱2.129 Million worth of indemnity checks to 226 farmers of Negros Occidental on August 16, 2018.

# **TRAINING**



RO 6 hosts the PCIC seminar-workshop on the use of Harmonized Gender and Development Guidelines (HGDG) for GAD Focal Persons on March 19-21, 2018 in Iloilo City.

# DA BIYAHENG BUKID



DA Secretary Emmanuel Piñol and PCIC President Jovy Bernabe distribute indemnity checks worth ₱1.100 Million to 200 Farmers during the DA Biyaheng Bukid in Jaro, Iloilo City on July 25, 2018.



DA Secretary Emmanuel Piñol and PCIC RO 6 Regional Manager Eva Laud hand over ₱977,464 worth of indemnity checks to farmer-claimants of the Rural Bank of Miag-Ao, Inc. during the Bulb Onion Field Day and Harvest Festival in Iloilo on May 4, 2018.

# **REGIONAL OFFICE 7**

#### INDEMNITY CHECKS DISTRIBUTIONS



Farmers and fisherfolk from Catigbian, Bohol receive ₱1.605 Million worth of claims indemnity from PCIC RO 7 on June 24, 2018.





LGU Mandaue and PCIC RO 7 hand over the indemnity check to Mr. Celso Cortes, the first RSBSA Insurance Program beneficiary-claimant of Mandaue City, on April 11, 2018.

# **ORIENTATION SEMINARS**



VP CBAG Antonio Uy II provides insights during the orientation on PCIC Agricultural Insurance Programs in Tagbilaran City, Bohol on March 20, 2018.



PCIC RO 7 MSD Chief Aniceto Rebayla discusses the underwriting procedures of palay and corn insurance programs to farmers in Negros Oriental on March 14, 2018.

# **REGIONAL OFFICE 8**

# INDEMNITY CHECKS DISTRIBUTION



PCIC RO 8 distributes a total of ₱2.638 Million worth of indemnity claims payment to 475 farmers of Barangay Linao, Ormoc City, Leyte affected by Typhoon Urduja.

# PARTNERS' MEETING



Landbank of the Philippines (LBP) and PCIC RO 8 hold coordinating team meeting at Tacloban City on January 30, 2018.

# **SEMINAR**



PCIC RO 8 undergoes Gender-Based Effectiveness Skills Training (G-BEST) on August 23-24, 2018 at the Visayas State University, Baybay City, Leyte.

## **TRAINING**



PCIC RO 8 conducts actual field visit during the Claims Adjustment Training for Reserved Corps of Adjusters on July 13, 2018.

# **REGIONAL OFFICE 9**

# INDEMNITY CHECKS DISTRIBUTIONS



PCIC RO 9 distributes indemnity checks worth ₱984,355 to 218 farmer-claimants in Sergio Osmeña, Zamboanga del Norte on April 27, 2018.



Rice and corn farmers affected by natural calamities, pests and diseases in Sindangan, Zamboanga del Norte receive indemnity payment worth ₱3.496 Million from PCIC RO 9 on August 9, 2018.

# **SEMINARS**



PCIC RO 9 personnel undergo Gender Mainstreaming Seminar on September 12-13, 2018 at Taguilon, Dapitan City.



Atty. Mario Jose T. Cunting, Director III of Civil Service Commission conducts Sexual Harassment Lecture for PCIC RO 9 employees in Misamis Occidental on June 7, 2018.

# **REGIONAL OFFICE 10**

# INDEMNITY CHECKS DISTRIBUTIONS



Farmers of Mainit, Surigao del Norte receive indemnity checks worth ₱2.180 Million from PCIC RO 10 on March 1, 2018.



A total of ₱1.695 Million worth of indemnity checks is distributed by PCIC RO 10 to 153 farmers of the Municipality of Alegria on April 17, 2018.

# **TRAINING**





PCIC RO 10 conducts a three-day Gender Sensitivity Training in San Agustin, Surigao del Sur on May 8-10, 2018.

# **REGIONAL OFFICE 11**

## **CLAIMS PAYMENT DISTRIBUTIONS**



PCIC RO 11 conducts series of distributions of indemnity checks worth ₱1.573 Million to 172 farmers at the Office of the Municipal Agriculture, Maitum, Sarangani on January 17, March 23, April 27 and May 31, 2018.



A total of 346 farmer-beneficiaries receive indemnity checks worth ₱1.949 Million in Asuncion, Davao del Norte on January 12, March 16, April 4 and May 22, 2018.



Claims payment amounting to ₱3.210 Million is distributed on February 9, April 4 and May 22, 2018 to 422 farmers affected by typhoons Vinta and Agaton.

# **FORUM**





PCIC RO 11 Regional Manager Bonifacio Pales acts as resource speaker on PCIC's various insurance programs during the "Kapihan sa Kapitolyo" forum on June 5, 2018 in South Cotabato.

# **REGIONAL OFFICE 12**

# **CLAIMS PAYMENT DISTRIBUTIONS**



PCIC RO 12 distributes indemnity checks to 474 farmers of Lutayan, Sultan Kudarat with a total amount of ₱3.993 Million on June 28, 2018.



Ms. Noraisa Nawal of Brgy. Simone, Kabacan, Cotabato receives an indemnity check worth ₱3,900 from PCIC RO 12 on May 23, 2018.



PCIC RO 12 distributes indemnity checks amounting to ₱2.005 Million to 263 farmers of Bagumbayan, Sultan Kudarat on June 28, 2018.

# **PARTNERSHIP**



PCIC RO 12 forges a Memorandum of Agreement with Aurora Integrated Multi-Purpose Cooperative (AIMCoop) on July 19, 2018 at the AIM Cooperative Head Office in Aurora, Zamboanga del Sur.

# C. Partnerships and Linkages

PCIC expanded its reach in the countryside through innovative collaboration with various key entities in the community to further improve the delivery of agricultural programs and services.

For the year 2018, the Regional Offices established a total of 3,086 partnerships and linkages, or an increase of 25.61% from 2,413 in 2017, with different government agencies, institutions, local government units, cooperatives, farmers associations/organizations, micro finance institutions and local radio stations. Below is the summary in number of network and linkages established per region.

# **Partnerships and Linkages**

RO	GAs	Lls	LGUs	COOPs	FAs/FOs	MFIs	LRS	TOTAL
I	33	10	137	77	77	1	2	337
II	12	2	118	46	56	4	7	245
III	9	2	64	65	95	43	0	278
III-A	11	4	42	81	196	5	0	339
IV	23	7	178	36	122	5	0	371
V	12	8	114	19	14	2	0	169
VI	12	7	114	49	17	0	0	199
VII	23	18	132	53	74	4	4	308
VIII	5	8	48	10	54	4	1	130
IX	7	20	88	38	21	0	1	175
X	5	4	110	16	1	2	0	138
XI	10	13	70	60	127	14	1	295
XII	14	14	49	13	8	4	0	102
TOTAL	176	117	1,264	563	862	88	16	3,086

#### LEGENDS:

GAs – Government Agencies
LGUs – Local Government Units
FFAs/FOs – Farmer's/Fisherfolks Associations
Farmer's/Fisherfolks Organizations

LIs - Lending Institutions
COOPs - Cooperatives
MFIs - Micro Finance Institutions
LRS - Local Radio Stations



PCIC Region 2 and DBP sign a Memorandum of Agreement for the implementation of claims payment using Prepaid/ATM Cards on August 15, 2018 at PCIC Regional Office, Tuguegarao City, Cagayan.

# D. Training and Development

To further develop the synergy between effectiveness and productivity across the entire workforce as well as to maintain excellence through the years, PCIC employees underwent various character-building and technical advancement seminars. A total of 1,105 personnel, comprised of 571 males and 534 females, participated in 19 learning sessions in 2018.

TITLE OF			GEI	NDER		
TRAINING/ SEMINAR	OBJECTIVES	VENUE	MALE	FEMALE	PARTICIPANTS	DATE
Seminar on     Mentoring and     Coaching for     Leaders	To equip leaders and managers with the purpose, principles, processes and practices of mentoring and coaching	Quezon City	-	3	Evelyn A. Virtudez , Ma. Lilian E. Aguilar, and Ma. Rowena G. Samia	February 20- 21, 2018
2. Seminar - Workshop on the use of Harmonized Gender and Development Guidelines	For all GAD Focal Persons to review and evaluate CY 2017 GAD Plans and integrate gender activities to CY 2019 Plan & Budget; and strengthen GAD Focal Point System	lloilo City	9	33	Head Office and Regional Offices GAD Focal Persons	March 19-21, 2018
3. Seminar - Workshop on Claims Adjustment and Settlement	To enhance the knowledge and skills of Regional Office personnel on claims adjustment procedures	Pampanga	82	29	Head Office and Regional Offices personnel	April 10-13, 2018
4. Seminar on Change through Gender Equality and 5S of Good Housekeeping	To increase employees' awareness on gender issues and concerns and to promote productivity in a more organized workplace	Batangas City	41	33	Head Office officers and personnel	May 23-25, 2018
5. Seminar - Workshop for IT Specialists	To orient/re-orient PCIC employees on the use of PABS	Quezon City	34	3	Head Office and Regional Offices I.T. Specialists	July 4-6, 2018
6. ISO 9001:2015 Orientation Seminar	To orient/re-orient employees on the ISO 9001:2015	Quezon City	34	31	Head Office officers and personnel	July 11, 2018
7. One-Day Conference Seminar on Accountancy Profession, Internal Audit in the Public Sector, and Financial Reporting Updates	To renew the vibrancy of CPAs' contribution to national development	Manila City	1	1	Segundo H. Guerrero, Jr. and Ma. Rowena G. Samia	July 19, 2018

TITLE OF		GENDER				
TRAINING/ SEMINAR	OBJECTIVES	VENUE	MALE	FEMALE	PARTICIPANTS	DATE
8. Seminar on TRAIN Law, Philippine Financial Reporting Standards, and New Chart of Accounts	To enhance the skills of PCIC personnel in the preparation of government financial statements	Quezon City	7	28	Head Office and Regional Offices personnel	July 18-20, 2018
9. Trainings for CSC SSS Field Office Cluster's Human Resource Management Practitioners	To enhance the skills and knowledge of HR personnel on the development and implementation of human resource management systems in PCIC	Quezon City	-	3	Rasel C. Dela Cruz, Maria Regina Pamela Y. Rosales and Lucila G. Iñigo	August 1-2, 2018
10. Seminar on ICT Resource Acquisition – Project Terms of Reference	To provide participants with understanding of the various phases of acquisition life cycle, procurement process, formulation of the Terms of Reference, and discussion on the current guidelines	Quezon City	1	1	Gilbert D. Jalbuena and Fe I. Ramos	August 6- 10, 2018
11. PCIC-DAR National Conference on Agricultural Insurance Program for Agrarian Reform Beneficiaries	To facilitate the delivery of agricultural insurance products and services to Agrarian Reform Beneficiaries	lloilo City	21	12	Head Office and Regional Offices officers and personnel	October 15-17, 2018
13. Seminar-Workshop on Government Procurement Reform Act (RA 9184) and its Revised IRR and Updates	To orient/update employees with procurement duties on RA 9184 and its revised IRR and updates	Quezon City	18	36	Head Office and Regional Offices officers and personnel	October 18-19, 2018
14. Seminar on Oral Presentation and Technical Writing Skills	To equip employees with effective oral presentation and technical writing skills	Quezon City	14	29	Head Office and Regional Offices Public Information Officers	November 15-16, 2018
15. 2 <sup>nd</sup> Workshop on the Development of the Public Service Continuity Plan and Contingency Plan on Food	For the development of the public service continuity plan in preparation for the West Valley Fault Earthquake or the "Big One"	Pampanga	1	1	Mansueto P. Tizon and Rosalie B. Pernito	August 6- 10, 2018

TITLE OF			GENDER			
TRAINING/ SEMINAR	OBJECTIVES	VENUE	MALE	FEMALE	PARTICIPANTS	DATE
15. Information System Strategic Planning Seminar Workshop	To provide participant with ample level of awareness and understanding of concepts necessary for the formulation of the Information Systems	Quezon City	1	-	Jettroy A. Umblas	August 29- 31, 2018
16. Management Development Program (Batch 2)	Strategic Plan To enhance the managerial skills and knowledge of the participants	Quezon City	18	24	Head Office and Regional Offices officers and personnel	September 5-7, 2018
17. Corporate Social Responsibility (CSR) Activity and Seminar on Enabling Mechanisms to Heighten Employee's Performance	To uphold the corporate social responsibility advocacy of the personnel and promote employee well-being in the workplace	Subic, Zambales	41	33	Head Office officers and personnel	October 4 - 5, 2018
18. 4 <sup>th</sup> Quarter CSI Leadership Series "Authentic Leadership"	For participants to become aware of effective management and leadership practices as well as emerging trends in leadership from exemplary leaders, organizations and leadership gurus	Quezon City	2	-	Raul A. Servito and Ronelo D. Pesquera	November 21, 2018
19. Seminar on Gender Mainstreaming & Public Ethics and Accountability	To mainstream GAD programs in PCIC, imbibe in the employees ideal attitudes and traits that promote ethical and accountable service to the public and provide direction to the PCIC employees with regards to the plans and programs for FY 2019	Tanza, Cavite	246	234	Head Office and Regional Offices officers and personnel	December 3- 5, 2018





PCIC officers and personnel attend the Seminar-Workshop on Government Procurement Act (R.A. 9184) on October 18 – 19, 2018 at the PCIC Head Office in Quezon City.

# **E.** Enhancements on Operations

The PCIC Board of Directors and Management instituted measures to ensure improvement in the agricultural insurance operation through the implementation of various policy enhancements. The following list down the salient Board actions during the year:

- Approved the inclusion of rice bug/rice grain bug infestation in the perils insured against in the Rice Crop Insurance Program and its inclusion in the Revised Claims Settlement Approaches and Procedures (RECSAP) Table 7 (Board Resolution No. 2018-002);
- 2. Approved the provision of partial (55%) PCIC Premium Subsidy amounting to ₱150 Million for subsistence farmers participating in the PCIC Regular Rice and Corn Insurance Programs for CY 2018 (Board Resolution No. 2018-006);
- 3. Approved the following resolutions for the PPI-DA "Masaganang Ani 200" Program:
  - Extension of the utilization of the ₱1.293 Million unutilized/available balance of PCIC Premium Subsidy for the fully subsidized (free) insurance coverage of farms of subsistence farmers participating in the programs' insurance component until May 31, 2019 (Board Resolution No. 2018-024); and
  - Expansion of the area coverage to Kabacan and Arakan Valley, North Cotabato, and included the insurance of subsistence corn crop farmers participating in the program (Board Resolution No. 2018-049);
- 4. Renewed the PCIC's Reinsurance Treaty for Non-Crop Agricultural Asset Insurance with National Reinsurance Corporation of the Philippines (NatRe) (Board Resolution No. 2018-040);
- 5. Extended the utilization of the ₱102.667 Million balance of the PCIC premium subsidy fund as of May 31, 2018 for the insurance coverage of farms and farm investment of farmers, farm workers, fisherfolk and fish workers and/or their household members participating in the Department of Agriculture (DA) Production Loan Easy Access (PLEA) and Survival Recovery (SURE) Assistance Program until its full utilization (Board resolution No. 2018-052);
- 6. Amended the Implementing Guidelines on the Utilization of PCIC Agri-Agra Premium Subsidy Fund Allotment for Subsistence/Small Farmers and Fisherfolk, and ARBs not listed in RSBSA to provide service fee for solicitors in rice, corn, high-value crop, fisheries, livestock and non-crop agricultural assets (Board Resolution No. 2018-059);
- Approved the insurance coverage of cacao crops under Cacao Production Project to be financed by AGCOR Consolidated Agriventures Corporation (Board Resolution No. 2018-063);
- 8. Approved the insurance coverage of abaca and cacao plantations of Virginia Reyes Plantation and Development Corporation (Board Resolution No. 2018-066);

- Approved the partial loss claims settlement for fishing boats that suffered partial damage/ loss due to covered risk/s under the Fishing Boat Insurance Policy (Board Resolution No. 2018-079);
- Amended the Rules on the Composition of the Team of Adjusters under the Rice, Corn, and High-Value Crop Insurance Operations Manual (Board Resolution No. 2018-081).

The claims adjustment and verification shall be conducted on regular insurance claims situations that occurred not during widespread calamity, as far as practicable, by two (2) PCIC authorized insurance adjusters; however, if there is an insufficient number of adjusters, an individual insurance adjuster may validly conduct the claims adjustment and verification;

- 11. Approved the increase of maximum area limit of coverage for crops from three (3) hectares to five (5) hectares under the Implementing Guidelines on agriculture insurance programs for farmers and fisherfolk listed under RSBSA, to be implemented by January 1, 2019 (Board Resolution No. 2018-088);
- 12. Amended the Implementing Rules and Regulations on the Eligibility of Fisherfolk for Insurance Coverage (Board Resolution No. 2018-090); and
- 13. Approved the provision of the Coconut Yield Insurance (CYI) for coconut farmers under the High-Value Crop Insurance Program (Board Resolution No. 2018-091).



PCIC RO 3 hosts the 2018 Seminar-Workshop on Claims Adjustment and Settlement attended by the Regional Offices personnel in Angeles City, Pampanga on April 10-13, 2018.

# F. Customer Satisfaction Survey

Farmers are satisfied with the services being given by the Philippine Crop Insurance Corporation (PCIC). This was revealed in the Customer Satisfaction Survey conducted by the Development Academy of the Philippines (DAP) as commissioned by the PCIC. The survey showed that of the 510 respondents, 95.49% said they were satisfied, 3.53% have a split opinion and 0.98% were dissatisfied with PCIC's insurance services for farmers.

Moreover, the survey showed that customers were very satisfied with the PCIC's Staff and Organization, Insurance, Complaints Handling and Records Keeping, Information and Communication, Website and Facilities. Information and Communication was given a very satisfactory rating, which was followed by Staff and Organization. The Corporation's insurance products also obtained a very satisfactory rating.

However, the customers were dissatisfied with the processing of insurance claims. The survey cited the need to strengthen information dissemination efforts so that the agency can understand the needs of customers better and address these accordingly.

The survey also mentioned the need for additional manpower on the processing of claims and that the Corporation should consider moving to larger offices to accommodate clients.

The quality of service delivery of the PCIC was assessed using the guidelines issued by the Governance Commission for Government-Owned and Controlled Corporations (GCG). The GCG prescribed the use of intercept interviews. The survey was administered in six (6) selected PCIC regional offices from December 9 to 15, 2018 and January 9 to 11, 2019.





Staff of the Development Academy of the Philippines (DAP) conducts customer satisfaction survey among PCIC clients on December 9-15, 2018 and January 9-11, 2019.

# G. PCIC Extension Offices

PCIC is committed to bring insurance service closer to its stakeholders. The Corporation is forging alliances with local government units and various government agencies for the installation of PCIC Extension Offices (PEOs) and service desks. In 2018, the number increased to 53 PEOs and 17 service desks from 48 PEOs and 10 service desks in 2017. The following table represents the directory of all PEOs and service desks nationwide.

# **Directory of PCIC Extension Offices and Service Desk**

REGIONAL OFFICE	PROVINCE	LOCATION OF PEO/SERVICE DESK	CONTACT NUMBER	OFFICE SCHEDULE	
1	ABRA	SERVICE DESK – Office of the Provincial Agriculturist, Bangued, Abra	0906-713-2611	Monday to Friday	
	ILOCOS SUR	PEO-National Highway, Brgy. 2,Brgy 2, Bantay, Ilocos Sur (Beside NFA-Provincial Office)	(077) 604-9699 0905-317-1240	Monday to Friday	
	PANGASINAN	PEO-No. 02 San Vicente, Alaminos City, Pangasinan	0919-284-8066		
	BENGUET	PEO-2F Spot Trading Bay 2, Benguet Agri-Pinoy Trading Center (BAPTC), BSU Strawberry Field, La Trinidad,	0946-727-7995		
		PEO-Upper Ground Floor, BENCOM Bldg.,Sitio Bekes, Buyacaoan, Buguias, Benguet	0928-176-7464		
2		PEO-Rm2, G/F Baptista Bldg, National Highway Libertad, Abulug, Cagayan	0935-188-3748 0906-864-5701 0926-233-4731	Monday to Friday	
	CAGAYAN	SERVICE DESK-NIA Magapit Pumping Irrigation System, Bulala, Camalaniugan, Cagayan	0935-992-4719	Every Wednesday & Friday	
	ISABELA	SERVICE DESK-BRO Office, capitol, Iligan City, Isabela	0997-193-7823 0997-102-8454	Every Thursday	
		PEO-Rm 315, 3/F Heritage Commercial Complex Malvar, Santiago, Isabela	(078) 682-0248 0915-844-4228 0997-416-8280	Monday to Friday	
		SERVICE DESK-Mallig FST Office, Casili, Mallig, Isabela	0997-102-8458 0905-712-0904 0997-102-8458	Every Thursday	
	KALINGA	SERVICE DESK-Office of the Provincial Agriculturist, Bulanao, Tabuk, Kalinga	0935-946-6567 0946-203-5460 0997-962-9634	Every Wednesday & Thursday	
	NUEVA VIZCAYA	SERVICE DESK-OPA District IV., Bayombong, Nueva Vizcaya	0997-962-9634	Every Thursday	
	QUIRINO	SERVICE DESK-Tourism Office, 2/F Commercial Building, Capitol Hill, San Marcos, Cabarroguis, Quirino	0905-261-8122	Every Monday	
	IFUGAO	SERVICE DESK-PAENRO Lagawe, Ifugao	0975-841-8858	Every Wednesday	
		SERVICE DESK-OPA, Lamut, Ifugao	0905-712-0904	Every Wednesday	

REGIONAL OFFICE	PROVINCE	LOCATION OF PEO/SERVICE DESK	CONTACT NUMBER	OFFICE SCHEDULE
3	ZAMBALES	PEO-One Primer Bldg., Zone 4 Magsaysay St., Corner Luna St., Poblacion, Iba, Zambales	0910-465-4783 0920-470-4835 0910-801-0665	Monday to Friday
3A	AURORA	PEO-2nd Floor BG Plaza, Baler, Aurora	0920-559-1607	Monday to Friday
	CAVITE	SERVICE DESK-Provincial Agriculture Office, Barangay Luciano Trece Martirez City, Cavite	0995-565-2269 0995-139-4104	Every Friday
	RIZAL	SERVICE DESK-Department of Agrarian Reform Provincial Office, Tanay Rizal	0917-572-0909 0936-739-3707	Every Tuesday
	BATANGAS	SERVICE DESK-Office of the City Veterinary and Agricultural Services (OCVAS), Barangay	0945-219-9538 0905-110-8534	Every Wednesday
	LAGUNA	SERVICE DESK-Office of the Provincial Agriculture, Barangay Callios, Sta. Cruz, Laguna	0975-221-3088 0927-281-0026	Every Friday
	ROMBLON	PEO-LFH Prominade Suite Bldg., Cocoville, Dapawan Odiongan, Romblon	0908-679-8132	Monday to Friday
4	MARINDUQUE	PEO-Brgy. Isok 1, Boac Marinduque	0930-829-0074	Monday to Friday
	ORIENTAL MINDORO	PEO-K.B Homes Zone 2, madrid Blv. Pinamalayan, Oriental Mindoro	0909-833-0276	Monday to Friday
	PALAWAN	PEO-261 Malvar Corner P. Baltan St., Puerto Princesa,	0966-195-5652	Monday to Friday
	FALAWAN	PEO-Poblacion District II, Brooke's Point, Palawan	0905-0923-445	Monday to Friday
	QUEZON	PEO-Maharlika Kanlurang Mayao, Lucena, Quezon	(042) 322-9453	Monday to Friday
	OCCIDENTAL MINDORO	PEO-2 <sup>nd</sup> Floor Villamar Bldg., Juan Luna St., Lambangan, San Jose, Occidental Mindoro	0907-816-2459 0956-200-0237	Monday to Friday
	MINDORO	PEO-265 Salgado St., Buenavista, Sablayan	0975-497-8805	Monday to Friday
5	CAMARINES SUR	PEO-Unit 205, One Magsaysay Corporate Center, Magsaysay Avenue, Naga City	0919-324-4468 0946-738-8230 0929-776-8897	Monday to Friday
	MASBATE	PEO-Jerry Alerta Bldg.,Cagba, Tugbo, Masbate	0947-751-1463 0943-830-9367 0948-616-3802	Monday to Friday
	SORSOGON	SERVICE DESK-Sorsogon OPAG	0906-540-6357 0909-532-1145 0909-971-5631	Monday to Friday
	CATANDUANES	SERVICE DESK-Catanduanes OPAG	0998-409-9179 0948-037-4672	Monday to Friday
	CAMARINES NORTE	SERVICE DESK-Camarines Norte OPAG	0946-620-6961 0948-136-6558	Monday to Friday

REGIONAL OFFICE	PROVINCE	LOCATION OF PEO/SERVICE DESK	CONTACT NUMBER	OFFICE SCHEDULE	
6	AKLAN	PEO-G & F Radislao Bldg., Brgy. Jumarap,	0939-929-3340 (036)267-7262 0930-814-8444 0912-544-7964	Monday to Friday	
		Banga, Kalibo, Aklan PEO-Room 1 Joeval's	0946-262-0857 0909-725-2860 (034) 620-1883		
	CAPIZ	Apartment, San Roque St., Inzo Arnaldo, Roxas City, Capiz	0919-273-4390 0946-035-6255	Monday to Friday	
	ANTIQUE	PEO- Barbaza MPC Bldg., Cerdeña St., Brgy. 5, San Jose, Antique	0998-563-4365 (036) 641-6399 0949-035-8906	Monday to Friday	
	ILOILO	PEO-12 Washington Street, Brgy., Democracia, Jaro, Iloilo City	(033) 323-3980 0910-649-2162 0977-840-7377	Monday to Friday	
	NEGROS OCCIDENTAL	PEO-ACP Handumanan Bldg., Burgos cor San Juan Sts., Bacolod City, Negros Occidental	(034) 444-0772 0929-172-9113 0919-429-8301 0915-388-0494	Monday to Friday	
	BOHOL	PEO-2F, BOPE Bldg., Rocha corner Sikatuna Streets, Tagbilaran City	0921-376-7927 0907-781-1572 0907-560-0937	Monday to Friday	
7		PEO-Ubay Business Center, Gaviola Compound, Ubay, Bohol	0947-516-7523 0948-371-0135 0955-612-7462	Monday to Friday	
1	NEGROS ORIENTAL	PEO-Rafael Suites, Daro, Dumaguete City PEO-Verna's Bldg., National Highway, Villareal, Bayawan City	(035) 421-2672 0917-501-0822 0916-738-2430 (035) 430-0403 0975-694-0818 0935-115-3844	Monday to Friday	
	LEYTE	PEO Leyte 1 & 2- 3rd Floor, F. Mendoza Realty Complex (Kokoy's Grocery), 141 Sto. Niño St., Tacloban City	(053) 321-3013 (053) 523-4104	Monday to Friday	
		PEO-Indiana Heights, Haubon, San Isidro,Ormoc City	(053) 561-8696 0929-713-8803 0946-376-8890	Monday to Friday	
8	SOUTHERN LEYTE	PEO-2nd Floor, Visto Bldg.,Brgy. Zone 5, Sogod, Southern Leyte	0906-628-0975 0905-298-4688	Monday to Friday	
	WESTERN SAMAR	PEO-Mabini Avenue, Brgy. Patag, Catbalogan City, Western Samar	(055) 543-9156 0915-812-9825	Monday to Friday	
	NORTHERN SAMAR	PEO-Balite Bldg., Roxas St., Brgy. Santol, Catarman, Northern Samar	0919-962-5392 0946-376-9037 0939-346-2315	Monday to Friday	
	EASTERN SAMAR	PEO-Brgy. Alang-Alang, Borongan, Eastern Samar	(055) 560-8343 0909-859-7757	Monday to Friday	
9	ZAMBOANGA DEL NORTE	PEO Dipolog  FSA Development, Andres  Bonifacio College Drive, Miputac, Dipolog City  PEO-DBC Commercial Building, Disud, Sindangan, Zamboanga Del Norte	0917-138-0993		
	ZAMBOANGA DEL SUR	PEO-1 <sup>st</sup> Floor, Mocreco Bldg., Yangco St., Madasigon, Molave, Zamboanga Del Sur	(062) 945-1396	Monday to Friday	
	ZAMBOANGA CITY	PEO-2 <sup>nd</sup> Floor, Sambongan Bayanihan Cooperative, Gen. Vicente Alvarez St., Zamboanga City			
	ZAMBOANGA SIBUGAY	PEO-1st Floor, Avery Arcade, Sanito, Ipil, Zamboanga Sibugay	0910-643-0631		
	MISAMIS OCCIDENTAL	PEO-Oroquieta Town Center, Brgy. Canubay, Oroquieta City, Misamis Occidental	0950-672-1057		

### **HIGHLIGHTS OF OPERATIONS**

REGIONAL OFFICE	PROVINCE	LOCATION OF PEO/SERVICE DESK	CONTACT NUMBER	OFFICE SCHEDULE
	AGUSAN DEL NORTE	PEO-Capitol Drive, Butuan City	0907-636-7414 0998-534-7020 0926-478-2660	Monday to Friday
	SURIGAO DEL SUR	PEO-Door 5 PAGE Building, Donasco St., Bag-ong Lungsod, Tandag City, Surigao del Sur	(086) 214-5969	Monday to Friday
10	SURIGAO DEL NORTE	PEO-Ladaga Building, Roxas- Borja Sts., Washington, Surigao City, Surigao del Norte	(0946) 350-8414 (0909) 829-8131 (0907) 727-9181	Monday to Friday
	BUKIDNON	PEO-Door 4 regidor Bldg., A. Mabini St., Poblacion, Valencia City, Bukidnon	(088) 828-7383	Monday to Friday
	AGUSAN DEL SUR	PEO-Brgy. Pisaan, San Francisco	0955-189-8109 0910-185-4298 0946-333-9957	Monday to Friday
	DAVAO DEL NORTE	PEO-Ben S. Granada Training Center, Purok Mahogany RABE Subdivision, Tagum, Davao del Norte	0936-921-2026 0929-340-9289 0916-549-4749	Monday to Friday
	DAVAO DEL SUR	PEO-2nd Floor, Bureau of Fisheries Bldg., Office of the Municipal Agriculturist Bataan St.,	0919-841-9499 0910-736-0592 0955-293-2525	Monday to Friday
11	DAVAO CITY	Digos City  PEO-Corner Jacinto St. and Quezon Blvd., Davao City	0955-293-2525 0919-841-9499 0948-605-3007 0912-700-0950	Every Wednesday  Monday to Friday
	COMPOSTELA VALLEY	PEO-Mawab Municipal Hall Compound, Mawab, Compostela Province	0916-549-4749 0907-656-0606 0914-867-4964	Monday to Friday
	DAVAO ORIENTAL	PEO-Provincial Capitol Compound, Mati City	0916-549-4749	
	SARANGGANI	PEO-3rd Floor, National Bldg., Coop Office Capitol Compound, Alabel, Saranggani Province	0919-841-9499 0946-975-2087	Monday to Friday
12	SULTAN KUDARAT	PEO-1 <sup>st</sup> Floor Torres Building, Poblacion 1, Lebak, Sultan Kudarat	0946-626-9548	Monday to Friday
	KIDAPAWAN	PEO-2 <sup>nd</sup> Floor MKTC Bldg., Queon Boulevard, Kidapawan	0920-2318-219	Monday to Friday
	LANAO DEL NORTE	SERVICE DESK-Office of the Municipal Agriculturist Farmers Training Center Baroy, Lanao Del Norte	0916-1905-484	Monday to Friday
	TACURONG	PEO-Provincial Training Center, Poblacion 2, Tacurong City	0907-0661-617	Monday to Friday





PCIC RO 11 opens extension office at Capitol-Pagro Compound, Tagum City, Davao del Norte on November 8, 2018.

### PCIC IS NOW CERTIFIED ISO 9001:2015 COMPLIANT NATIONWIDE

After successfully passing the ISO 9001:2008 Nationwide Certification in 2016, PCIC has upgraded its Certificate of Compliance to ISO 9001:2015 through the on-site Certification Audit of the TÜV Rheinland Philippines, Inc. conducted from October 12-16, 2018.

The ISO 9001:2015 is the latest version of quality management system that helps improve market access opportunities, increase organizational efficiency, generate trust with customers, improve processes and structures and achieve significant cost savings, as noted by TÜV Rheinland on their website.

Among the recently audited sites were the PCIC Head Office in Quezon City and the four (4) Regional Offices, namely: RO 2 Tuguegarao City (Cagayan), RO 7 Cebu City (Cebu), RO 8 Tacloban City (Leyte), and RO 12 Midsayap (North Cotabato).

TÜV Rheinland, an international ISO 9001 certifying body, conducts on-site audits annually for three (3) years to maintain the validity of the ISO 9001 Certificate of Compliance granted to PCIC. During audit, the actual process flow of the sampled operations of each Regional Office is examined and evaluated based on the operational standards and administrative procedures of underwriting, adjustment and payment of indemnity claims to ensure that performances of the Regional Offices are in compliance with the PCIC mandate. The ISO auditors reviewed the conformity of the processes based on the required standards of the ISO 9001 and the documented operating procedures through random samplings, interviews and examination of relevant documents.

PCIC was first audited, approved and certified by the TUV Rheinland with ISO 9001 Certificate of Compliance in May 2011. The Corporation has impressively maintained this certification until its recent upgrade. Through adherence to Quality Management System and Policy Standards, PCIC has improved the crop insurance protection program, and has achieved high satisfaction ratings from subsistence farmers, agricultural stakeholders, and clientele.





TÜV Rheinland Auditors examine the documents and conduct interviews at PCIC Regional Offices, namely: RO 2 in Tuguegarao, RO 7 in Cebu, RO 8 in Tacloban, and RO 12 in Midsayap on October 12-16, 2018.

# **CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

The Corporation is committed to helping the community and the environment through corporate social responsibility activities in every region. These involved simple acts of kindness to promote the well-being of the small farmers and fisherfolk, communities it serves, and the environment where it operates.

# **Tree Planting and Environment Care Activities**





PCIC Head Office officers and staff hold tree planting activity with local tribe in El Kabayo, Subic, Zambales on October 4, 2018.



Officers and personnel of PCIC RO 1 and the local Municipal Agriculture Office join forces to conduct weed control and coastal cleanup drive in San Juan, La Union on October 26, 2018.



PCIC RO 5 officers and personnel plant mangroves on the shoreline of Bacacay, Albay on March 25, 2018.

### CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES



In celebration of the Month of the Ocean, PCIC RO 6 holds mangrove re-planting at Barangay Lapaz, Nueva Valencia, Guimaras on May 23, 2018.



Employees of PCIC RO 7 conduct coastal cleanup activity at Baybay, Tambongon, Cebu on June 12, 2018.



PCIC RO 9 and Dipolog City Environment and Natural Resources Office (CENRO) employees conduct tree planting activity along the Turno-Sinaman bypass road in Zamboanga del Norte on November 22, 2018.



PCIC RO 10 Extension Office – Surigao City and the Municipal Agriculture Office conduct mangrove planting activity at Barangay Villafranca, Gigaquit, Surigao del Norte on October 12, 2018.



PCIC RO 11 staff plant 300 Caballero trees along the National Highway of Koronadal as part of the 8<sup>th</sup> Tree Growing Festival by City Government on June 29, 2018.



Employees of PCIC RO 12 conduct tree-planting activity at Sitio del Pilar, Barangay Rangayen, Alamada, North Cotabato on November 7, 2018.

### **CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

# **Outreach Programs**



Elderlies of Bahay Pag-ibig in San Fernando City, Pampanga receive grocery gifts from PCIC RO 3 on December 28, 2018.



PCIC RO 3A personnel distribute gifts to elderlies of Tahanan ng Damayang Kristiyano in San Jose City, Nueva Ecija on December 14, 2018.



PCIC RO 4 conducts feeding program for the benefit of the students of Niyogan Elementary School in Lemery, Batangas on September 21, 2018.



Victims of Typhoon Urduja at Barangay Sanggalang, Biliran, Biliran, receive relief goods from PCIC RO 8 personnel on January 19, 2018.

# Philippine Crop Insurance Corporation STATEMENT OF COMPREHENSIVE INCOME (AUDITED) For the Year Ended December 31, 2018 (In Philippine Peso)

	2018	2017 Restated	Inc/(Dec)
Income			
Service and Business Income	789,350,808	454,011,446	335,339,362
Other Non-Operating Income	104,697,280	53,523,206	51,174,074
Total Income	894,048,088	507,534,652	386,513,436
Direct Cost	3,480,882,656	2,253,044,055	1,227,838,601
Gross Income	(2,586,834,568)	(1,745,509,403)	(841,325,165)
Expenses			
Personnel Services	216,107,072	175,480,728	40,626,344
Maintenance and Other Operating	355,608,531	230,574,245	125,034,286
Expenses			
Financial Expenses	4,000,109	426,545	3,573,564
Non-Cash Expenses	15,648,523	11,011,073	4,637,450
TOTAL EXPENSES	591,364,235	417,492,591	173,871,644
Income/(Loss) before Tax	(3,178,198,803)	(2,163,001,994)	(1,015,196,809)
Income Tax Expense/(Benefit)	-	-	-
Income/(Loss) after Tax	(3,178,198,803)	(2,163,001,994)	(1,015,196,809)
Net Assistance/Subsidy	3,500,000,000	2,500,000,000	1,000,000,000
Net Income	321,801,197	336,998,006	(15,196,809)
Other Comprehensive Income/		-	-
(Loss) for the period			
TOTAL COMPREHENSIVE INCOME	321,801,197	336,998,006	(15,196,809)

# Philippine Crop Insurance Corporation STATEMENT OF FINANCIAL POSITION (AUDITED)

# December 31, 2018 (With Comparative Figures for 2017) (In Philippine Peso)

	2018	2017 Restated	Inc/(Dec)
ASSETS			,
Current assets			
Cash and Cash Equivalents	2,519,576,783	2,973,522,537	(453,945,754)
Financial Assets	709,635,861	881,464,000	(171,828,139)
Receivables	1,257,857,851	168,288,479	1,089,569,372
Inventories	7,626,031	4,557,134	3,068,897
Other Current Assets	3,304,660	2,652,599	652,061
Total Current assets	4,498,001,186	4,030,484,749	467,516,437
Non-current assets			
Financial Assets	2,076,880,558	807,788,024	1,269,092,534
Other Investments	2,141,600	2,141,600	
Receivables	471,576,570	328,967,595	142,608,975
Property, Plant and Equipment	94,682,599	90,375,398	4,307,201
Intangible Assets	3,782,784	3,779,710	3,074
Other Non-Current Assets	944,213	575,589	368,624
Total Non-current assets	2,650,008,324	1,233,627,916	1,416,380,408
		, , ,	, , ,
TOTAL ASSETS	7,148,009,510	5,264,112,665	1,883,896,845
LIABILITIES			
Current liabilities			
Financial Liabilities	1,446,636,836	997,547,611	449,089,225
Inter-Agency Payables	19,990,906	25,708,473	(5,717,567)
Trust Liabilities	11,311,761	365,851	10,945,910
Deferred Credits/Unearned Income	2,860,055,563	1,873,393,763	986,661,800
Provisions	74,586,674	46,311,681	28,274,993
Other Payables	232,580,356	207,398,019	25,182,337
Total Current liabilities	4,645,162,096	3,150,725,398	1,494,436,698
Non-current liabilities			
Trust Liabilities	307,862,711	173,260,228	134,602,483
Deferred Credits/Unearned Income	68,778,351	3,162,085	65,616,266
Provisions	306,879,000	306,879,000	-
Total Non-current liabilities	683,520,062	483,301,313	200,218,749
TOTAL LIABILITIES	5,328,682,158	3,634,026,711	1,694,655,447
TO THE EIRBIETTES	0,020,002,100	0,004,020,711	1,004,000,441
EQUITY			
Government Equity	1,279,295,215	1,250,954,415	28,340,800
Stockholders' equity	259,451,431	259,451,431	-
Retained earnings/(Deficit)	280,580,706	119,680,108	160,900,598
TOTAL EQUITY	1,819,327,352	1,630,085,954	189,241,398
			•
TOTAL LIABILITIES AND EQUITY	7,148,009,510	5,264,112,665	1,883,896,845

# Philippine Crop Insurance Corporation NOTES TO FINANCIAL STATEMENTS (All amounts in Philippine Peso unless otherwise stated)

### 1. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

### **Statement of Compliance**

The Corporation's financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and Standing Interpretations Committee (SIC)/International Financial Reporting Interpretations Committee (IFRIC) interpretations which have been approved by the Financial Reporting Standards Council (FRSC).

The financial statements have been prepared on a historical basis, except for the financial assets – held to maturity which is measured at fair value.

### 2. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2018	2017
Cash on hand	1,859,142	3,066,184
Cash in bank-local currency	610,474,492	403,060,997
Cash equivalent	1,907,243,149	2,567,395,356
	2,519,576,783	2,973,522,537

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

	, <u> </u>	
	2018	2017
Current accounts		
General and administrative fund	132,477,790	219,264,125
Claims fund	414,506,521	150,626,947
Mother account	47,503,724	15,863,859
Investment fund	8,225,490	58,787
	602,713,525	385,813,718
Savings account		
Savings account – one way savings account OSDA)	7,760,967	17,247,279
	610,474,492	403,060,997

### Cash equivalent consists of the following:

	2018	2017
Time deposit, local currency - PCIC	1,600,000,000	2,259,152,706
Time deposit, local currency - SRTF	307,243,149	308,242,650
	1,907,243,149	2,567,395,356

### 3. INVESTMENTS, CURRENT

This account consists of:

	2018	2017
Financial assets at fair value through surplus or deficit	513,271,377	-
Investment in bonds	146,364,484	881,464,000
Investment in time deposits, local currency	50,000,000	-
	709,635,861	881,464,000

Financial assets at fair value through surplus/profit or deficit/loss consist of investment in trust account with LBP, details as follows.

	2018
Initial investment in February 2018	500,000,000
Add: Interest earned during the year	13,271,377
	513,271,377

Details of investment in bonds and time deposits are as follows:

	Amount	Term	Interest Rate (in %)	Maturity Date
LBP-FXTN				
FXTN 07-56-60646	146,364,484	1 year	3.875	November 22, 2019
LBP-LTNCD	50,000,000	5.5 years	3.125	May 5, 2019

### 4. RECEIVABLES - CURRENT, NET

This account consists of the following:

	2018	2017 Restated
Loans and receivables	1,252,759,000	164,020,166
Inter-agency receivables	1,608,376	1,379,244
Other receivables	3,490,475	2,889,069
	1,257,857,851	168,288,479

The increase in loans and receivables mainly due to the unreleased balance of GPS for CY 2018 amounting to ₱1.225 Billion.

### 5. INVESTMENTS, NON-CURRENT

This account consists of:

	2018	2017 Restated
Investment in bonds-LBP	1,326,183,691	257,091,157
Investment in bonds-Bureau of the Treasury (BTr)	550,696,867	550,696,867
	1,876,880,558	807,788,024
Investments in time deposits	200,000,000	-
Other investments	2,141,600	2,141,600
	2,079,022,158	809,929,624

### **NOTES TO FINANCIAL STATEMENTS**

# 6. RECEIVABLES, NET-NON-CURRENT

	2018	2017
Loans and receivables	460,977,302	315,664,677
Inter-agency receivables	13,736	367,620
Other receivables	115,889,421	115,009,440
	576,880,459	431,041,737
Less: Allowance for impairment	105,303,889	102,074,142
Receivables, net, non-current	471,576,570	328,967,595

### 7. FINANCIAL LIABILITIES - CURRENT

This account consists of the following:

	2018	2017 Restated
Accounts payable	1,446,271,472	997,293,166
Due to officers and employees	365,364	254,445
	1,446,636,836	997,547,611

The Accounts payable consists of the following:

	2018	2017 Restated
COA	19,206,881	16,034,955
Creditors/others	16,355,657	44,205,543
Unpaid claims:		
Crops	1,216,412,885	710,114,160
High Value Crop (HVC)	160,057,058	14,375,954
Livestock	20,227,857	11,132,113
Fisheries	3,553,326	5,414,953
Term insurance	5,662,163	5,309,281
Non-crop	3,605,645	775,002
Death benefit	1,190,000	898,000
Claims payable - SRTF	-	187,536,617
Commission payable	-	1,496,588
	1,446,271,472	997,293,166

### 8. INTER-AGENCY PAYABLES - CURRENT

This account consists of the following:

	2018	2017 Restated
Due to Local Government Units (LGUs)	13,759,328	16,835,023
Due to Bureau of Internal Revenue (BIR)	3,352,035	6,268,676
Due to Government Service Insurance System (GSIS)	1,851,260	1,688,033
Due to NGAs	659,415	643,114
Due to Pag-IBIG	211,143	217,047
Due to PhilHealth	157,725	56,580
	19,990,906	25,708,473

### 9. TRUST LIABILITIES - CURRENT

This account consists of the following:

	2018	2017
Guarantee/security deposits	1,203,989	365,851
Trust liabilities –DA/PCAF	232,300	-
Trust liabilities –Others	9,875,472	-
	11,311,761	365,851

Trust liabilities-others consists mainly of the insurance premiums deposited to the PCIC bank accounts which lacks necessary documents before they can be treated as income.

### 10. DEFERRED CREDITS/UNEARNED INCOME - CURRENT

	2018	2017
Deferred credits	1,402,762,144	1,009,592,775
Reserve for unearned premiums	1,457,293,419	863,800,988
	2,860,055,563	1,873,393,763

#### Deferred credits-current

	2018	2017
Agri-Agra funds	1,348,049,588	1,009,592,775
Others	54,712,556	-
	1,402,762,144	1,009,592,775

Deferred credits include unutilized Agri-Agra funds received from the Bangko Sentral ng Pilipinas (BSP) amounting to ₱1.348 Billion, representing PCIC's 45 per cent share (50 per cent of 90 per cent) on the penalties collected by 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 funds in CY 2018 is as follows:

Balance, December 31, 2017	1,009,592,775
Add: Remittances from BSP for the year	1,449,908,310
	2,459,501,085
Less: Amount utilized for the year	1,111,451,497
Balance, December 31, 2018	1,348,049,588

### 11. PROVISIONS - CURRENT

	2018	2017 Restated
Leave benefits payable	74,586,674	46,311,681
	74,586,674	46,311,681

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 benefit as post-employment benefit.

### 12. CONTRIBUTED CAPITAL

Under RA No. 8175, authorized share capital of PCIC increased from ₱750 Million to ₱2 Billion divided into 15 million common shares each with a par value of ₱100 for government subscription, and five million preferred shares also with a par value of ₱100 per share.

### **NOTES TO FINANCIAL STATEMENTS**

As of December 31, 2018, the Corporation's subscribed capital stock amounted to ₱1.500 Billion. The paid-up Contributed capital stood at ₱1.279 Billion which consists of 12,792,952 shares of common stock with a par value of ₱100 per share subscribed and paid by the NG. The total subscription receivable from the NG as of December 31, 2018 is ₱220.704 Million.

### 13. STOCKHOLDERS' EQUITY

This account consists of the following:

	2018	2017 (Restated)
Share capital	100,000,000	100,000,000
Share premium	159,451,431	159,451,431
	259,451,431	259,451,431

### 14. ACCUMULATED SURPLUS

	2018	Restated 2017
Balance, beginning of year	119,680,108	33,604,212
Add (Deduct):		
Prior period adjustments	-	(80,153,310)
Dividends	(160,900,599)	(170,768,800)
Net income	321,801,197	336,998,006
Balance, end of the year	280,580,706	119,680,108

### 15. DIVIDENDS TO THE NATIONAL GOVERNMENT

For the year 2018, PCIC declared dividends to the NG amounting to ₱160.901 Million, representing 50 per cent of the year's net income. In 2014, 2015, 2016, and 2017 PCIC declared and remitted dividends to the NG through the BTr in the amount of ₱100.083 Million, ₱36.556 Million, ₱22.559 Million and ₱170.769 Million, respectively.

### 16. SERVICE AND BUSINESS INCOME

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

	2018	2017 Restated
Rice	2,300,842,972	1,884,909,324
High value crops	1,118,679,653	498,378,826
Corn	738,613,490	537,020,809
Livestock	553,086,016	346,435,832
Term insurance	96,735,391	83,452,952
Fisheries	49,434,753	12,151,719
Non-crop	49,105,047	27,405,182
Gross insurance premiums	4,906,497,322	3,389,754,644
Less: Net assistance/subsidy	3,500,000,000	2,500,000,000
Insurance premiums, net of subsidy	1,406,497,322	889,754,644
Less: Premium reserve	588,482,861	434,643,877
Premium discounts	28,659,170	872,355
Returns and cancellations	4,483	226,966
	789,350,808	454,011,446

### 16.1 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 PCIC, once it is earned, and also represents a liability since the PCIC must provide coverage for claims being made against the policy. Breakdown of the sources of insurance premiums, net of subsidy are as follows:

	2018	2017
Agri-Agra funds from BSP	1,111,451,497	548,739,497
Farmers, fisherfolk and LIs	225,028,879	327,311,519
PCIC funds and other sources	70,016,946	13,703,628
	1,406,497,322	889,754,644

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

	Farmers/ Fisherfolk	Lending Institutions	Total
Rice	74,463,667	33,083,900	107,547,567
Corn	20,118,464	9,880,346	29,998,810
High value	8,411,774	-	8,411,774
Livestock	15,486,550	-	15,486,550
Non-crop	4,543,943	-	4,543,943
Fisheries	449,403	-	449,403
Term insurance	58,590,832	-	58,590,832
	182,064,633	42,964,246	225,028,879

Pursuant to Section 5 of RA No. 8175 on rate of premium 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.

#### 16.2 NET ASSISTANCE/SUBSIDY

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

For the year 2018, the approved GPS amounted to ₱3.500 Billion representing 100 per cent cost of insurance premium of farmers and fisherfolk listed under the Registry System for Basic Sector in Agriculture (RSBSA) for all the insurance program of PCIC under Special Allotment Release Order (SARO) No. SARO-BMB-C-18-0018869 dated August 22, 2018.

Aside from the ₱3.500 Billion approved GPS for farmers and fisherfolk listed under the RSBSA, PCIC also underwrites ₱1.406 Billion worth of premium production. The breakdown of Insurance premiums – Government share is as follows:

### **NOTES TO FINANCIAL STATEMENTS**

	2018
Premiums from GPS for RSBSA listed farmers and fisherfolk	P3,500,000,000
Premiums given to farmers and fisherfolk in excess of the approved GPS sourced from Agri-Agra funds from BSP, PCIC funds and other sources	1,406,497,322
	P4,906,497,322

### 17. OTHER NON-OPERATING INCOME

This account consists of the following:

	2018	2017
Interest income	101,093,639	50,462,832
Fees and commission income	44,641	185,808
Other service income – fines and penalties	-	3,299
Gain on sale of property and equipment	100	-
Other miscellaneous income	3,558,900	2,871,267
	104,697,280	53,523,206

### 18. DIRECT COST

This consists of the following:

3	2018	2017 Restated
Insurance benefits	3,397,200,764	1,879,251,872
Reserve for indemnity fluctuations	-	306,879,000
Underwriting expenses:		
Commission expense	67,169,537	56,986,054
Death benefits	6,482,000	4,483,000
Service fee		2,730,852
Honoraria and incentives	9,862,472	1,691,728
Reinsurance premiums ceded treaty/facultative	167,883	1,021,549
	3,480,882,656	2,253,044,055

### **18.1 INSURANCE BENEFITS**

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

	2018	2017
Regular lines	3,150,649,987	1,752,932,122
High value crops	159,359,377	68,725,561
Term insurance	29,343,797	27,134,070
Livestock	46,133,114	23,999,856
Fisheries	6,211,406	6,050,469
Non-crop	5,503,083	409,794
	3,397,200,764	1,879,251,872

# **BOARD OF DIRECTORS**



**EMMANUEL F. PIÑOL**Secretary
Department of Agriculture



CRISOLOGO DP. IGNACIO
Acting Chairman of the Board
Board Member, Representative from the Private
Insurance Industry
Chairman, Governance Committee
Date of first appointment: February 17, 2017
Age: 71 years old

Chairman, Godel Concrete and Systems, Inc. (2017-present)
Consultant/Director, Filmetrics Corporation (2010-2018)
Consultant, FF Cruz Shipping Corporation (2002-present)
Non-life Insurance Agent, Pioneer Insurance and UCPB General
Insurance Company, Inc. (1992-present)
Life Insurance Underwriter, Insular Life Assurance Company,
Ltd (1992-1998)

Training and/or Continuing Education Program Attended:
Seminar on Public Ethics and Accountability
Philippine Trade Training Center, December 4, 2018
Agri-Financing Forum – Can Banks Step up Farm Credit to Prime
Countryside Progress?
University of Asia and the Pacific, May 18, 2018

Bachelor of Science in Business Administration Philippine School of Business Administration

### **BOARD OF DIRECTORS**



ATTY. JOVY C. BERNABE
Vice-Chairman and PCIC President
Member, Governance Committee
Date of first appointment: October 28, 2008
Age: 48 years old

Member of the Board of Trustees and Board Secretary,
APRACA CENTRAB (2008-present)
Executive Director, National Agricultural and Fishery Council
(2000-2001 and 2003- 2004)
Deputy Executive Director, National Agricultural and Fishery Council
(1999-2000)
Board Secretary, Sugar Regulatory Administration
(1998-2001)

Training and/or Continuing Education Program Attended: Seminar on Public Ethics and Accountability Philippine Trade Training Center, December 4, 2018 Agri-Financing Forum – Can Banks Step up Farm Credit to Prime Countryside Progress? University of Asia and the Pacific, May 18, 2018

Bachelor of Laws, University of the Philippines Diliman Bachelor of Science in Business Economics, University of the Philippines Diliman



### **ALEX V. BUENAVENTURA**

Ex-officio Board Member, LBP President and CEO Member, Audit and Risk Management Committee Date of first appointment: November 11, 2016 Age: 65 years old

Chairperson, LBP Leasing and Finance Corporation (2016-present)
Chairperson, National Livelihood Development Corporation (2016-present)
President and Director, One Network Bank (2004-2016)
President, Rural Bankers Association of the Philippines (1987-1988)
Chairperson, Rural Bankers Research and Development Foundation, Inc. (1988-1989)
Private Sector Representative for Mindanao, Small and Medium Enterprises

Private Sector Representative for Mindanao, Small and Medium Enterprises Development National Council (1995-1998)

Training and/or Continuing Education Program Attended:
Agri-Financing Forum – Can Banks Step up Farm Credit to Prime Countryside
Progress?
University of Asia and the Pacific, May 18, 2018

Master's in Business Administration, Catholic University of Louvain AB Economics (Honors Program), Ateneo de Manila University



**JOCELYN ALMA R. BADIOLA** 

Ex-officio Board Member, ACPC Executive Director Member, Governance Committee Date of first appointment: July 1, 2016

Age: 57 years old

Vice-President, APRACA CENTRAB (2016-present)
Deputy Executive Director, Agricultural Credit Policy Council (1997-2016)
Executive Director, Congressional Oversight Committee in Agricultural and
Fisheries Modernization (COCAFM) at the Senate of the Philippines (2010-2013)

Training and/or Continuing Education Program Attended:
Asia Pacific (APAC) Microfinance Forum on Rethinking Microfinance: Explore the Latest Trends, Development Trajectories and New Perspectives on APAC Microfinance Ecosystem
Uniglobal Events, October 28 to November 2, 2018

Master of Arts in Economics, University of the Philippines Diliman Cum Laude, Bachelor of Science in Economics, Ateneo de Naga University



### **ALEX DG. SUAREZ**

Board Member, Representative from the Luzon Farmers' Sector Chairman, Audit and Risk Management Committee Date of first appointment: October 16, 2012 Age: 57 years old

Vice-President for Marketing, Suarez Bros. Metal Arts, Inc. (2011-present)
Managing Director, Suarez Metaplas Industries, Inc. (1987-present)
Proprietor, coffee and fruit bearing trees farms in Cavite (2008-present)
Key Accounts Sales Specialist, SC Johnson & Sons Inc. (1986)
Assistant Production Manager, Suarez Bros. Metal Arts Inc. (1982-1985)

Training and/or Continuing Education Program Attended: Seminar on Public Ethics and Accountability Philippine Trade Training Center, December 4, 2018

Bachelor of Science in Business Administration, University of the Philippines Cebu

### **BOARD OF DIRECTORS**



### JUAN V. BORRA JR.

Board Member, Representative from the Visayas Farmers' Sector

Member, Governance Committee

Date of first appointment: January 4, 2013

Age: 71 years old

Chairman, ExMer, Inc. (1997-present)

Senior Head Executive Assistant, Senate of the Philippines (2000-2009)

Managed his family's 20 hectare rice and sugar lands in San Rafael, lloilo and the

60 hectare sugar, mango orchard and poultry in Concepcion, Iloilo

Senior Vice-President, Digitel Telecommunications (1993-1995)

Assistant Secretary, Land Transportation Office (1991-1993)

Chief Operating Officer, Meralco Corporate Farm Management, Inc. (1989-1990) Assistant Vice-President, Personnel Management Department – Manila Electric

Company (1968-1989)

Training and/or Continuing Education Program Attended:

Seminar on Gender Mainstreaming and Public Ethics and Accountability

University of the Philippines Los Baños Gender Center and the Philippine Trade

Training Center, December 3 to 4, 2018

Seminar on Quality Awareness and ISO 9001:2015 Orientation

Philippine Crop Insurance Corporation, July 11, 2018

Master of Science in Industrial Economics, Center for Research and Communication (now the University of Asia and the Pacific)

Bachelor of Arts major in Economics, University of the Philippines



ARNOLD B. COLAMA

Board Member, Representative from the Mindanao Farmers' Sector

Member, Audit and Risk Management Committee

Date of first appointment: June 7, 2017

Age: 55 years old

Broadcaster, RMC Broadcasting Corporation (2016-present)

Broadcaster, Radio Mindanao Network (2009-2016)

Training and/or Continuing Education Program Attended:

Seminar on Gender Mainstreaming and Public Ethics and Accountability

University of the Philippines Los Baños Gender Center and the Philippine Trade

Training Center, December 3 to 4, 2018

Seminar on Quality Awareness and ISO 9001:2015 Orientation

Philippine Crop Insurance Corporation, July 11, 2018

Bachelor of Arts in Political Science, University of Mindanao

# Philippine Crop Insurance Corporation STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### **Board Responsibility**

The Board of Directors acknowledges the importance of maintaining a sound internal control system and an efficient risk management framework for good corporate governance with the objective of fulfilling its mission and mandate. The Board affirms its overall responsibility for reviewing the adequacy and the effectiveness of PCIC's risk management and internal control system. This includes reviewing the adequacy and integrity of financial, operational and compliance controls and risk management procedures.

### **Internal Audit Responsibility**

In view of the limitations that are inherent in any internal control system, the Board together with the Internal Audit Service Department, ensures that the system is designed to manage PCIC's key areas of risk within the acceptable risk profile, rather than eliminate the risk of failure to comply with policies and achieving objectives. Therefore, the system implemented can only provide reasonable but not absolute assurance against material misstatement or loss or fraud.

The Board's objective is to ensure that PCIC has an appropriate system in place for the identification and management of risks, including the implementation of internal controls to address the risks so identified.

### **Policies and Strategies**

PCIC is proactive in its management of risks and control mechanisms as demonstrated by the existence of policies and strategies below:

- PCIC has established an organizational structure with clear operating and reporting procedures, lines of responsibility and delegated authority;
- Senior Management has been delegated with specific accountability for monitoring the performance of designated business operating units;
- Annual business plans and budgets are reviewed and approved by the Board. The
  Senior Management meets on a semi-annual basis with the Regional Management and
  Support Services Group to review their operational and financial performance against
  the corporate plans and approved budgets. Significant corporate risks relevant to each
  regional and office operations are reviewed in these meetings;
- Explanations on significant variances from budgets are provided to the Board on a monthly basis. This helps the Board and Senior Management monitor the PCIC operations and plans on a timely basis;

### STATEMENT ON RISK MANGEMENT AND INTERNAL CONTROL

- Each regional office or department is responsible for its own identification and evaluation
  of key corporate risks applicable to their function in operation and in managing how these
  risks are reduced or transferred to third parties;
- Each regional office or department maintains internal controls and procedures appropriate
  to its structure and corporate environment while complying with PCIC's policies, standards
  and guidelines; and
- The Internal Audit Service Department conducts a systematic assessment of financial, managerial, and operational processes in order to provide independent assurance to management on the adequacy and effectiveness of the established internal controls. Where weaknesses are identified in the system of internal controls, management will take necessary measures to ensure that improvements are implemented.

### **Statement on Risk Management and Internal Control**

- The PCIC maintains appropriate insurance programs in order to provide sufficient insurance coverage of farmer's and fisherfolk's crops and agricultural assets;
- Established PCIC Automated Business System (PABS) in key corporate units primarily ensures the efficient computerization of the financial, underwriting and claims indemnity processes and procedures. Nevertheless recovery procedures and backup systems are in place to handle potential service interruptions;
- Finance Department manages the cash balances and exposure to currency transaction risks through treasury policies, risk limits and internal control procedures; and
- Code of Ethics has been laid down for adherence by all Directors, Officers and employees to ensure high standards of conduct and ethical values in all business practices.

# **Review of Adequacy and Effectiveness**

The Board has reviewed the adequacy and effectiveness of the PCIC's risk management activities and internal control framework and ensured that necessary actions have been or are being taken to rectify weaknesses identified during the year.

The Audit and Risk Management Committee do hereby confirms that the internal control system in PCIC is operating adequately and effectively in all material aspects during the financial year and up to the date of this Statement.

In this connection, the Board concludes that an effective system of risk management and internal control is in place in fulfilling its mission and mandate.

# Philippine Crop Insurance Corporation WHISTLEBLOWING POLICY

# **Legal Basis**

The Governance Commission for GOCCs (GCG), through GCG Memorandum Circular No. 2016-02, mandates GOCCs covered under Republic Act No. 10149 to establish their own whistleblowing systems which adhere to the policy and purpose enunciated in the said memorandum circular.

# **Statement of Policy**

It is the policy of PCIC to:

- A. Require its Directors, Officers, and all its employees to abide by the ethical standards and policies mandated by law and the Governance Commission for GOCCs (GCG);
- B. Encourage a whistleblower to report any illegal, improper, and/or unethical conduct or activity, whether actual, suspected or potential, that they became aware of at their workplace or in connection with their work;
- C. Provide an environment that enables its people to raise genuine and legitimate concerns internally;
- D. Conduct a speedy, in-depth, and impartial investigation on the alleged/reported illegal, improper, and/or unethical conduct and take appropriate corrective action thereon; and
- E. Guarantee that the whistleblower who, in good faith and with reasonable ground, disclosed a breach of law or ethical standards, or any individual who cooperates in the investigation of such violation, will be protected against discrimination, harassment, retaliation, threat, or any other adverse/detrimental employment consequences.

# **Purpose**

The purpose of this Whistleblowing Policy is to encourage and enable any concerned individual to report and provide information, anonymously if he/she wishes to, on any act or omission of the Directors,Officers, and employees of PCIC that are illegal, fraudulent, unethical, and/or against good governance principles, public policy, morals, and sound business practices.

# Scope

Whistleblowers may report actual/suspected/potential acts or omissions committed or to be committed by PCIC Directors, Officers, and employees which involve violations of the following laws, rules, and regulations:

- A. Ethical Standards and/or Good Governance principles enshrined in the PCIC Manual on Corporate Governance;
- B. R.A. No. 6713, "Code of Conduct and Ethical Standards for Public Officials and regulations";

### WHISTLEBLOWING POLICY

- C. R.A. No. 3019, "Anti-Graft and Corrupt Practices Act";
- D. R.A. No. 7080, as amended, "The Plunder Law";
- E. Book II, Title VII, Crimes Committed By Public Officers, The Revised Penal Code;
- F. Executive Order (E.O.) No. 292, s. 1987, "Administrative Code of 1987";
- G. R.A. No. 10149, the GOCC Governance Act of 2011;
- H. GCG M.C. No. 2012-05, "Fit and Proper Rule";
- I. GCG M.C. No. 2012-06, "Ownership and Operations Manual Governing the GOCC Sector";
- J. GCG M.C. No. 2012-07, "Code of Corporate Governance for GOCCs";
- K. Violations of the Charter of PCIC: and
- L. Other GCG Circular and Orders, and applicable laws and regulations.

# **Reporting Channels**

Individuals, especially PCIC employees, who are aware of any actual/suspected/potential act or omission that is illegal and/or unethical have a responsibility to report such act to the Office of the General Counsel.

Whistleblowers may submit their whistleblowing reports through the following channels:

Electronic Mail (E-Mail) : whistleblower@pcic.gov.ph
Mail : Office of the General Counsel

7/F, NIA Building A., NIA Complex

EDSA, Diliman, Quezon City

Telephone No. : (02) 441-1323

# **Reporting Details**

Whistleblower reports/complaints should include the following information:

- A. Name and position of the Director/Officer/employee being reported;
- B. Details of the allegation/s;
  - 1. Alleged act or omission being complained; and
  - 2. The laws, rules, or regulations being violated;
- C. Other relevant information and supporting document/s, if any; and
- D. Personal details of the whistleblower if he/she wishes to disclose his/her identity.

A whistleblower may still report a case without disclosing his/her identity provided that the details and other relevant information pertaining to the report/complaint are disclosed.

# Confidentiality

PCIC will ensure the confidentiality of the identity of the whistleblower and the details and other information being disclosed. However, such disclosure may be necessary in order to have a successful investigation and/or if it is required by law.

# STATEMENT ON PCIC'S FULL COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Through the Philippine Crop Insurance Corporation's (PCIC) Manual on Corporate Governance, PCIC has fully complied with the corporate governance principles/standards set by the Governance Commission for GOCCs (GCG) through Memorandum Circular No. 2012-07 or the Code of Corporate Governance for GOCCs.

ATTY. FRANCISCO C. CANTRE

**Compliance Officer** 

J. Carre

# PCIC IS TOP GOVERNMENT CORPORATION ON CORPORATE GOVERNANCE

The PCIC was recognized as the top Government-Owned and Controlled Corporation (GOCC) on corporate governance by the Governance Commission on Government-Owned and Controlled Corporations (GCG).

This after the Corporation became the only government agency to obtain a score of more than a hundred points (exactly 100.5) on the Corporate Governance Scorecard (CGS) for CY 2016.

The scorecard is the tool used by the GCG to appraise "the performance of GOCCs and their level of adherence to the best practices and international standards of corporate governance," as stated in GCG Memorandum Circular No. 2015-07. According to the GCG, it assesses the corporate governance performance of GOCCs to help identify and assess the latter's strengths and weaknesses compared to existing corporate governance provisions, and level of adherence to best practices and international standards of corporate governance.

GOCC performance is measured in the areas of stakeholder relationships, disclosure and transparency, and responsibilities of the corporation's Board of Directors. Points are awarded when the corporation meets the criteria. A maximum of 104 points can be obtained.

Other GOCCs who were picked as top performers were the Philippine Deposit Insurance Corporation (96.00), Land Bank of the Philippines (95.50), the Bases Conversion Development Authority (94.50) and the Masaganang Sakahan, Inc. (89.50). The GCG's report is available at https://gcg.gov.ph/site/.

The PCIC has been one of the top GOCCs since the GCG and the Institute of Corporate Directors (ICD) started giving this annual recognition three years ago. ICD is a non-profit organization advocating enhanced corporate governance in the country.

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# PCIC offers the following:



### 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.



### NON CROP AGRICULTURAL INSURANCE

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



### LIVESTOCK INSURANCE

An insurance protection for livestock raisers against loss of carabao, cattle, horse, swine, goat, sheep, poultry and game fowls and animals due to accidental death or diseases.



### FISHERIES INSURANCE

An insurance protection extended to fish farmer/fisherfolk/ growers against losses in unharvested crop or stock in fisheries farms due to natural calamities and fortuitous events.



### CREDIT AND LIFE TERM INSURANCE

- 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 the 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.



