



**19 October 2020**

**MR. CRISOLOGO D.P. IGNACIO**

*Acting Chairperson*

**ATTY. JOVY C. BERNABE**

*President*

**PHILIPPINE CROP INSURANCE CORPORATION (PCIC)**

7/F, Building A, NIA Complex, EDSA,  
Diliman, Quezon City

**RE : VALIDATION RESULT OF PCIC'S  
2019 PERFORMANCE SCORECARD**

Dear Chairperson Ignacio and Pres. Bernabe,

This is to formally transmit the validation result of PCIC's 2019 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, PCIC gained an overall score of **97.72%** (See **Annex A**). The same is to be posted in PCIC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.<sup>1</sup>

In relation to the grant of 2019 Performance Based Bonus (PBB) to eligible officers and employees, PCIC can grant such incentive only upon receipt of confirmation letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB before the confirmation will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.<sup>2</sup>

**FOR YOUR INFORMATION AND GUIDANCE.**

Very truly yours,

**cc: COA Resident Auditor – PCIC**

<sup>1</sup> Code of Corporate Governance for GOCCS, dated 28 November 2012.

<sup>2</sup> GOCC Governance Act of 2011.

**PHILIPPINE CROP INSURANCE CORPORATION (PCIC)  
Validated 2019 Performance Scorecard**

Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																
Objective/Measure	Formula	Wt.	2019	Actual	Rating	Score	Rating																			
<b>SOCIAL IMPACT</b>	<b>SO 1</b>	<b>Stabilize the Income of Agricultural Producers</b>																								
	SM 1	Amount of Cover (₱ M)	Absolute Amount	15%	72,000	112,110.08	15%	107,435.54	15%	<ul style="list-style-type: none"> <li>2019 Executive Summary (Generated on 22 June 2020)</li> <li>Highlights of Regional Operations per Insurance Lines and per Program for CY 2019</li> </ul>	<p>The following is the breakdown of the amount of cover per fund source (in ₱ B):</p> <table border="1"> <tr><td>RSBSA</td><td>50,676.71</td></tr> <tr><td>Agri-Agra</td><td>39,881.34</td></tr> <tr><td>APCP</td><td>1,315.38</td></tr> <tr><td>DA-PUNLA</td><td>556.33</td></tr> <tr><td>Non-RSBSA</td><td>15,005.78</td></tr> <tr><td><b>TOTAL</b></td><td><b>107,435.54</b></td></tr> </table> <p>The other DA programs and special programs were excluded in the target-setting since the downloading of their corresponding budgets was not within PCIC's discretion. Hence, ₱4.67B was excluded in the validated score.</p>	RSBSA	50,676.71	Agri-Agra	39,881.34	APCP	1,315.38	DA-PUNLA	556.33	Non-RSBSA	15,005.78	<b>TOTAL</b>	<b>107,435.54</b>			
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<b>TOTAL</b>	<b>107,435.54</b>																									
SM 2	Share of small farmers and fisherfolk with agricultural insurance to total number of farmers and fisherfolk increased (in percent)	Total number of unique farmers and fisherfolk enrolled/ Total number of farmers and fisherfolk listed in RSBSA	0%	16%	19.49%	0%	14.94%	0%	<ul style="list-style-type: none"> <li>2019 Executive Summary (Generated on 22 June 2020)</li> </ul>	<p>Breakdown per insurance line:</p> <table border="1"> <thead> <tr><th>Insurance Line</th><th>Total</th></tr> </thead> <tbody> <tr><td>Rice</td><td>721,655</td></tr> <tr><td>Corn</td><td>275,671</td></tr> <tr><td>High Value</td><td>253,763</td></tr> <tr><td>Livestock</td><td>335,108</td></tr> <tr><td>Fisheries</td><td>40,141</td></tr> <tr><td>Non-crop</td><td>4,493</td></tr> <tr><td><b>Total</b></td><td><b>1,630,831</b></td></tr> </tbody> </table> <p>496,576 farmers and fisherfolk with DA-approved insurance coverage but listed under the Non-RSBSA component of the Agri-Agra were excluded in the validated score.</p>	Insurance Line	Total	Rice	721,655	Corn	275,671	High Value	253,763	Livestock	335,108	Fisheries	40,141	Non-crop	4,493	<b>Total</b>	<b>1,630,831</b>
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<i>Sub-total</i>			15%			15%		15%																		

Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks													
Objective/Measure	Formula	Wt.	2019	Actual	Rating	Score	Rating																
<b>SO 2</b>	<b>Expand the Number of Farmers and Other Agricultural Stakeholders Insured</b>																						
<b>CUSTOMERS / STAKEHOLDERS</b>	SM 3	Percentage of Satisfied Customers	Number of respondents which gave <i>at least</i> a Satisfactory rating / Total number of respondents	10%	90%	96.46%	10%	96.46%	10%	<ul style="list-style-type: none"> <li>Development Academy of the Philippines (DAP) Final Report of PCIC Stakeholder Satisfaction Survey</li> <li>Copy of accomplished Questionnaire</li> </ul>	<table border="1"> <tr><td>Customers</td><td>Farmers and Fisherfolk</td></tr> <tr><td>Sample size</td><td>1,300</td></tr> <tr><td>Data Gathering Method</td><td>Purposive and random</td></tr> <tr><td>Frequency</td><td>Bi-annual</td></tr> <tr><td>1<sup>st</sup> round %</td><td>96.83%</td></tr> <tr><td>2<sup>nd</sup> round %</td><td>96.14%</td></tr> </table>	Customers	Farmers and Fisherfolk	Sample size	1,300	Data Gathering Method	Purposive and random	Frequency	Bi-annual	1 <sup>st</sup> round %	96.83%	2 <sup>nd</sup> round %	96.14%
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SM 4	Number of Subsistence Farmers Enrolled																						
	a. Subsidized	Number of eligible farmers enrolled / No. of farmers targeted	20%	1,830,000	2,296,463	20%	2,239,065	20%	<ul style="list-style-type: none"> <li>2019 Executive Summary (Generated on 22 June 2020)</li> <li>Highlights of Regional Operations per Insurance Lines and per Program for CY 2019</li> </ul>	<p>These farmers are enrolled in the following programs:</p> <table border="1"> <tr><td>RSBSA</td><td>1,630,831</td></tr> <tr><td>Agri-Agra Fund</td><td>608,234</td></tr> </table> <p>The 57,398 difference from the accomplishment submitted by PCIC is attributed to farmers and fisherfolks insured under Special Programs which was not included in the target.</p>	RSBSA	1,630,831	Agri-Agra Fund	608,234									
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Agri-Agra Fund	608,234																						
b. Non-Subsidized	10%	500,000	850,403	10%	850,403	10%	<p>The farmers are categorized per insurance line:</p> <table border="1"> <tr><td>High Value</td><td>1,870</td></tr> <tr><td>Livestock</td><td>16,059</td></tr> <tr><td>Fisheries</td><td>1,390</td></tr> <tr><td>Non-crop</td><td>244</td></tr> <tr><td>CLTI</td><td>830,840</td></tr> <tr><td><b>TOTAL</b></td><td><b>850,403</b></td></tr> </table>	High Value	1,870	Livestock	16,059	Fisheries	1,390	Non-crop	244	CLTI	830,840	<b>TOTAL</b>	<b>850,403</b>				
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Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks													
Objective/Measure	Formula	Wt.	2019	Actual	Rating	Score	Rating																
FINANCE	SO 3	Increase Revenue Generation																					
	SM 5	Percentage of utilized Government Premium Subsidy for farmers (₱ M)	Utilized Budget / GPS received	15%	100% (4,400.00)	124.73% (5,488.291)	15%	122.76% (5,401.603)	15%	<ul style="list-style-type: none"> <li>Summary of GPS as of 31 Dec. 2019</li> <li>GPS Utilization per Region</li> </ul>	<p>PCIC Board issued Resolution No. 2020-024 dated 10 March 2020 releasing ₱315 Million fund to augment the RSBSA GPS. Moreover, additional Agri-Agra Fund of ₱1.3 Billion was received in December 2019, further augmenting the budgeted amount.</p> <p>Out of the ₱5,488.291M total utilization, only ₱5,401.603M was traced to the RSBSA and Agri-Agra Fund, while the remaining ₱86.688M is from Special Programs, which was not included in the targets for the year.</p>												
	SM 6	EBITDA (₱ M)	Absolute Amount	5%	255.6223	907.515	5%	929.287	5%	<ul style="list-style-type: none"> <li>COA-audited Income Statement</li> </ul>	<p>The PCIC submission did not add back its depreciation and amortization. Thus, using the COA-audited net income, computation of EBITDA is as follows:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amt (in ₱M)</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>₱ 911.089</td> </tr> <tr> <td>Add:</td> <td></td> </tr> <tr> <td>Depreciation</td> <td>17.558</td> </tr> <tr> <td>Amortization</td> <td>.640</td> </tr> <tr> <td>EBITDA</td> <td>₱929.287</td> </tr> </tbody> </table>	Particulars	Amt (in ₱M)	Net Income	₱ 911.089	Add:		Depreciation	17.558	Amortization	.640	EBITDA	₱929.287
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Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	2019	Actual	Rating	Score	Rating				
INTERNAL PROCESS	SO 4	Improve Efficiency and Effectiveness of Systems and Procedures for Implementing the Agricultural Insurance Programs									
	SM 7	Percentage of complaints resolved within 10 days*	No. of complaints resolved within 10 working days over Total number of complaints received	5%	90%	96.28%	5.00%	96.30%	5%	<ul style="list-style-type: none"> <li>Monitoring report per regional office</li> <li>Sample complaints from Regions</li> </ul>	Compliance rate is at 96.30% or 1,355 out of the 1,407 complaints received.  *Approval of PCIC's compliance with Ease of Doing Business Act (R.A. 11032) is still pending.
	SM 8	Percentage of claims processed within 20 days	No. of claims settled within 20 days over Total number of claims received with complete documents	10%	90%	70.46%	7.83%	70.46%	7.83%	<ul style="list-style-type: none"> <li>Monitoring report per regional office</li> <li>Sample claims from Regions</li> </ul>	For 2019, 278,743 out of 395,583 total number of claims filed were processed within the prescribed period.  *Approval of PCIC's compliance with Ease of Doing Business Act (R.A. 11032) is still pending.
	SM 9	ISO 9001 Certification	Milestone	5%	Passed Surveillance Audit	Passed Surveillance Audit (September 16-18, 2019)	5%	Passed Surveillance Audit	5%	<ul style="list-style-type: none"> <li>Certification by TÜV Rheinland dated 30 Sept 2019</li> </ul>	Certification issued on 30 September 2019 is valid until 27 December 2021, subject to annual surveillance audit.
	Subtotal			20%			17.83%		17.83%		

\* Subject to compliance with the Ease of Doing Business Act (R.A. 11032).

Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	2019	Actual	Rating	Score	Rating				
<b>LEARNING AND GROWTH</b>	SO 6	Enhance the Human Resource Management									
	SM 10	Percentage of employees with required competencies met	Incumbents meeting required competency over Filled plantilla	5%	Improvement from 2018 Score	Created New Competency Framework	5%	Re-established Baseline (17.89%)	-	<ul style="list-style-type: none"> <li>Competency Based HR Systems Manual</li> <li>Revised Competency Framework</li> <li>Competency Assessment Result of Head Office and 13 Regional Offices</li> </ul>	<i>Measure excluded.</i> The GCG recommended in 2018 the revision of PCIC's competency framework. PCIC then re-established its baseline in 2019 based on the revised competency framework. The "improvement" target from the re-established baseline will only be applicable in 2020. 34 out of 190 employees met their required competencies.
	<i>Sub-total</i>			5%			5%		-		
<b>TOTAL</b>			<b>100%</b>			<b>97.83%</b>		<b>97.72%</b> (92.83/95)			