

2020 PCIC BOARD PRIMER

Composition

Pursuant to Presidential Decree (PD) No. 1467, as amended by PD 1733 and Republic Act No. 8175, the powers of PCIC are vested in and exercised by its Board of Directors which is composed of seven members. For 2020, the Board is composed of the following

- Crisologo DP. Ignacio - Acting Chairman and Board Member representing the Private Insurance Industry
- Jovy C. Bernabe - Vice-Chairman, PCIC President
- Cecilia C. Borrromeo - Ex-Officio Board Member, Land Bank of the Philippine President
- Jocelyn Alma R. Badiola - Ex-Officio Board Member, Agricultural and Credit Policy Council Executive Director
- Alex DG. Suarez - Board Member representing the Luzon Farmers' Sector
- Juan V. Borra, Jr. - Board Member representing the Visayas Farmers' Sector
- Arnold B. Colama - Board Member representing the Mindanao Farmers' Sector

Meetings and Attendance

In 2020, the Board held 24 meetings. At the start of the year, the Board Members agreed to conduct its meetings on the following dates:

Meeting	Scheduled Date	Actual Date
1 st	14 January 2020	14 January 2020
2 nd	30 January 2020	30 January 2020
3 rd	11 February 2020	10 February 2020
4 th	26 February 2020	26 February 2020
5 th	10 March 2020	10 March 2020
6 th	26 March 2020	31 March 2020
7 th	14 April 2020	14 April 2020
8 th	29 April 2020	29 April 2020
9 th	12 May 2020	12 May 2020
10 th	26 May 2020	26 May 2020
11 th	09 June 2020	09 June 2020
12 th	23 June 2020	23 June 2020
13 th	09 July 2020	09 July 2020
14 th	28 July 2020	28 July 2020
15 th	11 August 2020	11 August 2020

16 th	27 August 2020	27 August 2020
17 th	10 September 2020	10 September 2020
18 th	24 September 2020	24 September 2020
19 th	13 October 2020	08 October 2020
20 th	22 October 2020	22 October 2020
21 st	12 November 2020	13 November 2020
22 nd	26 November 2020	26 November 2020
23 rd	09 December 2020	09 December 2020
24 th	17 December 2020	17 December 2020

The Board was able to meet on 20 out of the 24 (83.33%) scheduled Board meetings for 2020.

The Committee on Governance and Committee on Audit and Risk Management also held 24 meetings for 2020.

The attendance of the Board Members to the Board and Committee meetings is attached as annex A of this report.

Board Accomplishments

In 2020, the Board approved several enhancements to the features of the various insurance products of PCIC. These are as follows:

Board Resolution 2020-13. Enhancements to the RSBSA Program

After a few years implementing the Agricultural Insurance for Farmers and Fisherfolk Listed Under the RSBSA, or RSBSA Program, PCIC, on recommendation of the regional managers and department managers of the HO and as approved by the Board on 10 February 2020, introduced the following changes into the program guidelines:

- On insurance features:
 - Insurance for coconut tree mortality will have a premium rate of 3% of cover, while it will be 5% for high-value crops; coverage will be for all types of pests and diseases;
 - Maximum insurance cover for bananas for self-financed farmers shall be P100,000 per hectares and P50,000 for other high-value crops; and
 - Maximum area to be covered for rice, corn and high-value crop farmers assisted under the DBP and LBP agri-credit programs shall be pegged at five hectares while similar farmers assisted by other financing institutions shall be pegged at three hectares.
- On farmer/fisherfolk eligibility:
 - Farmers and fisherfolk not listed in the RSBSA who have been issued duly-signed RSBSA enrollment stubs by the DA, shall be provided insurance; and

- Self-financed farmers and fisherfolk must not be recipients of any agri-credit or financing assistance programs if they want to avail themselves of the fully subsidized insurance program.
- On prioritization for coverage:
 - Farmers tilling an area over three hectares to five hectares and assisted by loans from the LBP and Development Bank of the Philippines agri-credit programs, will be assigned fourth priority in the coverage under the RSBSA program.

Board Resolution 2020-37. Inclusion/reclassification of volcanic eruption and other acts of God or acts of nature as covered risks under the Livestock Insurance Program

In view of the eruption of the Taal Volcano and in support of the DA's SURE AID Taal Program, volcanic eruptions and other acts of God or nature were approved by the Board as covered risks under the Livestock Insurance Program on 14 April 2020.

Board Resolution 2020-035. Inclusion of fall army worm as insurable peril in corn insurance

On request of DA Regional Field Unit II and due to possibility of this infestation that reduces yield by up to 70%, Board approved the request on 29 April 2020.

Board Resolution 2020-037. Amendment to Credit and Life Term Insurance Program

On the recommendation of the regional managers and the HO department heads, the maximum total sum insured (TSI) for the Agricultural Producers Protection Plan (AP3) and Accident Disbursement Security Scheme (ADSS) under the Credit and Life Term Insurance Program (CLTIP) was increased to P100,000 from P50,000 per policy/farmer. Formerly, two or more policies need to be issued for these products to reach the P100,000 TSI per farmer. The Board action was made on 12 May 2020.

Board Resolution 2020-039. Renewal of reinsurance treaty for NCI with National Reinsurance Corporation

The Board approved the renewal of "Fire First Surplus Treaty" for non-crop agricultural asset insurance for the period 01 July 2020-30 June 2021. Claims for insurance coverage with more than P5 Million insured will be paid by reinsurer.

Board Resolution 2020-041. Increase in maximum amount of cover for non-motorized fishing boats

Regional Office XII requested for the increase in the maximum amount of cover for non-motorized fishing boat from P5,000 to P10,000 for wooden boats and P15,000 for fiberglass boat. On indorsement of the regional managers and higher PCIC

management, the Board approved the proposal on 9 June 2020, noting that the measure would be beneficial for the subsistence/small fisherfolk.

Board Resolution 2020-044. Enhancement on fishing boat insurance

In view of the low damage rate and loss ratio for fishing boats over the last nine years, the Board approved reduction in premium rates to 2% from 4% for motorized fishing boats and to 3% from 6% for non-motorized ones. The same rates were likewise applied to fishing gears and paraphernalia used, i.e., 2% when loaded at motorized fishing boats and 3% when loaded at non-motorized ones. The decision was made on June 23, 2020.

Board Resolution 2020-046. Resetting maximum amount of cover for corn

In view of the increases in the cost of production inputs for corn and in order to provide adequate insurance coverage to commercial corn producers and encourage LBP and other lending institutions to extend more productions loans to corn farmers, the Board, on 9 July 2020, modified the amount of cover ceilings for commercial corn production which was last set in 2008, as follows:

Farm activity/corn variety	Maximum Amount of Cover Ceiling (P)
Corn Production	
Hybrid	50,000
Open Pollinated Variety	34,000
Corn Seed Production	
Hybrid	76,000
Open Pollinated Variety	68,000

Board Resolution 2020-049. Death benefit built in the coconut tree insurance product.

Regional Office XII raised the idea of including a P10,000 built-in death benefit for coconut farmers insured under the High-Value Crops Insurance Program similar to the death benefit component of the Rice and Corn Insurance Programs. It was noted that the proposal can entice coconut farmers, the poorest among the farming sectors, to insure their farms which will result in an increase in PCIC's coconut insurance production. The Board approved the proposal on 28 July 2020.

Board Resolution 2020-054. Coverage of quail in the poultry insurance under Livestock Insurance Program

Recognizing the maturity and viability of quail breeding as an industry, the Board, on 11 August 2020, approved a standard insurance product for the coverage of quails. The terms and conditions of the new product are as follows:

1. Minimum No. of Heads	1,000 pullets/layers
2. Total Sum Insured (TSI)	70% of the prevailing market value

	but not to exceed P56 per head
3. Period of Cover	Up to 12 months
4. Premium	2.60% of the TSI
5. Deductible	
Normal Cover	2.5% of TSI per event, one loss event limited to one week or as agreed
Extraneous Perils	10% of TSI per event, one loss event limited to 72 hours or as agreed
6. Covered Risks	Typhoon, flood, lightning, fire, and diseases

Board Resolution 2020-058. Exemption of IP communities from the slope eligibility requirement for the insurance coverage under rice, corn, and high-value crop programs

In view of the Department of Agriculture-National Commission on Indigenous Peoples (DA-NCIP) Joint Special Order (JSO) on food security and sufficiency in ancestral domains, which aims to strengthen DA-NCIP collaboration, cooperation, and coordination of various agri-fisheries program for the development of the IP and their respective ancestral domains, the Board approved the exemption of IP communities from the slope eligibility requirement for the insurance coverage of their rice, corn, and high-value crop farms. Limitation was set, however, and this policy shall only apply to recipients of fully-subsidized insurance programs of PCIC. Decision was made on 27 August 2020.

Board Resolution 2020-059. Inclusion of other modes of transportation as an indicator of farm accessibility as a factor in covering farms under rice and corn insurance program

Also an offshoot of the DA-NCIP JSO, the Board, also on 27 August 2020, approved the modification of the farm eligibility requirement on accessibility to include other commonly available modes of transportation and/or by means of technology in addition to regular means of transportation.

Board Resolution 2020-061. Reduction in number of days within which to file notice of loss for death of animal insured

On 10 September 2020, the Board approved the reduction in the number of days of the filing of the notice of loss (NL) to seven calendar days from 10 calendar days upon the death of the animal covered under the Livestock Insurance Program. This will enable the Regional Offices to assign and deploy an insurance adjuster immediately to ensure early claims verification and settlement.

Board Resolution 2020-064. Increase in amount of cover for large ruminants

Current insurance cover for large ruminant has been set in 2005 and has remained unchanged since then. It was estimated however that the current values of these

animals are already higher than the maximum available cover. On the recommendation of Regional Office VII to raise the cover under the non-commercial and fully-subsidized Livestock Insurance Program, the Board approved the following on 24 September 2020:

Type of Animal	To: (New Amount of Cover)	From: (Old Amount of Cover)
Cattle and Carabao	P7,000 – P20,000	P7,000 – P15,000
Horse	P9,000 – P 20,000	P9,000 – P15,000

Board Resolution 2020-069. Inclusion of text messaging among the acceptable manner of filing of the notice of loss/death

In order to hasten PCIC’s claims settlement response time, The Board approved the inclusion of text messaging among the acceptable manner by which farmers may file notice of loss/notice of death under all applicable insurance programs. Minimum information required are: name and address of the assured/insured farmer, type of insurance, and cause of loss/cause of death. This Board action, decided on 8 October 2020, is expected to shorten PCIC’s claims response time. Effectivity of this new policy has been set on January 1, 2021.

Board Resolution 2020-077. Adjustments in the insurable area and amount of cover for fish cage/aquaculture projects

To ensure that priority is given to small fisherfolk/fish growers in the provision of insurance services, the Board, on 13 November 2020, amended the insurable area and amount of cover for fish cage aquaculture projects under the Fisheries Insurance Program for the fully-subsidized insurance programs only. The changes are as follows:

Particulars	To:	From:
Maximum insurable area limit and unit of measurement	400 cubic meters	1,000 square meters
Maximum amount of cover per fish farmer/ fisherfolk/grower	P300,000	Total cost of production inputs per fisheries farm plan and budget (FFFPB)

Board Resolution 2020-083. Standardization of cover for broiler chicken per type of poultry grower

Standardizing the maximum allowable cover for broiler chickens under the Poultry-Livestock Mortality Insurance Program will align program features with the current commercial poultry broiler growing scheme. The standard cover, approved on 9 December 2020 and will take effect on 1 January 2021, are as follows:

Type of Grower	Maximum sum insured per head (P)
Poultry-owned/Independent grower	100.00

Contract Grower	30.00
Poultry integrator	70.00

Committee Accomplishments

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

The Committee on Governance assists the Board in fulfilling its corporate governance responsibilities. It also covers the functions of the Committee on Nomination and Compensation/Remuneration. For 2020, it held 24 meetings. In accordance with the Code of Corporate Governance for the GOCC Sector, the composition of the said committee is as follows:

- Chairman - Acting Chairman of the Board Crisologo DP. Ignacio
- Members - Board Member Juan V. Borra, Jr.
Board Member Jocelyn Alma R. Badiola
President Jovy C. Bernabe

Below is an enumeration of the accomplishments of the Committee on Governance:

- facilitated dialogues between PCIC employees and Management in order to ensure and/or maintain the harmonious relationship between the employees and the officers
- conducted meetings/dialogues with the various Regional Offices regarding their insurance operations, issues, and concerns
- monitored the updates on the PCIC Performance Scorecard and Corporate Governance Scorecard
- reviewed reports from the Regional Management, Corporate Business Affairs, and Support Services Groups
- reviewed the highlights of the Management and Planning Conferences and other seminars/workshops conducted which are pertinent to PCIC operations
- ensured that PCIC adhered to the best practices and international standards of corporate governance
- recommended that the members of the Board and senior officers attend professional education programmes and/or training programs
- reviewed the succession plan for executive/senior positions in view of the retirement of senior officers in the coming years

The Committee on Audit and Risk Management assists the Board in fulfilling its oversight responsibilities on internal audit and control, risks faced by the Corporation, and compliance with applicable laws and regulations. For 2020, it held 24 meetings. In accordance with the Code of Corporate Governance for the GOCC Sector, the composition of the said committee is as follows:

Chairman - Board Member Alex DG. Suarez
Members - Board Member Arnold B. Colama
Board Member Cecilia C. Borrromeo

Below is an enumeration of the accomplishments of the Committee on Audit and Risk Management:

- monitored the development and improvement of various PCIC Information Technology Systems
- monitored the development of the tablet/smartphone Application (with Smart and Cormant) for claims processing
- monitored PCIC's compliance with the Data Privacy Act of 2012
- reviewed the internal audit reports for all the Regional Offices
- reviewed the audit results from the audits conducted by TUV Rheinland and the Commission on Audit (COA)
- gave recommendations in order to address the audit findings
- reviewed the reports on the status of PCIC's investments
- received and monitored updates on the revision/updating of the PCIC Operations Manual
- monitored updates on the cases filed against PCIC in judicial and quasi-judicial bodies
- has overseen and approved the movement (appointment, resignation, designation, etc.) of officers and personnel in the Internal Audit Services Department

Corporate Secretary

For 2020, PCIC's corporate secretary is Atty. Roland A. Tulay. He is a graduate of the University of the Philippines College of Law and he was admitted to the Philippine Bar on May 25, 2011. He also works for the Department of Agriculture as Attorney V.

Board Matters

Review of vision, mission, and strategy and
Monitoring of the implementation of the corporate strategy

In line with Part 3, Section 3.3.3 of the PCIC Manual on Corporate Governance and the setting of organizational targets for GOCCs thru a Performance Scorecard set by the GCG, the Board of Directors, on a regular basis, reviews the vision, mission, and strategy of PCIC. It also monitors and evaluates the implementation of corporate strategies and policies, business plans, and operating budgets, as well as Management's overall performance. These were done through the reports and discussions during operations review sessions and strategic planning conferences.

Aside from those mentioned above, the said sessions and conferences also serve as a venue for the Board, Top Management, the department and regional managers, and other key officers/employees to set performance targets, assess insurance production accomplishments, review overall corporate performance, identify operational issues and challenges, and formulate strategies to attain the targets.

For FY 2020, the operation review and planning conferences were held on January 27 to 29 and on June 16.

Meeting materials

As a matter of policy and as much as possible, Board and Committee meeting materials are sent to the Board Members at least three working days prior to the meeting. This is done so that the Board Members will have sufficient time to review the agenda, proposals, and documents to be discussed.

Orientation programs for new directors

PCIC, through the corporate secretary and the compliance officers, conducts orientation programs for new directors. A briefing may also coincide with the first meeting that the new directors will attend.

In the introductory orientation program, the vision, mission, corporate objectives, mandate, line of work, and highlights of operations of PCIC are presented to the directors. Also discussed is the general conduct of Board and Committee meetings.

In compliance with the PCIC Manual on Corporate Governance, the directors are also oriented on the requirements of the Code of Corporate Governance for GOCCs (GCG Memorandum Circular No. 2012-07). PCIC also provides the directors with reading and study materials on agricultural insurance and corporate governance. The Corporation will support further initiatives toward the development of the directors in these areas. All directors are also updated of new/recent laws, rules, regulations, and issuances in relation to PCIC.

Continuous professional education programs for directors

Part 3.1 of the PCIC Manual on Corporate Governance mandates the Committee on Governance to encourage directors to attend on-going or continuous professional education programs. Attendance of the Directors to orientations, seminars, workshops, other educational programs recommended by PCIC and/or the said Committee is considered part of their service to the Corporation. The budget for these programs are annually incorporated in PCIC's budget allocation for trainings.

Meeting without the president

Without the presence of President Jovy C. Bernabe, the PCIC Board of Directors met on October 22, 2020 to discuss the audit results/findings based on COA's Annual Audit Report on PCIC.

Board and Committee Assessment

Aside from the performance assessment done through the iPED pursuant to GCG MC No. 2014-03, the Board Members also conducted an overall performance assessment for the Board as a whole in order to assess/determine its effectiveness in carrying out its responsibilities, strengthen its governance performance and practices, and help it determine its development priorities.

In order to assess/evaluate the overall performance of the Board, the Board Members were made to answer Board-appraisal forms.

The criteria for the Board's overall performance assessment are divided into two important measures with corresponding weights, as shown below:

Board's Performance Review Rating – 50%
Performance Evaluation System (PES) Rating – 50%

The performance review rating can be identified as the Board's self-reflection of its performance while the Performance Scorecard rating shows how the Board fulfills its duty of setting the overall direction of PCIC and overseeing the implementation of the corporate strategies approved/developed.

For the assessment of the Board's FY 2019 performance, the appraisal forms were given to eligible Board Members on February 11, 2020. These were subsequently submitted to the Compliance Officers on/before February 26, 2020.

For the assessment of the Board's FY 2020 performance, the appraisal forms were sent to eligible Board Members from February 08 to 10, 2021. These were subsequently submitted to the Compliance Officers on/before February 26, 2021.

An annual performance assessment is also conducted for each Board Committee. Committee Members were also asked to answer Committee-appraisal forms developed in view of the duties and responsibilities of the Committee. Board Members who are not part of the Committee were also asked to evaluate the performance of the Committee in order to gain an outside perspective/impression on the effectiveness of the Committee in carrying out its key functions.

For the assessment of the FY 2019 performance of the Board Committees, the appraisal forms were given to eligible Committee Members on February 11, 2020.

These were subsequently submitted to the Compliance Officers on/before February 26, 2020.

For the assessment of the FY 2020 performance of the Board Committees, the appraisal forms were sent to eligible Committee Members from February 08 to 10, 2021. These were subsequently submitted to the Compliance Officers on/before February 26, 2021.

PCIC BOARD OF DIRECTORS' MEETINGS

JANUARY TO DECEMBER 2020

ANNEX A

	1/14/2020	1/30/2020	2/10/2020	2/26/2020	3/10/2020	3/31/2020	4/14/2020	4/29/2020	5/12/2020	5/26/2020	6/9/2020	6/23/2020
MR. CRISOLOGO DP. IGNACIO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ATTY. JOVY C. BERNABE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. ALEX DG. SUAREZ	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. JUAN V. BORRA, JR.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. ARNOLD B. COLAMA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MS. JOCELYN ALMA R. BADIOLA	X	X	X	✓	X	X	X	X	X	X	X	✓
MS. CECILIA C. BORROMEIO	X	NA	X	X	X	X	X	X	X	X	X	X
MS. EMELLIE V. TAMAYO	NA	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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	7/9/2020	7/28/2020	8/11/2020	8/27/2020	9/10/2020	9/24/2020	10/8/2020	10/22/2020	11/13/2020	11/26/2020	12/9/2020	12/17/2020
MR. CRISOLOGO DP. IGNACIO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ATTY. JOVY C. BERNABE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. ALEX DG. SUAREZ	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. JUAN V. BORRA, JR.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. ARNOLD B. COLAMA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MS. JOCELYN ALMA R. BADIOLA	X	✓	X	✓	X	✓	X	✓	X	✓	X	✓
MS. CECILIA C. BORROMEIO	X	X	X	NA	X	X	X	NA	X	X	X	NA
MS. EMELLIE V. TAMAYO	NA	NA	NA	✓	NA	NA	NA	✓	NA	NA	NA	✓

- ✓ - Present
- X - Absent
- NA - Not applicable

PCIC COMMITTEE MEETINGS

JANUARY TO DECEMBER 2020

COMMITTEE ON GOVERNANCE

	1/14/2020	1/30/2020	2/10/2020	2/26/2020	3/10/2020	3/31/2020	4/14/2020	4/29/2020	5/12/2020	5/26/2020	6/9/2020	6/23/2020
MR. CRISOLOGO DP. IGNACIO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. JUAN V. BORRA, JR.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MS. JOCELYN ALMA R. BADIOLA	X	X	X	✓	X	X	X	X	X	X	X	✓
ATTY. JOVY C. BERNABE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

*continuation

	7/9/2020	7/28/2020	8/11/2020	8/27/2020	9/10/2020	9/24/2020	10/8/2020	10/22/2020	11/13/2020	11/26/2020	12/9/2020	12/17/2020
MR. CRISOLOGO DP. IGNACIO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. JUAN V. BORRA, JR.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MS. JOCELYN ALMA R. BADIOLA	X	✓	X	✓	X	✓	X	✓	X	✓	X	✓
ATTY. JOVY C. BERNABE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

COMMITTEE ON AUDIT AND RISK MANAGEMENT

	1/14/2020	1/30/2020	2/10/2020	2/26/2020	3/10/2020	3/31/2020	4/14/2020	4/29/2020	5/12/2020	5/26/2020	6/9/2020	6/23/2020
MR. ALEX DG. SUAREZ	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. ARNOLD B. COLAMA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MS. CECILIA C. BORRAMEO	X	X	X	X	X	X	X	X	X	X	X	X

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	7/9/2020	7/28/2020	8/11/2020	8/27/2020	9/10/2020	9/24/2020	10/8/2020	10/22/2020	11/13/2020	11/26/2020	12/9/2020	12/17/2020
MR. ALEX DG. SUAREZ	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MR. ARNOLD B. COLAMA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MS. CECILIA C. BORRAMEO	X	X	X	X	X	X	X	X	X	X	X	X

✓ - Present
X - Absent