

A.5. PHILIPPINE CROP INSURANCE CORPORATION

STRATEGIC OBJECTIVES

MANDATE

Presidential Decree No. 1467 (June 11, 1978), as amended by P.D. No. 1733 (October 21, 1980) and Republic Act No. 8175 (December 29, 1995). To provide insurance protection to agricultural producers particularly the subsistence farmers from crop losses arising from natural calamities and pest and diseases, and non-crop agricultural assets losses due to perils that assets have been insured against.

VISION

The Philippine Crop Insurance Corporation (PCIC) is envisioned 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 strong network of insurance and agricultural intermediaries in the spirit of partnership and oneness of purpose.

A key factor in realization of vibrant and progressive rural economy where Filipino farmers work with peace of mind under the protective mantle of agricultural insurance.

MISSION

PCIC as an agricultural insurer is 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 other related infrastructures arising from natural calamities, pests and diseases, and other perils beyond their effective control;

Extending innovative and client responsive insurance packages and other services thru peoples' organizations including farmers' cooperatives, agricultural lenders and service providers.

KEY RESULT AREAS

Rapid, Inclusive and Sustained Economic Growth

SECTOR OUTCOME

Rate of poverty incidence decreased

ORGANIZATIONAL OUTCOME

Percentage of subsistence farmers enrolled in PCIC increased

New Appropriations, by Program/Project

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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
300000000 Operations		P 1,183,771,000		P 1,183,771,000
NFO 1 Crop Insurance Services		1,183,771,000		1,183,771,000
Total, Programs		1,183,771,000		1,183,771,000
TOTAL NEW APPROPRIATIONS		P 1,183,771,000		P 1,183,771,000

New Appropriations, by Central/Regional Allocation

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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
REGION				
Regional Allocation		P 1,183,771,000		P 1,183,771,000
National Capital Region (NCR)		1,183,771,000		1,183,771,000
Total New Appropriations		P 1,183,771,000		P 1,183,771,000

Special Provision(s)

1. Subsidy to the Philippine Crop Insurance Corporation. The amount of One Billion One Hundred Eighty Three Million Seven Hundred Seventy One Thousand Pesos (P1,183,771,000) appropriated herein as subsidy for the PCIC shall be used exclusively for the full cost of insurance premiums of subsistence farmers and fisherfolks for any of the following types of insurance: crop, livestock, fisheries, and non-crop agricultural asset: PROVIDED, That the PCIC shall ensure that the beneficiaries are the subsistence farmers and fisherfolks registered under the Registry System for Basic Sectors in Agriculture, and are not receiving any other subsidy for the foregoing types of insurance from the local government. In no case shall said amount be used for any other purpose.

Releases from said amount shall be subject to the submission of the list of subsistence farmers and fisherfolks duly endorsed by the Secretary of Agriculture, and such other reports and financial statements that may be required by the DBM. Any savings realized from the current year's premium subsidy shall be applied to the payment of premium arrearages.

The President of the PCIC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring that the list of subsistence farmers and fisherfolks together with the amount of premium subsidy, status of implementation of said project, and project evaluation and/or assessment reports are posted on the official website of the PCIC, at least on a quarterly basis.

2. **Special Provisions Applicable to All Government Corporations.** In addition to the foregoing special provision, the special provisions applicable to all government corporations enumerated under the Budgetary Support to Government Corporations-Others shall be observed by the PCIC.

PERFORMANCE INFORMATION

KEY STRATEGIES

- Development of agricultural insurance schemes that provides premium subsidies
- Efficient and effective implementation of agricultural insurance
- Introduce innovative risk-transfer mechanisms such as weather based/index insurance systems
- Expand network of partnership with agricultural lenders
- Increase of the corporation capital base

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS

Targets

MFO 1: CROP INSURANCE SERVICES

No. of subsistence farmers/fisherfolks covered	452,167
Percentage of crop insurance claims paid within 14 days of receipt of complete documentation	100%
Percentage of membership applications acted upon within 3 days	100%
Total premiums paid by farmers	0
Percentage of premiums subsidized by government - Subsistence Farmers/Agrarian Reform Beneficiaries/fisherfolks	100%
Estimated return on equity (maximum)	5%
Estimated return on equity (minimum)	1%
Total claims / Total premiums received	100%