

**Amended By-laws  
of  
1 Cooperative Insurance System of the Philippines  
Life and General Insurance (1CISP)**

**KNOW ALL MEN BY THESE PRESENTS:**

We, the undersigned, all of legal age, citizens and residents of the Philippines, as duly authorized representatives comprising at least two-thirds (2/3) vote of all the members with voting rights of the 1 Cooperative Insurance System of the Philippines Life and General Insurance, a secondary cooperative, hereinafter referred to as the "1CISP" this 15th day of April 2022 in Quezon City, by these presents do hereby amend and adopt the following by-laws:

**ARTICLE I  
POWERS AND PURPOSES**

**Section 1. Powers and Purposes.** – The powers and purposes of 1CISP are generally those granted to domestic life and general insurance by the Insurance Code, Cooperative Code, and such other laws, rules, and regulations issued by Insurance Commission and the Cooperative Development Authority in the Republic of the Philippines, as well as those stated in its articles of cooperation.

**ARTICLE II  
SHARES OF STOCK**

**Section 1. Issuance of Certificate of Stock.** – A certificate of stock shall be issued for a fully paid share even though a member's entire subscription has not been fully paid. No certificate shall be issued for a fraction of a share. The certificate shall state the type and par value of the stock, the number of shares represented, the name of the member to whom it is issued, and the conditions and transfers of ownership and shall bear the signatures of the Chairperson of the Board of Directors and Secretary and the official seal of 1CISP. Each certificate shall be numbered and issued in chronological order. A record of each certificate shall be kept in the stub thereof and in the stock and transfer book.

**Section 2. Transfer of Stock.** – All transfers of stock shall be made, issued, and limited to members only or to those eligible for membership upon approval by the Board of Directors; Provided, that the member making the transfer is not indebted to 1CISP and complies with the 1CISP's requirements as to the transfer thereof. Any transfer made in violation of the foregoing is null and void and does not bind 1CISP and the transferee acquires the same at his own risk.

All transfers of stock shall be recorded in the books of 1CISP upon surrender of the duly endorsed certificate and the payment of a transfer fee of One Hundred Pesos (P100) for every certificate. No transfer shall take place within thirty (30) days before the day designated for distribution of dividends or within fifteen (15) days before a members' meeting.

The above conditions shall be printed on the back of the certificate of stock.



**Section 3. Loss or Destruction of Certificate.** - In case of loss or destruction of a certificate of stock, another may be issued in lieu thereof upon the owner's filing with ICISP of a sworn statement in triplicate setting forth the following:

- (a) The circumstances as to how, why, when, and where it was lost or destroyed;
- (b) The number of shares represented by the certificate;
- (c) The serial number; and
- (d) That the lost or destroyed certificate had never been transferred, sold, or endorsed to any third person and that should the same be found, it shall be surrendered to ICISP for cancellation in the stock book.

In addition, the requirements of the law and its implementing rules and regulations shall be complied with.

Any false statement or representation made in the aforesaid sworn statement shall cause the forfeiture of the share or any interest therein in favor of ICISP, without prejudice to the owner being prosecuted for whatever offense/s committed under the law.

### **ARTICLE III MEMBERSHIP**

**Section 1. Membership.** - Duly registered cooperatives and their federations or unions may qualify as regular members of ICISP.

**Section 2. Associate Members.** - All members not falling under the immediately preceding section shall be considered associate members, including policy holders of ICISP who are natural persons, who may be accepted as associate members, subject to such rules and regulations as may be set by the Board of Directors.

**Section 3. Requirements for Membership** - A member must have complied with the following requirements:

- a. Approved application of membership;
- b. Board resolution indicating membership and share capital contribution to ICISP;
- c. Certification of line of business activities engaged in; and
- d. Subscribed and paid required minimum share capital and membership fee.

**Section 4. Minimum Share Capital Requirement.** An applicant cooperative for membership shall subscribe at least One Thousand (1,000) shares and pay the value of at least two hundred fifty (250) shares upon approval of its membership.

The value of the shares shall be based on the book value per share at the end of the immediately preceding calendar year.



**Section 5. Rights, Privileges, and Limitations of Members.** The authorized representative of every regular member in good standing shall have the following rights:

1. The right to participate in the deliberation of members' assemblies;
2. The right to vote in all matters brought before members' assemblies and to be voted upon for any elective position;
3. The right to receive, for and on behalf of the member-cooperative he/she represents, the interest/s on share capital and/or patronage refunds; and
4. The right to exercise all rights and privileges appurtenant to membership subject to the limitations that may be imposed by the general assembly, the board of directors, and the government.

Associate members shall exercise such rights, privileges, and limitations as may be granted and proscribed or prescribed, as the case may be, by the General Assembly, Board of Directors, and all applicable laws, rules, and regulations.

**Section 6. Liability of Members.** - Members shall be liable for any indebtedness of 1CISP up to the extent of the unpaid amount in their subscribed shares of stock.

**Section 7. Withdrawal.** - Any member desiring to terminate his membership shall submit a written application to the Board of Directors. However, no member shall be allowed to withdraw or terminate his membership during any period in which he has any pending obligation with 1CISP. For purposes of this section, pending obligations shall include, but shall not be limited to, payment and/or remittance of premiums due on insurance policies.

**Section 8. Expulsion.** - If a member commits any act prejudicial to the interest of 1CISP, the Board of Directors may, following a hearing, expel such member or, in lieu of expulsion, order the suspension of the member's right to vote until such time as the Board shall determine. During the period of suspension, the presence of such member shall not be considered in determining the existence of a quorum.

**Section 9. Death, Dissolution, Liquidation, Insolvency, or Inactivity.** - The death, dissolution, liquidation, insolvency, or inactivity of a member for at least three (3) consecutive years shall be considered a withdrawal from membership.

The same rule shall apply to a member-cooperative that failed to qualify for re-registration under the law and regulations.

The equity of an associate member who is a natural person whose membership is considered withdrawn, as above provided, shall be held by his/her heir or legal representative who may receive the proceeds thereof as hereunder provided. For member-cooperatives, their equity/ies shall be held and turned over to the concerned liquidators/trustees of the said cooperatives in accordance with law and regulations.



**Section 10. Appraisal and Payment of Member's Interest Upon Termination of Membership.** – Upon termination of membership, the Board of Directors shall determine the book value of the member's share of stock, as established in the year-end audited financial statement preceding the date of termination, and shall fix the amount thereof in money to be paid, subject to the availability of funds. Within one (1) year after such termination or at the option of the expelled or withdrawing member or the heir or legal representative of a member who had died, been dissolved or liquidated, or became insolvent or inactive, a revolving fund certificate or other evidence of indebtedness may be issued in lieu of cash; provided, however, that payment of said equity in cash shall not be made if, on account of such payment, the value of the ICISP's assets would be less than the aggregate amount of its debts and liabilities exclusive of the capital stock subscribed or the reserves required under existing laws will be diminished.

#### **ARTICLE IV BOARD OF DIRECTORS**

**Section 1. Powers.** – The Board of Directors shall be responsible for the strategic planning, direction-setting, and policy-formulation activities of ICISP.

**Section 2. Number of Directors.** – The Board of Directors shall be composed of nine (9) members, two (2) of whom shall be Independent Directors.

**Section 3. Qualifications of Directors.** – No person shall be eligible for the position of director unless he has the following qualifications:

- a) He/She is the duly authorized representative of the member-cooperative that he/she represents, and that such member-cooperative is a member in good standing of ICISP with the minimum shareholding prescribed and approved by the General Assembly;
- b) He must be able to post a bond, if required; and
- c) He must possess all the qualifications and none of the disqualifications provided for under the law, regulations, and these by-laws.

**Section 4. Independent Director.** – An independent director is a person whose cooperative he/she is representing does not own a substantial share in the capital stock of ICISP and who is not affiliated with any other cooperative, union, or federation, wherein the activities of which and/or his/her affiliations might significantly interfere or influence his/her independent judgment, or give rise to a conflict of interest, in carrying out his/her duties and responsibilities as an independent director for the exclusive benefit of ICISP and one who also:

- a) Is not or was not a regular director, officer or employee of ICISP, its subsidiaries, affiliates or related companies during the past three (3) years counted from the date of his election/appointment;
- b) Is not an officer or employee of a cooperative directly or indirectly in competition with ICISP's business;
- c) Is not an officer or employee of a cooperative, its union or federation that is also represented in the Board by another director of ICISP;



- d) Is not an owner of more than 2% of the outstanding shares of ICISP or in any of its related companies or of its majority cooperative shareholders;
- e) Is not a relative by affinity or consanguinity within the fourth (4th) degree of a Director, Officer, or Stockholder holding shares of stock sufficient to elect one (1) seat in the Board of ICISP or any of its related companies or of any of its substantial stockholders; and
- f) Is not or was not retained as professional adviser, auditor, consultant, agent, or counsel of ICISP, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election/appointment.

**Section 5. Qualifications of an Independent Director.** - An Independent Director shall have the following minimum qualifications:

- 1. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the cooperative for at least five (5) years; and
- 2. He shall possess proven integrity, probity and independence.

**Section 6. Disqualifications of Directors.** - The following are disqualified to become Directors:

- a. Those convicted of any crime involving moral turpitude, negligence, or misconduct in the performance of his duties or found culpable of any administrative case involving such offenses; and
- b. Those convicted in an administrative proceeding or civil suit involving financial and/or property accountabilities.

**Section 7. Election and Term of Directors.** - In the General Assembly of the members of ICISP, the directors shall be elected in the manner heretofore provided:

Directors elected under the By-laws shall serve for two (2) years, unless earlier removed from office by reason of death, incapacity, resignation, or other causes, until their successors shall have been elected, qualified, and assumed office. No director shall serve for more than three (3) successive terms.

A director who has served for three (3) consecutive terms shall be ineligible for re-election unless he/she has undergone a cooling-off period of **ONE (1) YEAR**; provided, that said director has not engaged in any activity that under ICISP rules disqualifies a person from being elected as such.

A director who has been re-elected after the cooling off period can serve for another three (3) consecutive terms.

**Section 8. Term Limit of Independent Directors.** An Independent Director shall serve for a maximum cumulative term of nine (9) years.



A newly elected Independent Director shall serve 5 consecutive years.

After completion of the five-year service period, an Independent Director has to undergo cooling off period of two (2) years.

Provided, that during such period, the Independent Director concerned had not engaged in any activity that under ICISP existing rules disqualifies a person from being elected as such.

An Independent Director re-elected after the cooling-off period can serve for another four (4) consecutive years. After serving for a total of 9 years on aggregate, the independent director shall be perpetually banned from being elected as such by the ICISP, however, may continue therein as a non-independent director.

In case of death, resignation, and/or incapacity resulting in a vacancy in the Board of Directors, the remaining members of the Board, if still constituting a quorum, may appoint a successor from the member-cooperative or union of the director whose death, resignation, and/or incapacity resulted in the vacancy

**Section 9. Removal of Directors.** – Any director may be removed from office for lawful cause by a majority vote of the members entitled to vote in a general or special assembly called for the purpose. The director involved shall be given an opportunity to be heard at such meeting.

**Section 10. Vacancies.** – A vacancy in the position of director may occur by:

- a. Expiration of term;
- b. Death;
- c. Resignation;
- d. Removal from office for lawful or authorized causes;
- e. Incapacity;
- f. Withdrawal of his/her representative capacity by the concerned member-cooperative; and/or
- g. The inactivity, dissolution, expulsion, or suspension of voting rights of the Cooperative he/she represents.

Vacancy occurring in the Board of Directors, except as mentioned in paragraph (a) above,

1. May be filled-up by a majority vote of the remaining Directors, if still constituting a quorum; otherwise, such vacancy shall be filled by the General Assembly in a regular or special meeting called for the purpose. The elected Director shall serve only for the unexpired term of his predecessor in office;

In the event that the General Assembly failed to muster a quorum to fill the positions vacated by Directors whose term have expired and said directors refuse to continue their functions on a hold-over capacity, the remaining members of the Board together with the members of the audit committee shall designate, from the qualified regular members of the General Assembly, their



replacements who shall serve temporarily as such until their successors shall have been elected and qualified in a regular or special general assembly meeting called for the purpose;

2. In case of letter (e) above, appoint the successor from the member-cooperative of the director whose incapacity resulted in the vacancy to assume office for the unexpired term of the incapacitated director; or
3. Appoint to the vacant position a representative from any active member-cooperative to serve the unexpired term of the vacating director; and
4. If a vacancy occurs in any elective committee it shall be filled by the Board of Directors with the recommendation of the remaining members of the said committee, if still constituting a quorum.

**Section 11. Organization of the Board.** - Within ten (10) days from election, the directors shall meet and elect from among themselves a Chairperson and Vice-Chairperson who shall be both members of the Executive Committee, with the Chairperson of the Board serving as Chairperson of the said Committee, together with three (3) other members, one of whom must be an independent director.

**Section 12. Compensation and Per Diems.** - The Board of Directors may fix the compensation and/or per diems of the Board of Directors and committee members. such compensation and per diems must be reasonable. directors and officers shall not be given regular compensation and shall only receive per diems for actual attendance to Board and committee meetings and reimbursement of actual and necessary expenses while performing functions on behalf of ICISP; provided, that directors and officers shall not be entitled to any per diem if in the preceding calendar year, ICISP reported a net loss or had a dividend rate less than the official inflation rate for the same year. All compensations and benefits of the Board of Directors and officers shall be subject to the approval of the General Assembly.

**Section 13. Board Meetings.** - Regular meetings of the Board of Directors shall be held every month, on a date agreed upon by the Board. Special meetings may be called by the Chairperson of the Board, by the Executive Committee, or by a majority of all members of the Board of Directors. The call for special meeting shall be in writing, signed by the person or persons making the same, addressed and delivered to the Secretary, and state the time, date, and place of such meeting and the matters to be acted upon.

**Section 14. Quorum.** - A majority of the members of the Board of Directors shall constitute a quorum at any meeting of the Board and a majority vote of the members present and constituting a quorum at any meeting shall constitute a legal and valid cooperative act of ICISP.

**Section 15. Powers and Duties of the Board.** - The Board of Directors shall have the following powers, duties, and attributes in addition to those assigned to it by applicable laws, regulations, and these By-laws.

- a. Determine the forms and conditions of all types of insurance policies that may be issued and the time of placing them in the insurance market;



- b. Determine the period, manner, and conditions under which ICISP shall engage in the kinds of businesses stated in Article II of the Articles of Cooperation, under Article 106 of Republic Act 9520, and other applicable laws;
- c. Determine the manner in which ICISP's funds shall be invested, including, but not limited to, lending, real estate, and other cooperative ventures, subject to the provisions of existing laws, regulations, its Articles of Cooperation, and these by-laws. A resolution shall be required for each investment or loan except insurance policy loans granted in accordance with policy provisions;
- d. Appoint or engage the services of a President and Chief Executive Officer and fix their duties, powers, compensation, and other terms and conditions of service or employment;
- e. Decide on safekeeping of the funds of ICISP, open current accounts, savings accounts, time deposits, trust placements, Investment Management Agreement (IMA), and any other deposit/ investment which are not contrary to law or BSP regulations with any bank authorized to operate in the Philippines and/or abroad;
- f. Prepare and approve the budget to be submitted to the General Assembly for its information;
- g. Determine annually the distribution of net surplus, including the percentages for statutory reserves, dividends, and patronage refunds in accordance with provisions of RA 9520 and other regulations of the authority;
- h. Submit annually to the regular meeting of the members of ICISP an annual report that will show the financial condition and performance of the cooperative, as well as its accomplishments in terms of effective use of resources, members' satisfaction and retention, efficiency and quality of processes, and human resource, organization culture and technology development;
- i. Call special meetings of the Board of Directors;
- j. Determine the time and manner of issuance of unissued shares of stock;
- k. Install an accounting system adequate for the requirements of the business and to require from the same the proper keeping of records of all business transactions of ICISP;
- l. Determine the manner and conditions under which employees shall be granted pension, retirement, gratuity, life insurance protection, and other employment benefits;



- m. Make rules and regulations for the internal affairs and transactions of its business, including the safe custody and proper maintenance of its assets, funds, and properties;
- n. Institute, maintain, defend, compromise, or drop any litigation on which ICISP or its officers may be interested as plaintiff or defendant in connection with the business of ICISP, grant extensions of time for the payment or settlement of any indebtedness in favor of ICISP, or delegate these powers to any officer as it may deem fit; and
- o. Settle any doubt/s that may arise relative to the interpretation of these by-laws and supply any omissions, reporting thereon to the members' general meeting such matters taken.

The enumeration of the above powers and duties does not limit and restrict the powers of the Board of Directors to act on policy matters not specifically provided for herein.

**Section 16. Powers and Duties of the Chairperson.** – The Chairperson of the Board shall have the following powers and duties:

- a. To approve the agenda for the meeting of the Board and to submit for its consideration the policies and measures that he/she believes are necessary to carry out the purposes and objectives of ICISP;
- b. To preside over all members' assemblies and meetings of the Board of Directors;
- c. To cast the deciding vote in case of a tie in the members' assembly or in the Board of Directors' meeting;
- d. To exercise such powers and duties given/granted to him/her by the Board of Directors, subject to the limitations imposed, and consistent with those granted by the General Assembly, R.A. 9520 and other relevant laws and issuances; and
- e. To exercise such powers vested in him/her by other provisions of these by-laws.

**Section 17. Powers and Duties of the Vice- Chairperson.** – The Vice-Chairperson of the Board shall exercise the powers and duties of the Chairperson in the event of death, resignation, and/or disqualification, or absence of the Chairperson of the Board and such other powers and duties as the Board may assign to him/her from time to time, subject to the limitations imposed, and consistent with those granted by the General Assembly, R.A. 9520 and other relevant laws and issuances.

**Section 18. Executive Committee.** – The Executive Committee shall exercise any of the powers and attributes of the Board of Directors that the latter may authorize during the intervening period between board meetings and shall report on all resolutions adopted by it to the Board of Directors at the first meeting that the latter may subsequently hold.



**Section 19. Declaration of Interest.** – A director having an interest or intended interest in his personal capacity, directly or indirectly, in a contract with 1CISP that has been made, intended to be made, or under consideration of the Board of Directors must declare the same, take no part in the discussion, and exercise no right to vote in respect thereof.

## **ARTICLE V OFFICERS**

**Section 1. Appointment, Term, and Compensation of Officers.** – The Board of Directors shall appoint a President, a Secretary, and a Treasurer who shall all not be members of the Board of Directors, and such other terms and conditions as it may deem proper.

**Section 2. Duties of the President.** – The President shall have the general charge, direction, administration, and supervision of the 1CISP's business operations. He may sign and execute all authorized bonds, contracts, or obligations in the name of 1CISP and shall submit the same to the board for approval. He shall, from time to time, make reports on the affairs of 1CISP, as may be required by the Board of Directors and/or the Executive Committee, annually present a report of the preceding year's business to the Board of Directors at their meeting immediately preceding the annual meeting of the members, and prepare the annual budget of administration expenses. He shall have the power to appoint, and remove employees of 1CISP for due cause, except officers appointed by the Board of Directors.

**Section 3. Duties of the Secretary.** – It shall be the duty of the Secretary to:

- a. Prepare and keep the minutes of all meetings of the General Assembly, Board of Directors, and the Executive Committee;
- b. Attend to correspondence and other records of the Board;
- c. Sign jointly with the Chairperson of the Board all stock certificates;
- d. Keep and affix the official corporate seal to all papers requiring it;
- e. Record all transfers of stock and cancellations;
- f. Make and keep a list of all members of 1CISP, their residence, the shares owned by each, and the number of shares subscribed, paid, and unpaid; and
- g. To perform such other duties that may be assigned to him by the Board of Directors.

**Section 4. Duties of the Treasurer.** – The Treasurer shall have the following duties:

- a. Have supervision of all funds, credit instruments, and documents of 1CISP and keep a full and complete record of all the receipts and disbursements therefrom;



- b. Sign, jointly with the President, all checks and pay out no money except within authorized ceilings of disbursement, as may be prescribed by the Board of Directors;
- c. Render a monthly report on the cash position of ICISP or at such time as the Board of Directors or the Executive Committee and the President may require; and
- d. Furnish a bond conditioned on the faithful performance of his/her duties in such kind and amount as may be fixed by the Board of Directors.

**Section 5. Bonds.** – The President, Treasurer, Secretary, Chairperson/Vice-Chairperson, and all other authorized signatories and accountable employees appointed by the Board shall post a bond, in such kind and amount fixed by the Board of Directors, conditioned on the faithful performance of their duties.

**Section 6. Removal of Officers.** – Officers or employees appointed by the Board of Directors may be removed from office for lawful cause by majority vote of the Board of Directors in any regular or special meeting called for the purpose.

## **ARTICLE VI GENERAL ASSEMBLY**

**Section 1. General Assembly.** – The General Assembly of the members shall be held on the last Saturday of March of each year or on any date within the month of April that the Board of Directors may designate at least thirty (30) days in advance.

The General Assembly meeting of ICISP may be done through videoconferencing or on hybrid arrangements wherein some can join through videoconference while others can join in person, if need be.

**Section 2. Powers of the General Assembly.** – Subject to the pertinent provisions of the Cooperative Code and the rules issued thereunder, the General Assembly shall have the following exclusive powers, which cannot be delegated:

1. To determine and approve amendments to the cooperative Articles of Cooperation and By-laws;
2. To elect or appoint the members of the Board of Directors and to remove them for cause;
3. To approve developmental plans of the cooperative; and
4. To delegate some of its power to a smaller body of the cooperative, as authorized by the Philippine Cooperative Code of 2008.

**Section 3. Special Assembly.** – A special assembly of the members may be called at any time by the Board of Directors or upon the written request of



at least ten percent (10%) of the members entitled to vote. The call or request shall state the time, place, date, and purpose of the meeting.

**Section 4. Notice of Assembly.** – Written or printed notices of every General or Special Assembly of members shall be prepared and mailed to each member entitled to vote no less than twenty (20) days before such Assembly.

The notice shall state the purpose, the time, date, and place of Assembly and, at the discretion of the Board of Directors, may be made by publication at least ten (10) days prior to the date of the Assembly in a newspaper of general circulation. No business shall be transacted at special assemblies other than that referred to in the notice.

**Section 5. Number of votes.** – A member of ICISP shall be entitled to the number of votes equivalent to its fully paid-up shares of stock.

Representatives of member-cooperative to members' assemblies, in order to be accredited as such, shall submit to the Secretary a resolution of their respective Board of Directors designating them as representatives. Each member-cooperative is entitled to one (1) voting representative who shall cast all the votes the member is entitled.

**Section 6. Quorum.** – The presence of representatives of member-cooperatives owning at least one-half (1/2) plus one (1) of all the shares of stock entitled to vote shall constitute a quorum for the transaction of business of the assembly.

**Section 7. Presiding Officer.** – All members' assemblies shall be presided by the Chairperson of the Board or, in his absence, by the Vice-Chairperson, or, in the latter's absence, by any member of the Executive Committee authorized by the Board.

The minutes of members' assemblies shall be signed by the Secretary and approved by the presiding officer of the assembly.

**Section 8. Order of Business.** –The order of business of the annual meeting shall be:

- a. Roll call
- b. Proof of due notice of assembly;
- c. Determination of quorum;
- d. Reading of the minutes of the last General Assembly;
- e. Annual reports of officers and committees; confirmation of actions of the Board of Directors;
- f. Election of directors and committee officers;
- g. Unfinished business;
- h. New business; and
- i. Adjournment.



## ARTICLE VI – A COMMITTEES

**Section 1. Election Committee.** – The Election Committee shall be composed of three (3) members elected during the Annual General Assembly and shall hold office for a period of two (2) years. For the newly elected three (3) members of the committee, the first two (2) who garnered the highest number of votes shall serve for two (2) years and the remaining member for a period of one (1) year. No committee member shall serve for more than three (3) successive terms.

A member who has served for three (3) consecutive terms shall be ineligible for re-election unless he/she has undergone a cooling-off period ONE (1) YEAR; provided, that said committee member had not engaged in any activity that under CISP rules disqualifies a person from being elected as such.

A committee member who is re-elected after the cooling-off period can serve for another three (3) consecutive terms.

The committee shall elect from among themselves a Chairperson and Secretary. No member of the committee shall hold any other position within the CISP during his/her term of office. Said Committee shall perform its functions during the next General Assembly and shall supervise the conduct of elections, perform its duties in accordance with established election practices, and canvass and certify the returns in writing to the Presiding Officer.

**Section 2.** The committee, as an independent body, shall have the following powers, functions, and duties:

1. Propose rules and regulations for the conduct of elections and recommend the same to the Board of Directors for the approval of the General Assembly;
2. Pass upon the qualifications of candidates, supervise the conduct of elections, and canvass and certify in writing the returns;
3. Proclaim the winning candidates;
4. Hear and decide all election protests except those involving the Election Committee or its members in accordance with RA 9520 or The Philippine Cooperative Code of 2008, CDA Implementing Rules and Guidelines, and other applicable laws and rules on Alternative Dispute Resolution;
5. Recommend necessary amendments to Election Rules and Guidelines, in coordination with the Board of Directors, for approval of the General Assembly;
6. Implement Election Rules and Guidelines duly approved by the General Assembly; and
7. Perform such other functions as may be delegated by the Board of Directors or authorized by the General Assembly.

**Section 3. Audit Committee.** – The Audit Committee shall be composed of three (3) members, preferably with accounting and/or finance experience, to



be elected by the General Assembly and to hold office for two (2) years. For the newly elected three (3) members of the committee, the first two (2) who garnered the highest number of votes shall serve for two (2) years and the remaining member for a period of one (1) year. No committee member shall serve for more than three (3) successive terms.

A member who has served for three (3) consecutive terms shall be ineligible for re-election unless he/she has undergone a cooling-off period of two (2) years; provided, that said committee member had not engaged in any activity that under CISP rules disqualifies a person from being elected as such.

A committee member who has been re-elected after the cooling-off period can serve for another three (3) consecutive terms.

The Committee shall elect from among themselves a Chairperson and a Secretary. No member of the Committee shall hold any other position within CISP during his/her term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audited financial report quarterly or as may be required by the Board and the General Assembly.

The Audit Committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of the cooperative's management control system and audit the performance of the cooperative and its various responsibility centers. However, following due process, the Audit Committee shall present to management and the board all findings that it may wish to present to the general assembly so as to allow them to make appropriate explanation/s.

The ICISP may create an Internal Audit Department that is administratively under the President but shall be functionally under the Audit Committee.

**Section 4. Education and Training Committee.** The Education and Training Committee shall be composed of such members as may be determined and appointed by the Board of Directors for a term of one (1) year without prejudice to their reappointment. The Vice-Chairperson of the board shall be automatically designated as the ex-officio chairperson of this committee. The Committee shall complement the responsibility of the ICISP management in its planning and implementation of promotional and educational activities of ICISP.

**Section 5. Mediation and Conciliation Committee.** A Mediation and Conciliation Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson, and a Secretary and serve for a term of one (1) year or until their successors shall have been appointed and qualified. No member of the committee shall hold any other position in the cooperative during his/her term of office.

The Mediation and Conciliation Committee shall have the following powers and functions:

- A. To conciliate, hear, and decide all intra-cooperative disputes between and/or among members, officers, directors, and community;



- B. Subject to the approval of the General Assembly, to issue supplemental rules and procedures concerning conciliation processes as may be deemed necessary; and
- C. To exercise such other powers as may be necessary to ensure speedy, just, equitable, and inexpensive settlement of disputes within the cooperative.

All requirements of law and pertinent rules and regulations prescribed by the Cooperative Development Authority shall be observed in the composition, appointment, and procedures of the Conciliation and Mediation Committee and its proceedings.

**Section 6. Ethics Committee.** An Ethics Committee is hereby created and shall be composed of three (3) members to be elected by the General Assembly and to hold office for two (2) years. For the newly elected three (3) members of the committee, the first two (2) who garnered the highest number of votes shall serve for two (2) years and the remaining member for a period of one (1) year. Within ten (10) days after their election, they shall elect among themselves a Chairperson, Vice-Chairperson, and a Secretary and serve for a term of one (1) year or until their successors shall have been elected and qualified.

No committee member shall serve for more than three (3) successive terms. A member who has served for three (3) consecutive terms shall be ineligible for re-election unless he/she has undergone a cooling-off period of **ONE (1) YEAR**; provided, that said committee member had not engaged in any activity that under ICISP rules disqualifies a person from being elected as such.

A committee member who is re-elected after the cooling-off period can serve for another three (3) consecutive terms.

No member of the committee shall hold any other position in the cooperative during his term of office. The powers, functions, duties, and responsibilities of the members shall be in accordance with the implementing rules and regulations promulgated by the cooperative development authority.

**Section 7. Gender and Development Committee.** – A Gender and Development Committee is hereby created and shall be composed of three (3) members appointed by the Board of Directors, provided that at least one member shall come from the board. The committee shall elect from among themselves a chairperson. In designating members of this committee, the board shall see to it that each gender is represented.

The committee members shall hold office until replaced by the board.

**Section 8. Other Committees.** The Board of Directors may create other committees as such as need arises and provide the necessary expenses to cover their operations.

## **ARTICLE VII EXTERNAL AUDIT**

**Section 1. External Auditor.** – The Board of Directors shall appoint the External Auditor upon the recommendation of the Audit Committee, subject to the approval of the General Assembly.



**Section 2. Time and Report of Audits.** – It shall be the duty of the Auditor to audit the books of accounts of ICISP whenever he/she shall see fit or, at the least, semi-annually, and to report and express an opinion on the audited annual financial statements. The required audited financial statement shall be published as required by law.

**Section 3. Inspection of Balance Sheet and Income Statement, and Audit Report.** – A copy of the balance sheet, income statement and audit report shall be filed in the office of ICISP at least twenty (20) days before the date of the general assembly of the members and shall be open for inspection by the members.

## **ARTICLE VIII RESERVES AND ALLOCATION OF SAVINGS**

**Section 1. Reserves and Allocation of Savings.** – At the end of each year, the Board of Directors shall set aside the reserves and allocate and distribute the net savings in accordance with existing laws and as the business may warrant, as follows;

- A) **Reserve Fund.** The ICISP shall allocate at least ten percent (10%) for the reserve fund from the net surplus for the following purposes:
- j. The reserve fund shall be used for the stability of ICISP and to meet net losses in its operations. The General Assembly may decrease the amount allotted when the reserve fund already exceeds the share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund;
  - ii. The reserve fund shall not be used for investments other than those allowed by RA 9520. Such sum of the reserve fund in excess of the share capital may be used at any time for any project that would expand the operations of ICISP upon the resolution of the General Assembly; and
  - iii. Upon the dissolution of ICISP, the General Assembly may resolve to distribute the reserve fund; or
    - a) establish a usufructuary trust fund for the benefit of any federation or union to which ICISP is affiliated; or
    - b) donate, contribute, or otherwise dispose of the amount for the benefit of the community where ICISP operates.

If the members cannot decide upon the disposal of such fund, the same shall go to the federation or union to which the cooperative is affiliated.

- B) **Education and Training Fund.** Not more than ten (10%) of net surplus shall be reserved for the education and training fund.

- i. Half of the amounts set aside to the education and training fund under this subsection shall be spent by ICISP for education and training purposes; while the



other half may be remitted to a union or federation of which it is a member; and

- ii. Upon the dissolution of ICISP, the unexpended balance of said fund shall be credited to the cooperative education and training fund of a chosen union or federation.
- C) **Community Development Fund.** An amount not less than three (3%) percent of net surplus shall be used for projects or activities that will benefit the community where the cooperative operates.
- D) **Optional Fund.** The ICISP shall allocate a maximum of seven percent (7%) for land building and any other necessary fund.
- E) The total amount allocated for the CDF and optional fund shall not exceed ten per centum (10%) of the net surplus.

**Section 2. Interest on Capital and Patronage Refund.** The remaining net surplus shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investments and patronage refunds; Provided, that any amount remaining after the allowable interests and the patronage refunds have been deducted shall be credited to the reserve fund. The sum allocated for patronage refunds shall be made available at the same rate to all patrons of ICISP in proportion to their individual patronage; Provided, that:

- a) In the case of a member patron with paid-up share capital contribution, his/her/its proportionate amount of patronage refund shall be paid to him/her/it unless he/she/it agrees to credit the amount to his/her/its account as additional share capital contribution;
- b) In the case of a member patron with unpaid share capital contribution, his/her/its proportionate refund shall be credited to his/her/its account until his/her/its share capital contribution has been fully paid;
- c) In the case of a non-member patron, his/her/its proportionate amount of patronage refund shall be set aside in a general fund for such patrons and shall be allocated to individual non-member patrons only upon request and presentation of evidence of the amount of his/her/its patronage. The amount so allocated shall be credited to such patron toward the payment of the minimum capital contribution for membership. When a sum equal to this amount has accumulated at any time within a period specified in the by-laws, such patron shall be deemed and become a member of the cooperative if he/she/it so agrees or requests and complies with the provisions of the by-laws for admission to membership; and
- d) If within any period of time specified in the by-laws any subscriber who has not fully paid his/her/its subscribed share capital or any non-member patron who has



accumulated the sum necessary for membership does not request nor agree to become a member or fails to comply with the provisions of the by-laws for admission to membership, the amount so accumulated or credited to their account together with any part of the general fund for non-member patrons shall be credited to the reserve fund or to the education and training fund of ICISP, at its option.

#### **ARTICLE IX DISSOLUTION AND LIQUIDATION**

**Section 1. Dissolution and Liquidation.** – The dissolution and liquidation of ICISP shall be effected in the following manner:

- a) By resolution adopted and signed by at least three-fourths (3/4) of all members entitled to vote in a regular or special meeting called for the purpose; and
- b) On account of bankruptcy or insolvency of ICISP.

#### **ARTICLE X MISCELLANEOUS PROVISIONS**

**Section 1. Fiscal Year.** – The fiscal year of ICISP shall commence on the first day of January and end on the last day of December of each year.

**Section 2. Official Seal.** – The ICISP shall adopt its official seal, the design of which shall be determined by the Board of Directors.

#### **ARTICLE XI AMENDMENTS**

**Section 1. Amendments.** – These by-laws may be amended, repealed, or altered, in whole or in part, in any general or special meeting of the members called for the purpose by a vote of two-thirds (2/3) of the members entitled to vote.

We, the Board of Directors and Corporate Secretary of the 1 Cooperative Insurance System of the Philippines Life and General Insurance (1 CISP) do hereby certify that the foregoing instrument is the Amended Code of By-laws of this Insurance Cooperative.

Signed this 28<sup>th</sup> day of January 2017, in Quezon City

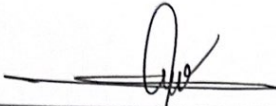
IN WITNESS WHEREOF, we have hereunto set our hand and caused the seal of this office to be affixed hereon in Quezon City, Philippines, this 10<sup>th</sup> day of August 2017.

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Series of 2017

ATTY. FLORIMOND C. ROUS  
Notary Public for Quezon City

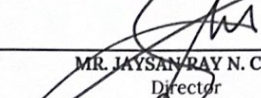


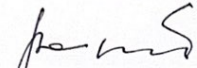
Attested and Approved:

  
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MR. GEORGE J. PUPA  
Director

  
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DIR. NORMANDY G. JOSE  
Director

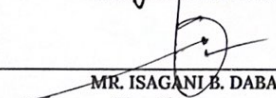
  
\_\_\_\_\_  
COL. FELINO R. NATIVIDAD, PAF, (RET)  
Director

  
\_\_\_\_\_  
MR. JAYSAN RAY N. CHEE  
Director

  
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MR. JERSON S. REMO  
Independent Director

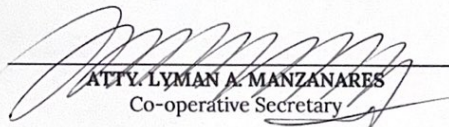
  
\_\_\_\_\_  
COL. JESUS D. MADLANGBAYAN, PAF, (RET)  
Independent Director

  
\_\_\_\_\_  
BGEN. ALFREDO G. RAMIREZ, AFP, (RET)  
Director

  
\_\_\_\_\_  
MR. ISAGAN B. DABA  
Vice-Chairperson

  
\_\_\_\_\_  
FR. ANTONIO CECILIO T. PASCUAL  
Chairperson

Certified True and Correct:

  
\_\_\_\_\_  
ATTY. LYMAN A. MANZANARES  
Co-operative Secretary