[IC (DOF) DEPARTMENT ORDER NO. 32-93, May 28, 1993]

RULES AND REGULATIONS IMPLEMENTING CHAPTER XV OF THE COOPERATIVE CODE OF THE PHILIPPINES RELATING TO COOPERATIVE INSURANCE SOCIETIES

Rules and Regulations Implementing Chapter XV of the Cooperative Code of the Philippines Relating to Cooperative Insurance Societies

Pursuant to the special provisions of Article 118 under Chapter XV of Republic Act No. 6938, otherwise known as the Cooperative Code of the Philippines, the following rules and regulations   are hereby promulgated upon consultation with the Cooperative Development Authority and the cooperative sector:

I
Definition of Terms

a.   "Commission" shall refer to the Insurance Commission.

b.   "Authority" means the Cooperative Development Authority.

c.   "Cooperative" as defined in the Cooperative Code of the Philippines is a duly registered association of persons with a common bond of interest, who have voluntarily joined together to achieve a lawful common social or economic end, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted principles.

d.   "Cooperative insurance societies" shall refer to such cooperatives which have organized themselves into a cooperative insurance entity for the purpose of covering the insurance requirements of the cooperative members including their properties and assets.

II
Purposes and Objectives of Cooperative Insurance Societies

In addition to the purposes and objectives of cooperatives stated in Articles 6 and 7 of the Cooperative Code of the Philippines, a cooperative insurance society may provide its members with different types of insurance consisting of, but not limited to, life insurance with special group coverages, loan protection, retirement plans, endowment with health and accident coverage, fire insurance, motor vehicle coverage, bonding, crop and livestock protection and equipment insurance.

III
Organization

Only duly-registered cooperatives, their federations or unions may organize cooperative insurance societies.

IV
Membership

Membership in cooperative insurance societies shall be open to:

a.   Duly registered cooperatives of all types, their federations, and/or unions;

b.   Cooperative-oriented societies and organizations which are basically non-profit organizations. For the purposes of these Rules, cooperative-oriented societies and organizations shall refer to such organizations which have among their programs and projects, the promotion, organization and development of cooperatives and cooperativism.

V
Registration

Application for registration of cooperative insurance societies shall be in accordance with R.A. 6938 as well as with the provisions herein and shall be filed with the Authority; Provided, however, that the same shall not be given due course without the favorable recommendation of the Commission.

Existing cooperative insurance societies registered and/or confirmed with the Authority and with the Commission and with existing Certificate of Authority from the Commission shall as far as applicable comply with these rules and regulations.

VI
Capitalization

A cooperative insurance society shall not be registered unless it complies with the financial requirements on minimum paid-up capitalization of TEN MILLION PESOS (P10,000,000.00) for both stock and mutual life insurance companies; Provided, however, that said capitalization may be reduced, upon consultation with the Cooperative Development Authority and the cooperative sector, to any amount but not less than half of the capitalization required under the rules and regulations of the Commission.

VII
Investments and Reserves

The requirements on investments and reserves may be liberally modified; Provided, however, that the said requirements shall not be reduced to less than half of the investments and reserves required under the rules and regulations of the Commission upon consultation with the Cooperative Development Authority and the cooperative sector.

VIII
Authorization