



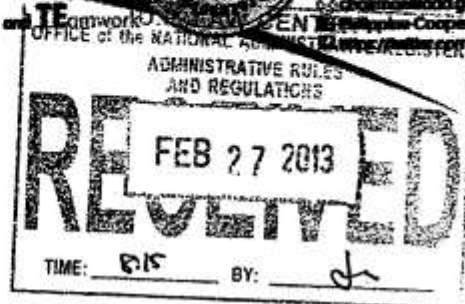
REPUBLIC OF THE PHILIPPINES
COOPERATIVE DEVELOPMENT AUTHORITY



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MEMORANDUM CIRCULAR NO. 2013-07
Series of 2013

TO : ALL CONCERNED

SUBJECT : CLARIFICATORY ADVISORY ON THE MARKETING OF VEHICLE/DRIVERS INSURANCE POLICIES AS AN ALLIED BUSINESS OF TRANSPORTATION SERVICE COOPERATIVES UNDER ART. 112 OF RA 9520

DATE : 07 FEBRUARY 2013

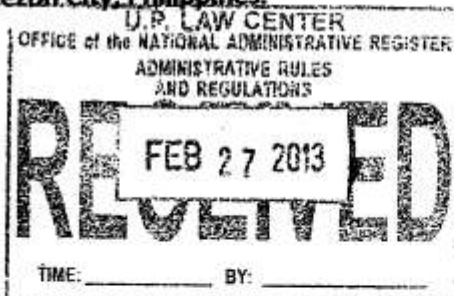
The marketing of vehicles' and drivers' insurance policies is an allied business service of the transportation service cooperative. It is not an independent activity of the cooperative of providing insurance coverage to their members and vehicles, but rather the cooperative is considered only as an agent and/or liaison of a licensed insurance company. Hence, cooperatives are not required to secure the necessary Certificate of Authority from the Insurance Commission.

However, it is important that the concerned transportation service cooperative engage in this allied service shall clearly establish its business relation with the primary provider of the insurance coverage in the form of a Memorandum Agreement or Contract as the case may be.

Any income derived from this activity shall become part of the income of the cooperative and shall be recorded in their books of account.

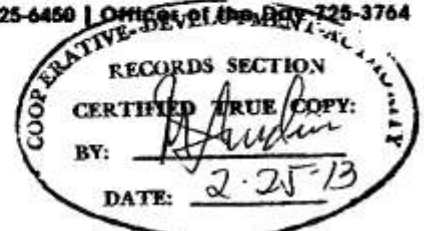
For information and guidance

APPROVED per CDA Board Resolution No. 046, s-2013 dated February 7, 2013,
Quezon City, Philippines.



For the Board of Administrators

By: *[Signature]*
EMMANUEL M. SANTIAGUEL, Ph. D.
Chairman





**EXCERPTS FROM THE
MINUTES OF SPECIAL MEETING
OF THE CDA BOARD OF ADMINISTRATORS HELD ON FEBRUARY 7, 2013
Makati Palace Hotel, Makati City**

PRESENT:

Hon. Emmanuel M. Santiagué, Ph.D.	- Chairman/Presiding Officer
Hon. Nelson B. Alindogan	- Administrator
Hon. Mercedes D. Castillo	- Administrator
Hon. Eulogio T. Castillo, Ph.D.	- Administrator

ALSO PRESENT:

Atty. Niel A. Santillan	- Executive Director
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RESOLUTION NO. 046, s-2013

Upon motion of Adm. Nelson B. Alindogan duly seconded by Adm. Eulogio T. Castillo, be it RESOLVED as it is hereby RESOLVED to *approve the Memo Circular on Clarificatory Advisory on the Marketing of Vehicle/Drivers Insurance Policies as an Allied Business of Transportation Service Cooperatives under Art. 112 of R.A. 9520*


APPROVED.

XXX

XXX

XXX

This is to certify that the foregoing is true and correct from the minutes of the CDA Board of Administrators' Special Meeting.


MARY GRACE I. CINCO
Acting Board Secretary IV

ATTESTED:


EMMANUEL M. SANTIAGUÉ, Ph.D.
Chairman