

# CARD Pioneer Microinsurance Inc.

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## **INSURANCE FORUM**

CARD Pioneer Microinsurance Inc. (CPMI) is not only a leader in non-life microinsurance, it is, in fact, the very first microinsurance company in the Philippines.

It is a joint venture (JV) insurance company established by Center for Agriculture and Rural Development, Mutually Reinforcing Institutions (CARD MRI) and Pioneer Insurance and Surety Corporation in 2013. CPMI's objective is to develop and market relevant and affordable non-life microinsurance products. CPMI is CARD MRI's 12<sup>th</sup> subsidiary institution. The founder of CARD MRI is Jaime Aristotle B. Alip, Ph. D. It has gone a long way since Dr. Alip, together with 15 rural development practitioners, organized the Center for Agriculture and Rural Development, Inc. in San Pablo City, Laguna on December 1986 as a social development fund to address the continuing poverty in Regions 4 and 5. In 1989, a group-lending pilot was launched by CARD, based on the Grameen Bank's methodology. A year later, CARD launched its credit arm, the Landless People's Development Fund (LPDF). In 1997, it became the first NGO to transform into a licensed rural bank. CARD Bank, officially established in September 1997, is headquartered in San Pablo City, Philippines. CARD Bank provides credit and savings for rural clients. As of July 31, 2009, the bank was serving 338,796 active borrowers, and reported a total portfolio of approximately USD 25, 643, and total assets of USD 34,189,940.

CARD Pioneer Microinsurance Inc. (CPMI) was formerly known as Pioneer Asia Insurance Corporation (PAIC) which was incorporated and registered with the Securities and Exchange Commission (SEC) on August 16, 1963. On September 10, 2013, the SEC approved the amendment of PAIC's corporate name to CARD Pioneer Microinsurance Inc. It is the country's first non-life company specifically created to address the calamity, agriculture and income loss insurance needs of the marginalized market at the microinsurance level.

CPMI is 47.85% owned by Pioneer Insurance and Surety Corporation (PISC), 47.00% by Center for Agriculture and Rural Development Mutual Benefit Association, Inc. (CARD MBA), 2.00% by Card MRI Insurance Agency Inc. (CaMIA), 1.51% by Pioneer Intercontinental Insurance Corporation (PIIC), 1.42% by Pioneer Life Inc. and 0.22% by Pioneer Life Holdings, Inc. (PLHI). The registered office address of the CPMI is Pioneer House, 108 Paseo de Roxas, Legaspi Village, Makati City.

Before the creation of CPMI, CARD MRI was a client of Pioneer Life Inc.'s microinsurance line. However, it did not take long for this to eventually blossom into a partnership between these two companies, who are pioneers in their own respective fields.

CARD MRI, on the other hand, is the Philippines' largest micro-finance institution. Among the subsidiaries of CARD MRI is CARD MBA which also holds a direct interest in CPMI. CARD MBA was registered with the Securities and Exchange Commission (SEC) as a non-stock, not-for-profit association on October 29, 1999. It was granted a license by the Insurance Commission (IC) on May 22, 2001 to engage as a mutual benefit association that extends benefits and services for the welfare and financial security of its members and their families in the form of death benefits, medical subsidy, pension and loan redemption assistance and ensuring continued access to benefits and resources. On July 16, 2013, CARD MBA entered into a purchase agreement with CARD Pioneer Micro-insurance Inc. (CPMI), formerly named as Pioneer Asia Insurance Corporation (PAIC) for the purchase of 2,303,428 shares or 47.00% of CPMI. On September 30, 2013, the consideration paid by CARD MBA for its investment in CPMI amounted to Php257.98 million.

CPMI focuses on the community-based social development undertakings for improving the quality of life of the economically-and-socially challenged families and women in the country.

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