

**[ CDA MEMORANDUM CIRCULAR NO. 2013-07,  
February 07, 2013 ]**

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

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:

(SGD.) EMMANUEL M. SANTIAGUEL, Ph. D.

*Chairman*



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