



KASAGANA-KA

Mutual Benefit Association, Inc.

KASAGANA-KA Mutual Benefit Association, Inc.
2015-3 Board of Trustees Meeting
DEHHA Clubhouse, Don Francisco St., Don Enrique Heights,
Brgy. Holy Spirit, Quezon City
May 29, 2015, 9:00 am

Present

Board of Trustees

1. Elizabeth N. Yayon – President, Marilao
2. Judea T. Gutierrez – Treasurer, Padilla
3. Jerlene B. Perez – Secretary, Head office
4. Ailene V. Ramos – Member, Sumulong
5. Marivic R. Loterte – Member, Bagong Silang
6. Ma. Jona K. Parolan – Member, Tungko
7. Perla F. Batingal – Independent Board

Board of Advisers

8. Leticia T. Rodriguez – Padilla
9. Wenefreda F. Rodriguez – Bagong Silang
10. Martiniana G. Mancio – Montalban
11. Chona B. Capayas – Masinag

Management & Staff

12. Silvida R. Antiquera – Gen. Manager
13. Evelyn A. Lagmay – Finance Manager
14. Analyn A. Shih – Admin. Officer

Absent

1. Ma. Anna DR Ignacio – KDCI

Certified by:

Jerlene B. Perez
Secretary



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ORDER OF BUSINESS

- I. Invocation
- II. Determining the quorum
- III. Review and approval of the agenda
- IV. Approval of the Minutes of the last regular Board meeting
- V. Business Arising from the last board meeting
- VI. First Quarter Report 2015
- VII. Financial Report for the month of April 2015
- VIII. Matters for discussion/Approval
 - A. Excess of 20% unrestricted funds
 - B. Clothing Allowance
- IX. For Information/Updates
 - A. IC Circular on Independent Board
 - B. SICAT
 - C. KJSP
 - D. K-Kalinga
 - E. MiMAP
- X. Adjournment



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I. Invocation

The board of trustees meeting was called to order at 9 :00AM with a prayer led by BOT member Jona.

II. Determining the quorum

BOT Secretary Jerlene Perez, Board Secretary, reported that one hundred percent of the board members are present in the meeting, therefore constitute a quorum. She also informed the body that BOT Adviser Mean will not be able to attend the meeting due to a previous commitment.

III. Approval of the proposed agenda

BOT President Beth presented the proposed agenda. There being no other additional agendum raised, BOT member Marivic moved to approve the proposed agenda and seconded by BOT member Aileen.

BOARD RESOLUTION No 5, Series of 2015. APPROVAL OF THE PROPOSED AGENDA

RESOLVED, as it is hereby resolved that the Board approved the proposed agenda for the Board of Trustees meeting

IV. Reading and approval of the minutes of the last board meeting.

BOT President Beth led the review of the minutes. BOT member Aileen read aloud the first part of the minutes up to financial statement. It was followed by BOT member Marivic who read the portion up to list of investments while BOT member Jona read the last part of the minutes.

BOT President Beth opened the floor if there are clarifications to the previously read minutes. Independent Perla asked about the discussion on 'male representation.' BOT Adviser reiterated that KMBA is women dominated association and only a handful of men are present in the entire membership. She said that it is just proper to put more weight to women when it comes to representation, particularly to the level of area coordinator, more so at the board level. However, it was made it clear, she conitnued, that mean can also assume



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leadership position but allowed only at the center/branch officer level.

BOARD RESOLUTION No. 6, Series of 2015. APPROVAL OF THE MINUTES OF MARCH 27, 2015 BOARD OF TRUSTEES MEETING

RESOLVED, as it is hereby resolved that the Board approved the MINUTES OF THE MARCH 27, 2015 board of trustees meeting

V. Business Arising

GM Salve reported to the board that the documents needed to amend the articles of incormation and by-laws regarding the term extension of board members are still in process

VI. First Quarter Report 2015

GM Salve reported to the board the highlights of the first quarterly report covering from January to March 2015

1. Number of members : 36,729 : 27,376 from KDCl and 9,353 from the associate members
2. Claims Summary – KMBA disbursed a total of P1.5M claims equivalent to 113 claims filed for members and legal dependents.
3. K-kalinga – The total members (and relatives) enrolled in K- Kalinga is 1,620. While claims was amounted to P50, 000.00, One accidental death and 5 fire assistance.
4. SICAT Housing Assistance –5 members availed of bahaynihan assistance amounting to P10, 000.00 from the areas of Bulacan, Tandang Sora and Norzagaray.
5. Philhealth - A total of 793 members were enrolled in Philhealth.
6. Other achievements includes attending meetings, workshops and conferences such as the following : Micro-Insurance Forum , MBA learning session, General assembly MI-MBA of the Philippines, Board, coordinators & staff recollection, orientation w/ Vibes. All goverment compliance were completed such as the alpha list, business perm it and iba pang regulations



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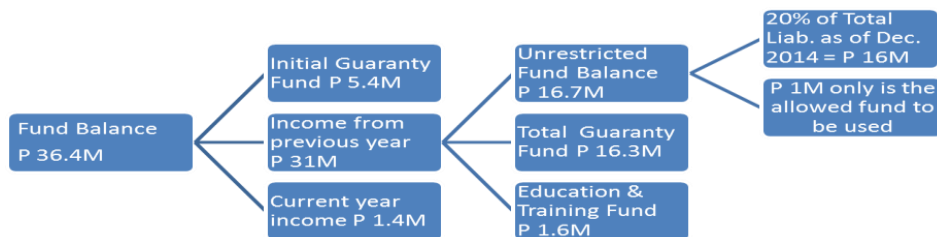
7. requirements. GM Salve also stressed the need to expand more members and minimize expenses as the priority in the second quarter.

VII. Financial report for the month of April 2015.

Ms. Eve presented the financial statement as of April 2015. Ms. Eve explained that Financial Statement presentation was revised according to the approved standard chart of accounts and financial statement format. She said that the total assets as of April 2015 is Php 121, 414, 157.41, composed of cash & cash equivalents, receivables, short term financial assets and non-current assets. Liabilities is Php 84, 972, 771.01 while the Fund Balance is Php 36, 441, 386.40. The reported net surplus as of April 2015 is Php 1, 468, 457.61.

Claims benefits for BLIP for the month of April is Php 514, 486 or 21.88%, higher compared to the previous month of Php 407, 031. It was reported that claims benefits for clip for the month of April 2015 is higher compared to March 2015 amounting to Php 152, 000.00 or 29.01% and P51, 000 or 9% respectively.

The operating expenses was down at 17.42%. Ms. Eve also explained that big expenses composed of RIMANSI Service Package 2, Staff performance incentive. Independent board, Perla asked if it could be identified from the increase of 5M in Assets, the percentage from investment income and a percentage from premium income and that the board should know how to identify the reason of increase in assets and how much from investment and how much from the increase of members. Further, she also asked what is « Excess of Unrestricted Fund Balance » and how it is computed. Ms. Eve explained that it is the excess in unrestricted fund balance after 20% of liabilities. To further explain it, Ms Eve present a sample computation for more understanding.





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Independent board Perla, also asked about receivables and clarified what is receivable from KDCI. Ms. Eve explained that it is composed of advances made by KMBA to Philhealth while some were made to pay for utility bills such as Meralco.

Ms. Eve also reported that KMBA has a total of Php 21M available funds for investment. BDO has offered new T-Bills but she stressed that this matter has been consulted to the investment committee for their recommendation. BoT adviser Letty questioned why funds in China Bank is only small compared to other depository banks? Ms. Eve explained that it is only a savings account to be used as settlement account for investment purpose. BoT adviser Letty also asked if there is an IC limit in investing to Mutual Fund. Ms. Eve explained that an IC limit in Mutual Fund investment is 10% of the total admitted assets of the preceding year.

Ms. Eve presented the list of investment for the month of May 28, 2015.

Type of Investment	Bank	Account Type	Maturity Date	Net Int. Rate	Face Amount
	Metro Bank	Current Acct. Gen. Fund #:007-032-50403-1			1,823,692.51
		Current Account- CLIP #:032-7032-50480-5			616,515.89
		Current Account-BLIP Acct.# 032-50451-1			1,020,713.40
		Savings Account-BLIP Acct.#032-303217877-5			11,863,844.14
		Savings Account-CLIP Acct.#032-3032-2221-3			1,388,720.50
	Sub-Total				16,713,486.44
	BDO	Savings Account Acct.#7250027686			31,530.54
		Current Account Acct#7258003871			223,431.02
	Sub-Total				254,961.56
	China Bank	Savings Account Acct.# 138-313121-3			7,010.32
TOTAL				16,975,458.32	



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	BDO	Regular Time Deposit Acct#372507151176	June 30, 2015 (30 Days)	0.400%	302,063.32
	MBTC	Regular Time Deposit Acct#032-1-032028215	June 1, 2015 (30 Days)	0.600%	4,038,558.32
		Regular Time Deposit Acct#032-103202782-0	June 1, 2015 (30 Days)	0.600%	4,024,419.75
		Regular Time Deposit Acct#032-103202851-7	June 1, 2015 (30 Days)	0.600%	801,351.95
TOTAL					9,166,393.34
	BDO	RTB10-04 ISIN#PIID 1023H046	Aug. 15, 2023 (10years-Tradable)	2.600%	10,000,000.00
	Metro Bank	FXTN 25-08 ISIN#PIBD 2535L086	Dec. 16, 2035 (25years-Tradable)	6.320%	15,035,000.00
	FMIC	FXTN 25-08 ISIN#PIBD 2535L086	Dec. 16, 2035 (25years-Tradable)	6.480%	5,000,000.00
		FXTN 25-08 ISIN#PIBD 2535L086	Dec. 16, 2035 (25years-Tradable)	6.430%	4,000,000.00
	CHINA BANK	FXTN 25-08 ISIN#PIBD 2535L086	Dec. 16, 2035 (25years-Tradable)	6.486%	7,127,000.00
		RTB10-04 ISIN#PIID 1023H046	Aug. 15, 2023 (10years-Tradable)	2.600%	10,000,000.00
		FXTN 10-59 ISIN# PIBD 1024H595	Aug. 20, 2024 (10years-Tradable)	3.300%	10,000,000.00
TOTAL					61,162,000.00
CORP. BONDS	FMIC	SMIC - Fixed Rate Bond	July 16, 2019 (7 years)	4.800%	7,500,000.00
		Meralco Fixed Rate Bond	Dec. 12, 2020	3.5%	7,000,000.00
TOTAL					14,500,000.00
MUTUAL FUNDS	FMIC	Save & Learn Fixed Income Fund (SALFIF)		2.1285	5,000,000.00
	SUNLIFE	Government Securities Fund (GS Fund)		1.5359	2,000,000.00
Sub-Total					7,000,000.00
STOCK	FMIC SECURITIES BROKERAGE CORP.	PETRON Preferred Shares Series A.		6.300%	8,000,000.00
GRAND TOTAL					116,803,851.66



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PORTFOLIO MIX as of May 28, 2015

Type of Investment	Investment Limit (IC Code)	Current Placement as of August 28, 2014	% of Placement w / Admitted Assets	Additional Placement	
				%	Amount
Cash in Bank		Php 16,975,458.32	14.99%		
Time Deposit		Php 9,166,393.34	8.09%		
Gov't. Sec.		Php 61,162,000.00	54.00%		
Corp. Bonds	25%	Php 14,500,000.00	12.80%	12.197%	13,813,499.00
Mutual Fund	10%	Php 7,000,000.00	6.18%	3.819%	4,325,399.60
Stocks	10%	Php 8,000,000.00	7.06%	2.936%	3,325,399.50
Total Funds as of October 28, 2014		Php 116,803,851.66			
Admitted Assets as of Dec. 2014 per IC Audit		Php 113,253,996.00			Php 21,464,298.20

VIII. Matters for Discussion/Approval

A. Excess of 20% unrestricted funds

GM Salve presented to the body the rationale of the 20% allocation from unrestricted fund balance. She explained that not all excess in fund balance is available for use. According to her that there is a formula from insurance code that should be followed. Based from 2014 audited FS, KMBA has P951,623.80 excess in unrestricted fund balance that is available for use in any purpose enumerated from Insurance Code Sec. 408. Gen. Manager, Salve asked an approval from the board for the suggested allocation of the excess in unrestricted fund balance.

Distribution of Funds based on Insurance Code	%	Amount
Benefits in Kind and other relevant services	60%	570,974.28
Capacity Building	25%	237,905.95
Research & Development	15%	142,743.57
Developing new products & services		
Upgrading & Improving Operating System		
Continuing member education		
Total	100%	951,623.80



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BOT Treasurer Judea moved to approve the allocation for the excess of the 20% unrestricted funds.

BOARD RESOLUTION No. 44a., Series of 2015. APPROVAL OF THE EXCESS OF THE 20% UNRESTRICTED FUNDS.

RESOLVED, as it is hereby resolved that the Board approved the budget proposed agenda for the Board of Trustees meeting

B. Clothing Allowance

GM Salve reported that KDCI is giving a 5% interest or equivalent to Php 10,825.19 for KMBA employees. Based from the external auditor and IC, KMBA should not give out any interest to staff bond because there is no sources of funds for this. The external auditor suggested to remove such bonds and invest it outside of KMBA to earn interest with which the board agreed to the proposal.

GM Salve expressed that the existing "interest income" from the bonds should be applied to the employees from 2009-2014. This was also supported by the Independent board Perla that it should be given to the employees.

GM Salve proposed to the board that the funds will be taken from the clothing allowance. GM Salve further proposed that the clothing allowance be increased to Php 5,000 from Php 3,500 to cover the said interest from the bonds for each employee. This will be recorded as employees benefits. Ms. Eve explained the BIR regulation for deminimis that maximum allowable non taxable clothing allowance is P5,000.00. By then, Independent board Perla also suggested that the particular interest on staff bond should be given to the employees.

BOT member Ailee moved to approve the increase of clothing allowance from Php 3,500 to Php 5,000 to cover the interest income of the bond for each employee from 2009- 2014.

BOARD RESOLUTION No. 44b., Series of 2015. APPROVAL OF THE INCREASE IN THE CLOTHING ALLOWANCE TO COVER FOR THE INTEREST EXPENSE OF EMPLOYEES BOND TO 2014.



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RESOLVED, as it is hereby resolved that the Board approved the increase in the clothing allowance.

IX. For information/Updates

A. IC Circular on the Independent board

GM Salve informed the board of the new IC circular 2014-49 regarding term limit of the Independent board. She explained that the independent auditor may stay in their position up to 5 years and can be reelected for another five years after two years.

B. SICAT

GM Salve informed the board that KMBA has 110 slots for year 2015 in the SICAT bahaynihan program. She likewise reported that KMBA was elected in the Board of Trustees as Secretary.

C. KJSP

GM Salve informed the board that KMBA has allocated 80 slots for eligible for the year 2015-2016. She said that there will be an orientation and release of scholars' allowance on June 27, 2015, Saturday, 9 AM at DEHHA Clubhouse, Don Enrique Heights Subdivision.

D. K-kalinga

GM Salve, reported that the branch did not meet the target number of POC sold which is 3500 per month. BoT Jona explained that there are some members who do not want to buy K-Kalinga since they dont receive the POC they bought from last year. Independent board Perla asked what are the K-Kalinga process. GM Salve explained that there is OAS or BK who encodes the details of the assured in K-Kalinga declaration format before submitting to KMBA. BTT adviser Chona added that it is better to send OJTs in branches to encode K-Kalinga in order to lessen the delay of submission to KMBA. GM Salve said that this will be communicated to KDCI to improve the process of K-Kalinga enrollment.



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E. M i M A P

The K M B A was elected board member of M i M A P as secretary.

X. A d j o u r n e m e n t

The meeting was adjourned at 11:25 A.M.

Prepared by:  Jerlene B. Perez
Board Secretary