



KASAGANA-KA Mutual Benefit Association, Inc.
3rd Special Meeting of the Board of Trustees
5 Matimpiin St. Pinyahan, Quezon City
November 21, 2019 4:00 pm

In Attendance:

Board of Trustees:

- | | |
|---------------------------|---------------------------|
| 1. Enriquetta Navaro | -President |
| 2. Alma Gilbaliga | -Vice President |
| 3. Lilibeth Molina | -Treasurer |
| 4. Teresita Padel | -Board Member |
| 5. Rita Dela Cruz | -Board Member |
| 6. Jennifer Abao | -Board Member |
| 7. Philip Arnold P. Tuaño | -Independent Board Member |
| 8. Atty. Gettie Sandoval | -Independent Board Member |
| 9. Brenda F. Lumbao | -Secretary |

Also Present:

Board of Advisers:

10. Chona B. Capayas
11. Isabel M. Iliw-iliw

Board Member Emeritus

12. Leticia Rodriguez

Management and Staff

- | | |
|--------------------------|------------------|
| 13. Silvida R. Antiquera | -General Manager |
| 14. Evelyn Lagmay | -Finance Manager |

The following were not able to attend:

15. Wenifreda Rodriguez
16. Maria Anna dR. Ignacio



ORDER OF BUSINESS

- I. Call to Order
- II. Prayer
- III. Determination of Quorum
- IV. Approval of Proposed Agenda
- V. For Discussion/Approval
 - a. Fidelity Bond Renewal
 - b. Salary adjustment
 - c. 2016-2019 Achievement Report
 - d. Plan and Budget 2020
- VI. Schedule of next regular/special board meeting
- VII. Adjournment

DISCUSSION HIGHLIGHTS

I. The meeting started at 4:33 p.m. with a prayer.

II. Quorum and Agenda

Board Secretary Brenda announced the presence of a quorum. Pres. Enriqueta presented the proposed agenda for the day's meeting. It was approved by the Board upon motion by BoT Rita, duly seconded by BoT Teresita.

III. For Discussion/Approval

A. Fidelity Bond Renewal

FM Eve presented to the Board the matrix of Insurance Companies for the fidelity bond coverage of the Board of Trustees and Bookkeeper as per existing policy of KMBA's risk management covering protection from losses resulting from fraudulent acts by specified individuals.

| Insurance Company | Premium | |
|------------------------------|--|--|
| | All Board of Trustees <small>Insured Amount: Php 200,000.00</small> | Bookkeeper <small>Insured Amount: Php 20,000.00</small> |
| Travellers Insurance Company | Php 1,392.00 | Php 466.63 |
| Commonwealth Insurance | 2,235.83 | 1,123.50 |
| RMSI | 3,001.00 | 310.00 |

The Board, unanimously, considered Travellers Insurance Company for not encountering any problems and irregularities as the previous provider of the same product to KMBA.

BoT Rita moved to approve Travellers Insurance Company as the insurer of KMBA Board of Trustees' and Bookkeeper's Fidelity Bond for January 2020 to December 2023 with total premium of Php 1,392.00 and Php 466.63, respectively. BoT Lilibeth seconded the motion.



**BOARD RESOLUTION NO. 2019-60:
APPROVAL OF TRAVELLER'S INSURANCE COMPANY FOR THE FIDELITY BOND OF KMBA'S
BOARD OF TRUSTEES AND BOOKKEEPER**

RESOLVED, to approve Travellers Insurance Company as the insurer of KMBA Board of Trustees' and Bookkeeper's Fidelity Bond for January 2020 to December 2023 with total premium of Php 1,392.00 and Php 466.63, respectively.

B. Salary Adjustment

GM Salve expressed to the Board the institutional move of providing valuable benefits not only to the members but also in assuring that employees' welfare is taken into account and that financial needs of each are met while currently employed. She recommended an improved compensation package in the form of an increase in employees' gross pay.

FM Eve evaluated that the recommended increase requires an additional fund of Twenty-Seven Thousand Twenty-One & 52/100 (Php 27 021.52) Pesos per month or Three Hundred Twenty-Four Thousand Two Hundred Fifty-Eight & 24/100 (Php 324,258.24) for the year 2020.

BoT Teresita moved to approve the recommended salary increase in the amount of Three Hundred Twenty-Four Thousand Two Hundred Fifty-Eight & 24/100 (Php 324,258.24) for 2020. BoT Alma seconded the motion.

**BOARD RESOLUTION NO. 2019-61:
APPROVAL OF SALARY ADJUSTMENT**

RESOLVED, to approve the salary adjustment effective January 1, 2020 for a total amount of Php 324,258.24.

C. 2016-2019 Achievement Report

GM Salve presented to the Board the Achievement Report of the organization for the year 2016-2019.

Highlights of the Operations Report are as follows:

| | 2016 | 2017 | 2018 | September 2019 |
|----------------------|--------|--------|---------|----------------|
| Members | 44,372 | 48,928 | 50,742 | 48,983 |
| BLIP Claims | 428 | 477 | 482 | 423 |
| CLIP Enrollment | 94,356 | 99,549 | 130,273 | 95,038 |
| CLIP Claims | 124 | 151 | 182 | 208 |
| HIIP Enrollment | - | - | - | 12,300 |
| HIIP Claims | - | - | - | 9 |
| K-Kalinga Enrollment | 16,947 | 17,354 | 17,022 | 21,843 |
| K-Kalinga Claims | 26 | 29 | 82 | 73 |



| Others | | | | | |
|---------------------------------------|--|------------|------------|------------|------------|
| Calamity Assistance | | 42 | 31 | 85 | 64 |
| Calamity Assistance (Php) | | 84,600.00 | 93,000.00 | 500,000.00 | 192,000.00 |
| Kuya Jun Scholarship Program Scholars | | 100 | 100 | 101 | 131 |
| KJSP Allowance Released (Php) | | 580,000.00 | 580,000.00 | 590,000.00 | 680,000.00 |

Highlights of the Financial Report are as follows:

| Account in Million Pesos (Php) | 2016 | 2017 | 2018 | Q3 2019 Target | September 2019 | Variance (Php) |
|--------------------------------|--------|--------|--------|----------------|----------------|----------------|
| Asset | 165.09 | 189.50 | 209.25 | 230.20 | 218.15 | 12.05 |
| Liability | 106.41 | 118.61 | 135.16 | 158.99 | 144.46 | 14.53 |
| Fund Balance | 58.68 | 70.88 | 74.09 | 71.25 | 73.69 | 2.44 |

| Account in Million Pesos (Php) | 2016 | 2017 | 2018 | Q3 2019 Target | September 2019 (Actual) | Variance (Php) |
|--------------------------------|-------|-------|-------|----------------|-------------------------|----------------|
| BLIP – Member’s Contribution | 32.00 | 33.45 | 35.92 | 34.56 | 27.04 | (6.72) |
| CLIP – Premium | 6.30 | 6.95 | 9.49 | 6.85 | 8.02 | 1.17 |
| HIIP – Premium | - | - | - | 8.76 | 3.08 | (5.68) |
| Benefit Claims – BLIP | 6.95 | 6.72 | 8.49 | - | 7.84 | - |
| Benefit Claims – CLIP | 1.39 | 1.41 | 1.84 | - | 2.48 | - |
| Retirement Fund | 5.34 | 5.21 | 6.97 | - | 7.36 | - |
| Equity Value Refund | 3.65 | 3.74 | 7.02 | - | 10.21 | - |

SEGURADO Indicators are as follows:

| Indicator | Result | Standard |
|----------------------------|---------|----------|
| Solvency | 142.00% | =>120% |
| Liquidity | 227.00% | =>120% |
| Efficiency (OPEX) | | |
| BLIP | 22.95% | =<15% |
| CLIP & HIIP | 56.80% | =<58% |
| Efficiency | | |
| BLIP | 28.15% | =<30% |
| CLIP | 31.00% | =<30% |
| Efficiency | | |
| Time to Pay Out | 100.00% | >90% |
| Return on Equity | 8.23% | >0% |
| Understanding and Outreach | | |
| Retention | 60.00% | - |
| Claims Rejection | 0.00% | - |
| Outreach | -3.50% | - |
| Risk Management | 341.00% | >125% |

Said reports will be presented in the coming Strategic Plan Review. BoT Rita moved to accept the Achievement Report for 2016-2019 duly seconded by BoT Teresita.



D. 2020 Plan and Budget

GM Salve also presented KMBA's Plan and Budget for the incoming operating year. Among the plans were concrete priorities which follow:

- Apply for a BIR Registration of the KMBA KOINS
- Apply for Certificate of Tax Exemption (Sec 30-C of NIRC)
- Increase in members' outreach by 10% or 60,000
- Maintain a combined OPEX of 20%
- Enforce an 8-hour claims settlement upon notification
- Establish at least one consortium partner
- Partner with other insurance providers for other insurance products
- Participate in the lobbying efforts and other activities of MiMAP

Moreover, KMBA has completed the assessment of its operations and financial position as of the end of the third quarter 2019 and based on these reports, the budget projections for the coming year was prepared. Among the considerations in the Budget are the following:

- The need to expand the membership base
- Salary adjustment
- Professional fee for the tax lawyer to be acquired for the processing of the Certificate of Tax Exemption
- Development of the KMBA IT Infrastructure
- Acquisition of additional equipment for the office and dormitory in the building

Given these, FM Eve presented the total projected budget for operating expenses (OpEx) to be Twenty-Two Million Nine Hundred Seventy-Four Thousand Eight Hundred Ninety Two & 99/100 (Php 22,974,892.99) Pesos, well within the limit for OpEx allocation.

The Board found the proposed budget sound and reasonable and BoT Rita moved to approve KMBA's total projected budget for operating expenses amounting to Php 22,974,892.99 for 2020 duly seconded by BoT Alma.

***BOARD RESOLUTION NO. 2019-62:
APPROVING THE PROJECTED BUDGET FOR OPERATING EXPENSES FOR 2020***

RESOLVED, to approve KMBA's total projected budget for operating expenses amounting to Php 22,974,892.99 for 2020.

VII. Updates

GM Salve shared to the Board her experiences and learnings from the ICMIF Biennial Conference she attended last November 22-23, 2019 in New Zealand.

VIII. Adjournment

There being no other matters to discuss, the meeting ended at 7:00 p.m.



Prepared by:

Brenda F. Lumbao
Board Secretary

Attested by:

Enriqueta V. Navarro
President

Alma D. Gilbaliga
Vice-President

Lilibeth C. Molina
Treasurer

Jenifer L. Abao
Member

Rita G. Dela Cruz
Member

Teresita D. Padel
Member

Atty. Maria Cleofe Gettie C. Sandoval
Independent Member

Philip Arnold P. Tuaño
Independent Member