



KASAGANA-KA Mutual Benefit Association, Inc.
5th Regular Meeting of the Board of Trustees
5 Matimpiin St. Pinyahan, Quezon City
July 30, 2021, 9:00 am
Via Video/Teleconferencing, Zoom

In Attendance:

Board of Trustees:

- | | |
|---------------------------|---------------------------|
| 1. Enriqueta V. Navarro | -President |
| 2. Alma D. Gilbaliga | -Vice President |
| 3. Jonalyn T. Andres | -Board Secretary |
| 4. Teresita D. Padel | -Board Member |
| 5. Marlin C. Perez | -Board Member |
| 6. Philip Arnold P. Tuaño | -Independent Board Member |

Also Present:

Board of Advisers:

7. Chona B. Capayas
8. Isabel M. Iliw-iliw
9. Maria Anna dR. Ignacio

Board Member Emeritus

10. Leticia T. Rodriguez
11. Wenifreda F. Rodriguez

Management and Staff

- | | |
|--------------------------|----------------------|
| 12. Silvida R. Antiquera | -General Manager |
| 13. Evelyn Lagmay | -Finance Manager |
| 14. Analyn Shih | -Executive Assistant |

The following were not able to attend:

- | | |
|---|---------------------|
| 15. Lilibeth Molina | -Treasurer |
| 16. Atty. Maria Cleofe Gettie C. Sandoval | – Independent Board |
| 17. Jeronima C. Teodoro | - Board member |



ORDER OF BUSINESS

A. Board Agenda

- I. Call to Order
- II. Prayer
- III. Determination of Quorum
- IV. Approval of Proposed Agenda
- V. Reading and Approval of the minutes of the previous meeting
- VI. Business arising from the previous meeting
- VII. Financial Report
 - a. Financial Statement for June 2021
 - b. Investment as of July 29,2021
- VIII. For Discussion and Approval
 - a. Resignation of BoT Lilibeth Molina
 - b. Group Life Insurance for the Staff (AXA)
 - c. KJSP
 - d. January to June Achievement Report
- IX. Updates/Upcoming Schedules
 - a. Mobile App
 - b. KPI as of March
 - c. KMBA Building
- X. Other Matters
- XI. Schedule of next board meeting
- XII. Adjournment

DISCUSSION HIGHLIGHTS

I. The meeting started at 9:00 a.m. with a prayer.

I. Quorum and Agenda

Board Secretary Jonalyn conducted a roll call and determined the presence of a quorum. Pres. Enriquetta presented the proposed agenda for the day's meeting. Bot Alma moved to approve the proposed agenda duly seconded by BoT Teresita.

II. Reading and Approval of the Minutes of the Meeting



Board Secretary Jonalyn read the minutes of the previous Board meeting. The Board found no clarification or comments on the minutes that needed discussions. BoT Teresita moved to approve the minutes of the previous Board meeting, duly seconded by BoT Marlin.

III. Business Arising

There was no business arising from the previous meeting.

IV. Financial Report

A. Financial Statements for June 2021

FM Eve presented the Statement of Financial Position as of June 30, 2021. The summary of the report is provided below:

Particular	As of June 30, 2021	As of June 30, 2020	Variance	
			Amount	%
Total Assets	Php 235,133,031.32	Php 226,783,555.48	Php 8,349,475.84	4%
Total Liabilities	153,883,816.16	154,221,193.51	(337,377.35)	-0.22%
Total Fund Balance	81,249,215.16	72,562,361.97	8,686,853.19	12%

On the other hand, the summary of the Income Statement for the month ended June 30, 2021 is as follows:

Particular	As of June 30, 2021	As of June 30, 2020	Variance Amount
Gross Revenue	Php 19,774,116.48	Php 15,773,197.97	Php 4,000,918.51
Total Benefit Expense	17,160,590.84	14,396,577.49	2,764,013.35
Total Operating Expense	5,723,728.94	5,109,080.48	614,648.46
Total Investment Revenue and Other Income	2,202,760.58	1,847,732.58	355,028.00
Net Surplus (Loss) before Income Tax	Php (907,442.72)	Php (1,884,727.42)	Php 977,284.70
Income Tax Expense	8,325.24	0.00	8,325.24
Net Surplus (Loss)	Php (915,767.96)	Php (1,884,727.42)	Php 968,959.46

Moreover, the summary of the Cash Flow Statement as of June 30, 2021 is as follows:

	Php
Cash provided by operations	Php 3,174,972.00
Dividend Income	406,067.00
Interest Income	1,796,336.00
Net cash provided by operating activities	Php 5,377,375.00
Acquisition of property, plant and equipment	Php (58,346.00)
Receivable from KCOOP	(10,000,000.00)
Net cash used in investing activities	Php (10,058,346.00)
Release of excess unassigned surplus	Php (1,505,873.00)
Contribution of retirement benefit obligation	(2,048,926.00)
Net cash used in financing activities	Php (3,554,799.00)
Cash and Cash Equivalents, beginning	29,659,995.00
Cash and Cash Equivalents, as of JUNE 30, 2021	Php 21,424,225.00



B. Investments as of July 28, 2021

The portfolio mix as of July 28, 2021 is as follows:

Type of Investment	Current Placement
Cash in Bank	Php 13,706,106.82
Time Deposit	5,740,734.24
UITF	20,408,495.73
Government Securities	73,162,000.00
Corporate Bonds	6,000,000.00
Mutual Fund	5,000,000.00
Stocks	13,000,000.00
LTNCD	5,000,000.00
KCOOP Loan	10,000,000.00
Investment Property	64,338,685.01
TOTAL INVESTMENTS	Php 216,356,021.80

FM Eve also presented this Board the Association’s Key Performance Indicators computed by MiMAP for the period ended 2020 and March 2021.

		2020	2021 Q1			2020	2021 Q1
Financial Stability	<i>Solvency</i>	152.39%	138.00%	Service	<i>Time to Payout</i>	100.00%	100.00%
	<i>Liquidity</i>	149.91%	135.43%				
Fund Management / Product Value	<i>BLIP OpEx</i>	33.99%	32.03%	Outreach	<i>Growth</i>	(24.43%)	0.61%
	<i>Opt OpEx</i>	24.29%	51.14%				
	<i>Overall OpEx</i>	31.87%	37.07%				
	<i>BLIP Claims</i>	35.60%	41.13%				
	<i>Opt Claims</i>	28.56%	30.66%				
	<i>Overall Claims</i>	69.59%	73.16%				

Despite the increase of claims disbursed in the first semester of 2021, Sir Randy recognized the efforts of both the Management and the members for the improvement of the collection of premiums based on the report. Board Emeritus Leticia also acknowledged the performance of the Association in its investments. Moreover, Board Adviser MeAn made recommendation on the presentation of the KPI of the Association where it would be clearer and relevant if it includes comparison with other MBA-members in the network with same size in the same operating area to assess not only the performance of KMBA but also to evaluate the situation of the industry.

With no further questions, BoT Teresita moved to accept the financial reports for June 2021 and investment mix as of July 28, 2021, duly seconded by BoT Marlin.

V. Resignation of Lilibeth Molina



GM Salve presented Board Member and Treasurer Lilibeth's Resignation Letter dated July 20, 2021 to the Board. BoT Lilibeth expressed her resignation on the grounds that she could no longer perform her duties. Sir Randy moved to accept the resignation of Board Member and Treasurer Lilibeth Molina, duly seconded by BoT Alma.

**BOARD RESOLUTION NO. 2021-21:
ACCEPTING THE RESIGNATION OF BOARD TREASURER LILIBETH MOLINA**

RESOLVED, to accept the resignation tendered by Lilibeth Molina from the office of the Board of Trustees of Kasagana-Ka Mutual Benefit Association, Inc.

To discuss the subsequent steps to be taken regarding the vacancy of the position in the Board, BoT Teresita moved to approve that the matter shall be discussed in a special meeting by the Corporate Governance Committee (Board Risk Oversight Committee). BoT Marlin seconded the motion.

VI. Group Life Insurance for the Staff (AXA)

GM Salve revisited the institutional-wide policy of the Kasagana-Ka organizations regarding the Group Life Insurance for its employees. The policy started in 2010 and was renewed every five years. Historical policies were secured by CocoLife (2011-2015) and PhilAmLife (2016-2020). GM Salve presented the proposals quoted from different private insurers for this year's renewal of the said policy.

PROVIDER	PHILAMLIFE	AXA	COCOLIFE	MANULIFE
COVERAGE	Life Insurance for to natural or accidental death	Life Insurance for to natural or accidental death	Life Insurance for to natural or accidental death	Life Insurance for to natural or accidental death
AMOUNT OF BENEFIT Level 1 – ManCom Level 2 – Rank & File	P 500,000.00 P 300,000.00	P 500,000.00 P 300,000.00	P 500,000.00 P 300,000.00	P 500,000.00 P 300,000.00
PREMIUM RATES Level 1 – ManCom Level 2 – Rank & File	P1,000.00 P 600.00	P 690.00 P 414.00	P 930.00 P 558.00	P 890.00 P 530.00

GM Salve expressed the management's recommendation favoring AXA as the provider of the Group Life Insurance having the lowest premium of the same coverage and benefit.

The summary for approval follows:

For KMBA:

For Level 1: Php 690.00 x 9 employees = **Php 6,210.00**
For Level 2: Php 414.00 x 1 employee = **Php 414.00**
Grand Total **Php 6,624.00**

The Board found the recommendation sound and necessary. BoT Alma moved to approve AXA as the provider of the Group Life Insurance for KMBA employees with annual payment of Six Thousand Six Hundred and Twenty-Four (Php 6,624.00) Pesos for that purpose. The motion was duly seconded by BoT Teresita.



BOARD RESOLUTION NO. 2021-22:

APPROVING AXA AS PROVIDER OF KMBA FOR ITS GROUP LIFE INSURANCE TO EMPLOYEES

RESOLVED, to approve AXA as the provider of the Group Life Insurance of the Association for its employees with annual payment of Six Thousand Six Hundred and Twenty-Four (Php 6,624.00) Pesos.

VII. Achievement Report (January to June 2021)

GM Salve reported KMBA's accomplishments in its operations for the period of January to June 2021.

Membership

	KCOOP	CAPS-R	JVOMFI	Other Associates	TOTAL June 2021	June 2020	Variance
In force	29,004	7,896	208	415	37,523	42,394	11% decrease
Lapsed	2,710	2,240	120	109	5,179	12,490	58% decrease
TOTAL	31,714	10,136	328	524	42,702	54,884	22 % decrease

Claims – BLIP

Organization	#	Amount
KCOOP	253	Php 5,238,901.00
CAPS-R	51	1,010,457
JVOMFI	2	10,000.00
TOTAL	306	Php 6,259,358.00

Claims - CLIP

Covered loans	32,044
Premium	Php 2,145,649
Claims	Php 1,507,523

Others

Product/Services	#	Amount
HIIP	9	Php 27,000.00
Calamity assistance (typhoon)	19	39,000.00
Calamity assistance (fire)	40	120,000.00
K-Kalinga	2	20,000.00
K-Bente (KCOOP)	5	30,000.00
K-Bente (CAPS-R)	19	114,000.00

Marketing Updates

➤ released Information Education Campaign (IEC) videos	➤ conducted product orientation to 10 organizations groups
➤ regular updating of Facebook page	➤ created YouTube channel for video graphic contents
➤ KMBA Mobile App for release on August 2021	



There were no questions asked regarding the report. BoT Marlin moved to accept the Achievement Report of KMBA for the period January to June 2021, duly seconded by BoT Teresita.

VIII. Kuya Jun Scholarship Program

GM Salve reported a total of Php 5.6 Million disbursed benefit in the KMBA's Kuya Jun Scholarship Program as of June 30, 2021 – an amount already in excess of the Php 5Million initial mark for the program. She added that there are 91 existing scholars and 39 additional scholars projected and budgeted for the year 2021. She recommended the continuance of the said scholarship program to the Board for the year 2021.

BoT Alma moved to approve the continuance of the Kuya Jun Scholarship Program for the year 2021. BoT Alma added in the motion that succeeding years shall require an annual approval based on the availability of the Association's funds. BoT Marlin seconded the motion.

**BOARD RESOLUTION NO. 2021-23:
APPROVING THE CONTINUANCE OF KUYA JUN SCHOLARSHIP PROGRAM**

***RESOLVED**, to approve the continuance of the Kuya Jun Scholarship Program for the year 2021 subject to annual review and approval based on the availability of the Association's funds.*

IX. Updates/Upcoming Events

- A. **Mobile App.** Account Officer Diobert gave updates about the KMBA Mobile App by Kezar Atlas. He announced that application is currently under Alpha testing but is available already in Google Play Store.
- B. **KMBA Building.** GM Salve introduced to the Board its new project-based maintenance personnel, Mr. Michael Henry "Mikee" Estopace who gave an update about the building as of July 29, 2021.

Major accomplishments of Mr. Mikee were (1) drafting the Building Profile from the compilations of manuals and maintenance of building machines and equipment, and (2) inspection, maintenance and repairs in the building.

Accomplished major and minor repairs were: (1) have fixed rainwater leaks, (2) repaired masonry cracks and repainted paint cracks, peeling and stained walls, (3) fixed the lowered ceilings, (4) fixed the water leaks and replaced fixtures in CRs and pantry area, and (5) made the Fire Alarm Control Panel working.

Mr. Mikee also presented his identified ongoing building concerns like completing all the necessary manuals and guides in its administration, installation of roof access, installation of elevator electricity submeter, fire pump test and other maintenance and cleaning on identified areas.

The Board recognized the good report presented by Mr. Mikee.



C. **Next regular Board Meeting.** To be announced.

IX.

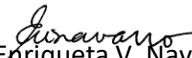
Adjournment

There being no other matters discussed, the meeting ended at 11:32 am.

Prepared by:


Jonalyn T. Andres
Board Secretary

Attested by:


Enriqueta V. Navarro
President