



**Board Resolution No. 4
Series of 2022**

RECLASSIFYING RETIREMENT FUND AND EQUITY VALUE TO ASSIGNED SURPLUS

Upon motion, duly seconded, the Board of Trustees, in a meeting held on January 28, 2022, where a quorum is present, adopted the following resolution:

WHEREAS, on 27 September 2016, the Microinsurance MBA Association of the Philippines, Inc. (MiMAP), through its Board of Trustees, sent to Insurance Commission a letter formalizing its proposal for the subject: ***“Treatment of Equity Value of Members Before the Implementation of the Amended Insurance Code in 2013”***, which is focused on floating Equity Value reserves in the balance sheet of Mi-MBAs for members;

- (a) who were delinquent beyond the three (3)-year reinstatement period;
- (b) who resigned before the required three (3) years continuing membership before entitlement of Equity Value, and
- (c) who died, but under the policy certificates that do not provide a return of Equity Value in case of death of a member

WHEREAS, for case (a) or equity value reserves for delinquent members beyond the prescribed three (3) year-reinstatement period, MiMAP made a recommendation to transfer the amount to Assigned Surplus of the Fund Balance, provided;

- (a) the MBA has to initiate at least two (2) actions to locate and inform the delinquent member of his/her equity value;
- (b) if no result of equity value claim by 31 December 2016 after such actions, transfer to **Assigned Surplus** and maintain the corresponding schedule in case any of them will claim in the future.

WHEREAS, on 10 October 2016, the Insurance Commission responded and interposed no objection on the recommendations of MiMAP;

WHEREAS, KMBA recommended this Board a full adherence with the Insurance Commission’s correspondence for its identified list of accounts for reclassification of the retirement fund and equity value as follows;

YEAR LAPSED	Number of Members	Retirement Fund	Equity Value	TOTAL AMOUNT
2007	1	Php 656.86	Php 148.21	Php 805.07
2008	2	589.26	167.95	757.21
2010	2	73.63	100.15	173.78
2011	30	2,328.73	2,793.74	5,122.47
2012	208	32,885.11	46,155.67	79,040.78
2013	241	71,082.90	99,132.84	170,215.74
2014	713	279,481.63	386,487.04	665,968.67
2015	1,188	484,340.43	672,656.30	1,156,996.73
2016	11,787	3,767,307.88	5,262,213.03	9,029,520.91
2017	27,500	5,586,367.88	7,966,841.98	13,553,209.86
2018	2,963	716,601.12	1,058,761.57	1,775,362.69
Jan 2019	306	85,513.90	126,034.19	211,548.09
GRAND TOTAL	44,941	Php 11,027,229.33	Php 15,621,492.67	Php 26,648,722.00



NOW THEREFORE, the foregoing premises considered, the Board of Trustees **RESOLVED** to approve the reclassification of Eleven Million Twenty-Seven Thousand Two Hundred and Twenty-Nine & 33/100 (Php11,027,229.33) Peso-Retirement Fund and Fifteen Million Six Hundred Twenty-One Thousand Four Hundred and Ninety-Two & 67/100 (Php 15,621,492.67) Peso-Equity Value with a total sum of Twenty-Six Million Six Hundred Forty-Eight Thousand Seven Hundred and Twenty-Two (Php 26,648,722.00) Pesos to the Assigned Surplus in the Fund Balance of the Association.

Adopted this 28th of January, 2022 in Quezon City, Philippines by the affirmative vote of the undersigned members representing a majority of the trustees of KMBA, Inc.

Enriqueta V. Navarro
President

Alma D. Gilbaliga
Vice-President

Teresita D. Padel
Treasurer

Martin C. Perez
Member

Jeronima C. Teodoro
Member

Atty. Maria Gettie Cleofe C. Sandoval
Independent Member

Philip Arnold P. Tuaño
Independent Member

Attested by:

Jonalyn T. Andres
Board Secretary