



KASAGANA-KA

Mutual Benefit Association, Inc.

KASAGANA-KA Mutual Benefit Association, Inc.
2015-2 Board of Trustees Meeting
DEHHA Clubhouse, Don Francisco St., Don Enrique Heights,
Brgy. Holy Spirit, Quezon City
March 27, 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. Financial Report for the month of February 2015
- VII. Matters for discussion/Approval
 - A. Mi-MBA Membership
 - B. Renewal membership - CATXOL
 - C. Retirement Plan
 - D. K-Kabataan for Staff
Area Coordinator
- VIII. For Information
 - A. Meeting with Vibes
 - B. RMSI Training
- IX. Adjournment



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I. Invocation

The board of trustees meeting started at 9 :00 in the morning with a prayer led by BOT Adviser Weny.

II. Determining the quorum

BOT Secretary Jerlene Perez, Board Secretary, reported that one hundred percent of the board members or seven out of seven member-board 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 previous commitments.

III. Approval of the proposed agenda

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

BOARD RESOLUTION No 3, 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 for January 2015. It was followed by BOT member Marivic who read the portion of investments, portfolio mix and the amendment of 2015 budget and BOT Treasurer Judea continued reading the last part of the minutes on 2015 achievement reports and other activities.

BOT Adviser Letty asked, 'what are we going to do with those members with current loan, already reached 65 and withdrawn equity value and RF ? What is our assurance that they still pay their loans ? GM Salve suggested that this matter be referred to KDCl and it's up to them how to deal with this concern.



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She said that once the member has been terminated due to exit age and that benefits have been returned then KMBA do not have responsibility over the member.

KMBA Finance Manager Eve Aban, clarified on the January Financial statement, on page 1, instead of 'Total Liabilities' this should be 'Liabilities and Fund Balance. She also explained that the increase in spending under 'Professional and Technical Development' is due to the recollection of board and area coordinators. On page 4, portfolio mix, instead of 'additional placement' it's better to call it 'potential for placement.'

BOT Adviser Letty also inquired what limits the KMBA to invest more in Corporate Bonds? Ms. Eve responded that this is part of the regulation of the Insurance Commission that we need to avoid high 'risk' investments to prevent future losses. Government securities is still the most safe investment.

BOARD RESOLUTION No. 4, Series of 2015. APPROVAL OF THE MINUTES OF FEBRUARY 26, 2015 BOARD OF TRUSTEES MEETING

RESOLVED, as it is hereby resolved that the Board approved the MINUTES OF THE FEBRUARY 26, 2015 board of trustees meeting

V. Financial report for the month of February 2015.

Ms. Eve reported the Financial Statement for the month of February 2015, the total asset is Php 117,975,426.68, composed of cash & cash equivalents, receivables, short term financial asset and non-current asset. Asset has increased by 25.43%. The Liabilities is Php 82,458,878.77 or 20.83% increase. Fund balance has increased to Php 35,516,547.91.

To date, the Liabilities and Fund Balance has totalled to Php 117,975,426.68 or 25.43 increase while the Net Surplus is Php 554,005.97.

Claims for the BLIP has increased by 25.43% compared to the other month of January 2015 with claims amounting to Php 720,125. CLIP claims ratio has increased to 38.82% amounting to P193,000.00. The operational expenses (OPEX) for this month is 20.16%

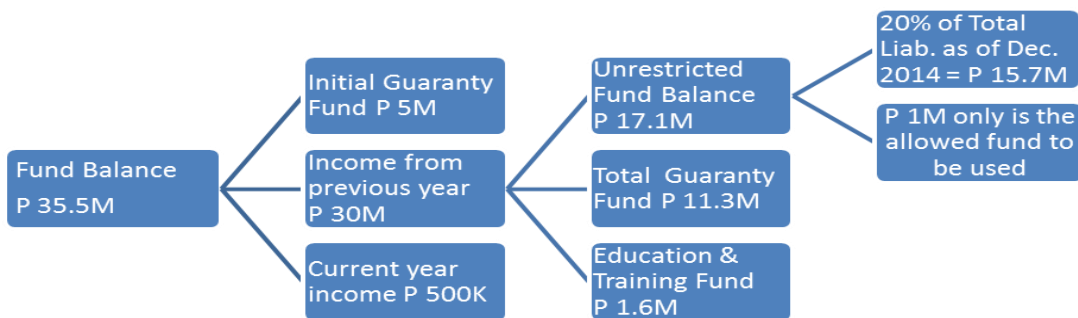


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Ms. Eve also reported that KMBA earned interest income of P126,000.00 from the petron investment. Kalinga sales remains low. BoT Adviser Letty expressed dissatisfaction in K-kalinga process of enrollment handled by KDCL S.O at the center level. She observed that K-kalinga is not seriously taken into consideration, thus, she proposed to better go back to the previous process wherein area coordinators are in-charge of K-Kalinga enrollment. GM Salve and BOT Jerlene took note of the suggestion and further suggested to refer the matter to KDCL. BOT Judea also reminded the body that KMBA must abide by the agreement that area coordinators will assist the SO's in the K-kalinga enrolment of members at the center level. GM Salve also added that areas coordinators must log in their monitoring forms the number of POC's sold during their center visits using the POCs from the branch. If ever there'll be no more POC available in the branch, area coordinators may use their own issued POC to make sure that control numbers are properly recorded for monitoring purposes.

Ms. Eve continued with her report, showing the allowed funds that can be used from the excess in the 20% liabilities. See illustration below :





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M s. Eve also presented the list of KMBA investments as of March 26, 2015 .

Type of Investment	Bank	Account Type	Maturity Date	Net Int.Rate	Face Amount	
	Metro Bank	Current Acct.Gen. Fund #:007-032-50403-1			2,952,356.51	
		Current Account- CLIP #:032-7032-50480-5			639,760.83	
		Current Account-BLIP Acct.# 032-50451-1			816,730.62	
			Savings Account-BLIP Acct.#032-303217877-5			7,404,572.37
			Savings Account-CLIP Acct.#032-3032-2221-3			1,049,221.10
	Sub-Total					12,862,641.43
	BDO		Savings Account Acct.#7250027686			31,520.01
			Current Account Acct#7258003871			312,828.62
	Sub-Total					344,348.63
	China Bank		Savings Account Acct.# 138-313121-3			7,010.32
TOTAL					13,214,000.38	

TIME DEPOSIT					
	BDO	Regular Time Deposit Acct#372507151176	April 21, 2015 (30 Days)	0.400%	301,945.90
	MBTC	Regular Time Deposit Acct#032-1-032028215	March 30, 2015 (30 Days)	0.600%	4,033,180.74
		Regular Time Deposit Acct#032-103202782-0	March 30, 2015 (60 Days)	0.600%	4,020,264.40
		Regular Time Deposit Acct#032-103202851-7	March 30, 2015 (30 Days)	0.600%	801,351.95
TOTAL					9,156,742.99
GOVERNMENT SECURITIES	BDO	RTB 10-04 ISIN #PIID 1023H 046	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



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	CHINA BANK	FXTN 25-08 ISIN#PIBD2535L086	Dec. 16, 2035 (25 years - Tradable)	6.486%	7,127,000.00
		RTB 10-04 ISIN#PIID1023H046	Aug. 15, 2023 (10 years - Tradable)	2.600%	10,000,000.00
		FXTN 10-59 ISIN#PIBD1024H595	Aug. 20, 2024 (10 years - 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					113,032,743.37

PORTFOLIO MIX as of March 26, 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 13,214,000.38	12.04%		
Time Deposit		Php 9,156,742.99	8.34%		
Gov't. Sec.		Php 61,162,000.00	55.74%		
Corp. Bonds	25%	Php 14,500,000.00	13.21%	11.786%	12,933,617.73
Mutual Fund	10%	Php 7,000,000.00	6.38%	3.621%	3,973,447.09
Stocks	10%	Php 8,000,000.00	7.29%	2.710%	2,973,447.09
Total Funds as of October 28, 2014		Php 113,032,743.37			
Admitted Assets as of Dec. 2014 per IC Audit		Php 109,734,470.91			Php 19,880,511.91



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VI. For approval

A. Mi-MBA Membership

GM Salve reported to the Board that RIMANSI has invited KMBA to become a member of the Mi-MBA Organization of the Philippines (MiMAP). The objective of the organization is to strengthen the MBAs and maximize the resources and services that RIMANSI provides to its partners. As a member, KMBA has to pay a one-time membership fee of Fifty Thousand (Php 50,000) Pesos. There are two (2) classification of members: a) "Regular Member" who is operating as an MBA for at least 1 year with 20,000 members, with voting power and b) "Associate Members" who is operating as an MBA for less than a year and their members, has no voting power. The Annual fee depends on the Net Worth of the organization as shown in the table below:

Net Worth	Annual Fee
P 10 Million & Below	P 15,000.00
Greater than P 10M but less than P 50M	P 25,000.00
Greater than P 50M but less than P 250M	P 35,000.00
Over P 250M	P 50,000.00

BOT member Jona moved to approved the membership of KMBA to MiMAP and seconded by BOT member Aileen.

BOARD RESOLUTION No. 40, Series of 2015. APPROVAL OF THE KMBA MEMBERSHIP TO MiMAP.

RESOLVED, as it is hereby resolved that the Board approved the KMBA membership to MiMAP and pay the required fees.

B. Renewal of CATASTROPHE EXCESS OF LOSS TREATY (CAT-XOL)

GM Salve asked the Board to approve the reinsurance renewal of CAT-XOL with insurance premiums of Php 17,600 for the period April 1, 2015-March 31, 2016. The premium covers both the insured member and dependents. This reinsurance will address the need of KMBA in case there will be massive claims due to calamity such as earthquake, flood, among others. For Claims that exceeds the allowable allocation of KMBA due to these calamities shall be paid by PHILNARE, the reinsurer.



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BOT member Marivic moved to approve the reinsurance renewal of CATXOL with PHILNARE from April 1, 2015-March 31, 2016 and seconded by BOT Treasurer Judea.

BOARD RESOLUTION No. 41,, Series of 2015. APPROVAL OF THE REINSURANCE RENEWAL OF CATASTROPHE EXCESS OF LOSS TREATY WITH PHILNARE.

RESOLVED, as it is hereby resolved that the Board approved the reinsurance renewal of of CATXOL with PHILNARE to effect from April 1, 2015 to March 31, 2017.

C. Employees Retirement Plan

Per RA 7641, "The New Retirement Pay Law", a retiring employee is entitled to a retirement pay equal or at least equivalent to $\frac{1}{2}$ of his/her monthly salary for every year of service. The Retirement Plan package was proposed by Private Education Retirement Annuity Association (PERAA). PERAA will serve as fund manager for the retirement fund intended for KMBA employees. The following are PERAA's Plan: a) Employees' Trust- fund is intended for retirement fund of individual employee and will be used for retirement pay b) Institutional Fund – fund will be under the name of the institution, policy shall be formulated and the institution will determine where to get the fund for retirement of their employee and k) Employees' Trust with Reserve Fund or a combination of both options. The "Institutional Fund" plan is appropriate for KMBA, this will address the need of its employees. GM Salve asked the Board approval for engagement of KMBA to PERAA to be the fund manager of KMBA's employees retirement fund.

BOT member Aileen moved to approve the retirement plan of KMBA employees to be managed by PERAA and seconded by BOT member Jona.

BOARD RESOLUTION No. 42, Series of 2015. APPROVAL OF THE RETIREMENT PLAN FOR KMBA EMPLOYEES TO BE MANAGED BY PERAA.

RESOLVED, as it is hereby resolved that the Board approved the retirement plan of the KMBA employees which will be managed by PERAA.



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D. K-Kabataan for Staff

With KDCI policy on financial assistance for education of employees children under the K-Kabataan program, GM Salve asked the Board to give the same benefit to the KMBA staff. She further asked the board to allocate additional funds for that purpose since it was included in the 2015 budget.

BOT Treasurer Judea moved to approve the K-Kabataan assistance to the KMBA Staff and allocate funds for this purpose and seconded by BOT member Marivic.

BOARD RESOLUTION No. 43, Series of 2015. APPROVAL OF THE K-KABATAAN FINANCIAL ASSISTANCE FOR KMBA STAFF AND ALLOCATE FUNDS FOR THIS PURPOSE.

RESOLVED, as it is hereby resolved that the Board approved the allocation of funds for the K-Kabataan financial assistance for the KMBA staff.

E. Representation as area coordinator

Gender representation of area coordinator was discussed because of the presence of a male area coordinator from Bagong Silang. BOT Adviser Weny expressed that male representation maybe allowed at the center level but not at the area coordinator and more so at the Board level. For her, male represents a very minimal percentage among the general membership. Women dominates the membership and therefore should be given ample representation. However, this does not prohibit male members to become officers but limited only to center level. The rest of the board members agreed with BoT Weny's proposal and recommended that Bagong Silang Coordinator shall be allowed to finish his term as area coordinator and shall be replaced thru election the following year or once his term is due.

BOT member Aileen moved to approve that male representation be limited to center level only and seconded by K-Kabataan assistance to the KMBA Staff and allocate funds for this purpose and seconded by BOT member Jona.



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BOARD RESOLUTION No. 39, Series of 2015. APPROVAL THAT MALE REPRESENTATION BE LIMITED TO THE CENTER LEVEL ONLY.

RESOLVED, as it is hereby resolved that the Board approved that male representation be limited to center level only since men represent a very minimal percentage of the women-dominated membership.

VII. For Information

A. Meeting with Vibes

GM Salve reported to the Board that she conducted an Orientation with Vibes, an organization of blind massuers. The organization is exploring the possibilities of providing insurance benefit for their members.

B. RMSI Training

GM Salve also reported that John Jacinto and Diobert Calanza attended the Basic Microinsurance Course last May 18-19, 2015 sponsored by RMSI. Both of them passed the qualifying examination of the said training.

VIII. Adjournment

The meeting was adjourned at 12:39 P.M.

Prepared by:  Jerlene B. Perez
Board Secretary