



**KASAGANA-KA Mutual Benefit Association, Inc.**

**1<sup>st</sup> Regular Meeting of the Board of Trustees**

**5 Matimpiin St. Pinyahan, Quezon City**

**January 29, 2020 8:30 am**

**In Attendance:**

Board of Trustees:

- |                           |                           |
|---------------------------|---------------------------|
| 1. Enriqueta 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:

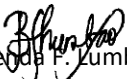
10. Chona B. Capayas
11. Isabel M. Iliw-iliw
12. Maria Anna dR. Ignacio

Board Member Emeritus

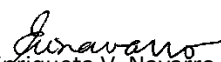
13. Leticia Rodriguez
14. Wenifreda Rodriguez

Management and Staff

- |                          |                      |
|--------------------------|----------------------|
| 15. Silvida R. Antiquera | -General Manager     |
| 16. Evelyn Lagmay        | -Finance Manager     |
| 17. Analyn Shih          | -Executive Assistant |

  
Brenda F. Lumbao  
Board Secretary

Attested by:

  
Enriqueta V. Navarro  
President



## ORDER OF BUSINESS

- 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
- VII. Review of Vision, Mission & Goals and ACGS Compliance
- VIII. Operation and Financial Report
  - a. Year-End Report
  - b. Financial Statement for the month of December 2019
  - c. Investment as of January 28,2020
- IX. For Discussion/Approval
  - a. 2020 Budget Amendment
  - b. Confirmation of Investment – Premyo Bonds
  - c. Confirmation of Relief Assistance for Victims of Taal Eruption
  - d. Change Order Nos. 18-20
  - e. Petty Cash Fund
    1. HIIP
    2. Building Expenses
  - f. Compliance
    1. Amendment of Business Address (for SEC)
    2. GIS – to include Beneficial Ownership Information (SEC MC No. 15, Series of 2019)
    3. Updating of AMLC on Electronic Registration & Reporting Guidelines (IC Circular 2018-6)
    4. Designate Compliance Officer and Alternate Compliance Officer for 2020
- X. Updates
  - a. Status of Building Completion
  - b. Building Permit (Fire and Occupancy)
  - c. Result of 2019 ACGS
- XI. Performance Evaluation
  - a. Performance Evaluation of GM Salve – June to December 2019
  - b. Performance Evaluation of Board of Trustees – June to December 2019
- XII. Upcoming Schedule
  - a. Microinsurance Forum – January 30, 2020.
- XIII. Schedule of next regular/special board meeting
- XIV. Adjournment



## DISCUSSION HIGHLIGHTS

I. The meeting started at 8:30 a.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 Teresita, duly seconded by BoT Lilibeth.

### III. Reading and Approval of the Minutes of the Meeting

The minutes of the previous meeting were provided ahead of the meeting. Pres. Enriqueta asked the Board for clarification or comments that needed discussions.

With no further questions, BoT Lilibeth moved to approve the minutes of the previous meeting seconded by BoT Alma.

### IV. Business Arising

GM Salve revisited the Building Fire Insurance the Board had approved in the previous meeting. She said that the final amount billed as premium by RMSI to KMBA was lowered from Php 94,297.75 to Php 80,327.75.

### V. Review of Vision, Mission & Goals and ACGS Compliance

ASEAN Corporate Governance Scorecard, which the Insurance Commission has adopted, requires the annual review of the vision, mission and corporate goal statements of organizations. Such a practice would be beneficial to the Association in order to ensure that its operational plans and targets are in harmony with its avowed vision and mission. GM Salve presented the following.

<b>Vision</b>	<i>KMBA envisions a self-reliant and self-sustaining mutual benefit association that actively and appropriately responds to financial risk management needs of poor Filipino families.</i>
<b>Mission</b>	<ul style="list-style-type: none"> <li>▪ <i>KMBA will offer microinsurance products and services that provide immediate financial assistance in times of dire needs.</i></li> <li>▪ <i>KMBA will provide microinsurance packages that can broaden the safety net of the poor.</i></li> <li>▪ <i>KMBA will engage in advocacy and networking activities that seek to render further support to its members.</i></li> <li>▪ <i>KMBA will continually seek to develop cost-effective mechanisms for delivering microinsurance to the poor and disadvantaged.</i></li> </ul>
<b>Corporate Goals</b>	<ul style="list-style-type: none"> <li>▪ <i>KMBA aspires to become a self-reliant and self-sustaining mutual benefit association that is able to efficiently and effectively provide for safety net to its members.</i></li> <li>▪ <i>KMBA intends to be competitive microinsurance provider that meets local and international standards as well as in the promotion of good corporate governance through its operations.</i></li> </ul>

Board Adviser MeAn suggested that statements shall consider leadership and strategic mindset addressing the now-called VUCA World (Volatile, Uncertain, Complex, and Ambiguous). This shall be done in a separate session like Strategic Plan Reviews.

The Board found that the current statements remain true, ethical and reflective of KMBA's purposes, goals and plans. BoT Rita moved to accept the current vision, mission and corporate goals of KMBA duly seconded by BoT Lilibeth.



**BOARD RESOLUTION NO. 2020-01:  
ACCEPTANCE OF THE VISION, MISSION AND CORPORATE GOALS REVIEW**

**RESOLVED**, to approve and re-adopt the current vision, mission, and corporate goals of KMBA, as stated below, until such time that the Association deems it necessary to amend the same.

GM Salve also shared to the Board its commitment to the principles of transparency and accountability in decision-making and management, ethical and responsible operations, and equitable treatment of stakeholders, and to related best practices contained in the present manual, and acknowledge that the same serves as guide in the attainment of the association goals.

BoT Teresita moved to confirm the commitment of KMBA to Good Corporate Governance duly seconded by BoT Jennifer.

**BOARD RESOLUTION NO. 2020-02:  
COMMITMENT TO GOOD GOVERNANCE**

**RESOLVED**, to confirm in its commitment to good governance in promoting transparency, accountability and greater participation by its stakeholders, thus, the code of good governance shall also be shared to the association's value chain and members.

**VI. Operational and Financial Report**

**A. 2019 Year-End Report**

GM Salve presented the 2019 year-end report, including membership, number of policy holders for each insurance product and organizational development concerns.

Board Adviser MeAn noticed a significant variance on the count of KMBA in its KCOOP members. She said that KCOOP reached around 41,000 members already and KMBA's count of 34,088 members suggests major discrepancy. GM Salve explained that the number is based on the members who religiously pay the basic life insurance product premium in the KOINS and discrepancies are due to status like "lapsed" and "resigned" for exit age that are still "active" in KCOOP.

Adviser MeAn recommended that MIS of both organizations should reconcile items of differences and determine specific causes of said differences. GM Salve agreed to the recommendation.

**Action Point:** "Reconcile data with KCOOP MIS and finalize the total membership count from KCOOP. Determine the causes of differences and quantify per cause."

The report was well-received by the Board including the action point recommended. BoT Alma moved to accept the 2019 Year-End Report awaiting final membership count. BoT Rita seconded the motion.

**BOARD RESOLUTION NO. 2020-03:  
ACCEPTANCE OF THE 2019 YEAR-END REPORT**

**RESOLVED**, to accept the 2019 Year-End Report.



B. Financial Statements

FM Eve presented the Statement of Financial Position as of December 31, 2019. The summary of the report is provided below.

Particular	As of December 31, 2019	As of December 31, 2018	Variance	
			Amount	%
Total Assets	Php 221,820,352.15	Php 209,248,507.23	Php 12,571,844.92	6%
Total Liabilities	146,700,675.81	135,155,314.37	11,545,361.44	8%
Total Fund Balance	75,119,676.40	74,093,192.91	1,026,483.49	1%

On the other hand, the summary of the Income Statement for the month ended December 31, 2019 is as follows:

Particular	As of December 31, 2019	For the month of December, 2019	For the month of November, 2019	Variance Amount
Gross Revenue	Php 53,600,314.30	Php 4,220,665.09	Php 4,279,661.61	Php (58,996.52)
Total Benefit Expense	39,598,625.64	2,939,085.86	3,257,807.43	318,721.57
Total Operating Expense	11,361,672.41	1,433,467.02	1,224,628.15	(208,838.87)
Total Investment Revenue and Other Income	4,858,237.74	842,213.35	441,712.12	400,501.23
Net Surplus (Loss)	Php 7,498,253.99	690,325.57	238,938.16	Php 451,387.41

The Board accepted the financial reports as of December 31, 2019 upon motion of BoT Alma duly seconded by BoT Rita.

C. Investments as of January 28, 2020

The portfolio mix as of January, 2020 is as follows:

Type of Investment	Current Placement
Cash in Bank	Php 18,830,691.77
Time Deposit	5,678,198.52
UITF	25,000,000.00
Government Securities	78,162,000.00
Corporate Bonds	6,000,000.00
Mutual Fund	5,000,000.00
Stocks	8,000,000.00
LTNCD	5,000,000.00
Investment Property	61,721,818.79
<b>TOTAL INVESTMENTS</b>	<b>Php 213,392,709.08</b>

FM Eve reviewed that KMBA has available investible fund of eight million (Php 8,000,000.00) pesos. She also presented different offers of various investment schemes like bonds, shares of stocks and treasury bills. Board Adviser MeAn and Sir Randy recommended to consult first their financial adviser as to what type of investment is more appropriate or better to invest in at current date.



GM Salve asked the Board to place the said sum in their UITF for the mean time while finalizing investment arrangements.

With no further questions, BoT Alma moved to accept the investment mix as of December 31, 2019 including the investment of eight million (Php 8,000,000.00) pesos to its UITF, duly seconded by BoT Rita.

**BOARD RESOLUTION NO. 2020-04:  
AUTHORIZING THE INVESTMENT OF AVAILABLE FUNDS EVALUATED**

*RESOLVED, to authorize the investment of Eight Million (Php 8,000,000.00) Pesos in its Unit Investment Trust Fund.*

**VII. For Discussion/Approval**

**A. 2020 Budget Amendment**

Management proposed an amendment to the interim budget for 2020 approved by the Board in its previous special meeting. Determined adjustments to the interim budget are due to additional personnel expenses due to salary adjustment and reduction in the research and development expense and expenditures in First Life – K20 for its members' benefits.

In total, the previous budget projection of Php 22,974,892.49 has lowered to Php 21,989,707.92.

With no further comments on the projection, BoT Teresita moved to approve the amendments of the 2020 Budget from Php 22,974,892.49 to Php 21,989,707.92. BoT Jennifer seconded the motion.

**BOARD RESOLUTION NO. 2020-05:  
APPROVING THE 2020 BUDGET**

*RESOLVED, to approve the adjustment in the 2020 Budget from Php22,974,892.49 to Php21,989,707.92 considering the additional allocation to personnel expenses and reduction in research and development expenses and First Life-K20 members' benefits.*

**B. Confirmation of Investment – Premyo Bonds**

GM Salve asked for the Board's confirmation on their placement of Five Million (Php 5,000,000.00) Pesos in Premyo Bonds issued by the Republic of the Philippines. Said bond is a short-term debt securities that has a definite maturity date and pays a fixed interest rate per annum of three per centum (3%).

BoT Lilibeth moved to confirm said placement duly seconded by BoT Rita.

**BOARD RESOLUTION NO. 2020-06:  
CONFIRMATION OF INVESTMENT – PREMYO BONDS**

*RESOLVED, to confirm the investment of five million (Php 5,000,000.00) pesos in the Republic of the Philippines – Premyo Bonds.*



### **C. Confirmation of Relief Assistance for Victims of Taal Eruption**

Showing solidarity and compassion for the victims of Taal Volcano Eruption, KMBA have extended assistance amounting to twenty five thousand (Php 25,000.00) pesos through Card MRI.

BoT Teresita confirmed the extension of assistance to the victims of Taal Eruption seconded by BoT Jennifer.

#### **BOARD RESOLUTION NO. 2020-07: CONFIRMATION OF RELIEF ASSISTANCE FOR VICTIMS OF TAAI ERUPTION**

*RESOLVED, to confirm the extension of twenty-five thousand (Php 25,000.00) pesos as relief assistance to the victims of Taal volcano eruption.*

### **D. Change Order Nos. 18-20**

GM Salve submitted three change orders recommended and evaluated by Arch. Eric Vincent Yusingco which would require additional budget for the building.

Change Order No. 18 pertains to additional projector and housing at 5<sup>th</sup> floor, additional rear doors at 3<sup>rd</sup> floor and covered service kitchen and grillery at ground floor. The additional work entails an additional cost in the amount of Two Hundred Thousand Forty-Seven & 54/100 (Php 200,047.54) Pesos, inclusive of VAT and the contractor's margin.

BoT Jennifer approved Change Order No. 18 duly seconded by BoT Alma.

#### **BOARD RESOLUTION NO. 2020-08: APPROVAL OF CHANGE ORDER NO. 18**

*RESOLVED, to approve Change Order No. 18 for the additional projector and housing at 5<sup>th</sup> floor, additional rear doors at 3<sup>rd</sup> floor and covered service kitchen and grillery at ground floor and allocation of additional budget of two hundred thousand forty-seven & 54/100 (Php 200,047.54) pesos to fund said order.*

Change Order No. 19 pertains to the Elevator Door Cladding. The additional work entails an additional cost in the amount of Forty Thousand Four Hundred Ninety-Nine & 78/100 (Php 40,499.78) Pesos, inclusive of VAT and the contractor's margin.

BoT Teresita approved Change Order No. 19 duly seconded by BoT Lilibeth.

#### **BOARD RESOLUTION NO. 2020-09: APPROVAL OF CHANGE ORDER NO. 19**

*RESOLVED, to approve Change Order No. 19 for the Elevator Door Cladding and allocation of additional budget of forty thousand four hundred ninety-nine & 78/100 (Php 40,499.78) pesos to fund said order.*

Change Order No. 20 pertains to the ground floor parking floor rubberized paint. The additional work entails an additional cost in the amount of One Hundred Forty-Three Thousand Two Hundred Eight (Php 143,208.00) Pesos, inclusive of VAT and the contractor's margin.



BoT Jennifer approved Change Order No. 20 duly seconded by BoT Teresita.

**BOARD RESOLUTION NO. 2020-10:  
APPROVAL OF CHANGE ORDER NO. 20**

*RESOLVED, to approve Change Order No. 20 for the ground floor parking floor rubberized paint and allocation of additional budget of one hundred forty-three thousand two hundred eight (Php 143,208.00) pesos to fund said order.*

**E. Petty Cash Fund – HIIP**

In the implementation of KMBA's Hospitalization Income Insurance Product, disbursement of claims to beneficiaries has begun, too, after experiencing covered cases stated in its policy. GM Salve shared to the Board the disbursement inefficiencies they encountered. In their current practice, amounts as low as two hundred (Php200.00) pesos are handed in check which seems to be inconvenient to both account officers and beneficiary-members in releasing and encashment, respectively.

GM Salve expressed desire in establishing an effective cash management and control and recommended that the disbursement of claims be done through an imprest fund system, thus, establishing a separate petty cash fund for the purpose in amount of Ten Thousand (Php 10,000.00) Pesos.

BoT Alma moved to approve the establishment of petty cash fund – HIIP amounting to ten thousand (Php10,000.00) pesos. BoT Jennifer seconded the motion.

**BOARD RESOLUTION NO. 2020-11:  
APPROVAL ON THE ESTABLISHMENT OF PETTY CASH FUND - HIIP**

*RESOLVED, to approve the establishment of petty cash fund – HIIP of ten thousand (Php 10,000.00) pesos.*

**F. Petty Cash Fund – Building Expenses**

GM Salve proposed also to the Board the establishment of a separate petty cash fund for small-amount expenses directly attributable to the building (e.g. small tools and equipment, cleaning materials, supplies). The proposal is for the proper segregation of costs as to its use. Said fund is recommended to be at Ten Thousand (Php 10,000.00) Pesos.

BoT Teresita moved to approve the establishment of petty cash fund – Building Expense amounting to ten thousand (Php 10,000.00) pesos. BoT Rita seconded the motion.

**BOARD RESOLUTION NO. 2020-12:  
APPROVAL ON THE ESTABLISHMENT OF PETTY CASH FUND – BUILDING EXPENSE**

*RESOLVED, to approve the establishment of petty cash fund – building expense of ten thousand (Php 10,000.00) pesos.*





#### **G. Amendment of Business Address**

In line with the effective transfer of office of KMBA from its old business address which was approved by the Board in a meeting held last November 8, 2019, GM Salve asked for a Board approval for the amendment of the same to all of its registration to regulatory bodies.

Old Business Address	Business Address, for Amendment
Rm. 504 F&L Building, Brgy. Holy Spirit, Commonwealth Avenue, Quezon City	#5 Matimpiin St. Brgy. Pinyahan, Quezon City

BoT Rita moved to approve the amendment of business address of KMBA in all of its registration. BoT Lilibeth seconded the motion.

#### ***BOARD RESOLUTION NO. 2020-13: AMENDMENT OF BUSINESS ADDRESS***

***RESOLVED***, to approve the amendment of KMBA's business address from Rm. 504 F&L Building Brgy Holy Spirit, Commonwealth Avenue, Quezon City to #5 Matimpiin St. Brgy. Pinyahan, Quezon City.

#### **H. GIS – Beneficial Ownership Information**

Exec. Asst. Analyn discussed to the Board the provisions of SEC Memorandum Circular No. 15-2019 requiring every SEC-registered domestic corporation the Disclosure of Beneficial Ownership Information in its General Information Sheet (GIS).

Section 2 of the Circular defines and categorizes "beneficial owner" that shall be disclosed as required. GM Salve, under Category I, recommended the designation of President Enriquetta Navarro as the beneficial owner to be disclosed in the GIS.

BoT Teresita moved to approve the designation of Pres. Enriquetta as beneficial owner in the disclosure. BoT Rita seconded the motion.

#### ***BOARD RESOLUTION NO. 2020-14: DESIGNATION OF ENRIQUETTA NAVARRO IN THE BENEFICIAL OWNERSHIP INFORMATION***

***RESOLVED***, to approve the designation of Enriquetta Navarro, President of the KMBA Board of Trustees in the Beneficial Ownership Information as disclosure in the General Information Sheet as, further, prescribed by SEC MC No. 15-2019.

#### **I. Appointment of Primary and Alternate Compliance Officer**

Exec. Asst. Analyn also discussed IC Circular Letter 2018-6 or the AMLC Registration and Reporting Guidelines. Important provision that needed approval is the designation of Primary and Alternate Compliance Officers who will facilitate or administer the online platform provided by the Insurance Commission. Said online platform will be used by covered persons, including KMBA, in reporting covered and suspicious transaction reports as prescribed by the AMLC.



Management recommended the designation of GM Salve as the Primary Compliance Officer and Pres. Enriqueta Navarro as the Alternate Compliance Officer since both are responsible in ensuring whole compliance of the organizations operations.

BoT Lilibeth moved to approve the designation of GM Salve and Pres. Enriqueta as KMBA's Primary and Alternate Compliance Officer, respectively. BoT Teresita seconded the motion.

**BOARD RESOLUTION NO. 2020-15:  
DESIGNATION OF PRIMARY AND ALTERNATE COMPLIANCE OFFICERS**

***RESOLVED**, to approve the designation of General Manager Silvida Reyes-Antiquera as the Primary Compliance Officer and President Enriqueta Navarro as the Alternate Compliance Officer of KMBA.*

**VIII. Updates**

**A. Status of Building Completion and Permits**

Arch. Yusingco reported on the progress of KMBA Members' Center Building Construction. He announced that effectively, the building is at 100% completion with only testing and commissioning works plus close-out works, including Occupancy Certificate, remaining. He anticipated that the project be declared fully completed and accepted by end of February 2020.

**B. Result of 2019 ACGS**

GM Salve announced KMBA's result in the 2019 ASEAN Corporate Governance Scorecard. She expressed that KMBA garnered a total of 80.61 points marking them an 11<sup>th</sup> place finish in the Top Insurance Companies and Mutual Benefit Associations in the Philippines. GM Salve shared that the trend of points garnered by KMBA from the inception of the ACGS is favorably increasing.

**IX. Performance Evaluation**

HRMDS Manager Celine facilitated the Performance Evaluation of GM Salve with the evaluation form given to the Board of Trustees. The latter were asked to evaluate on GM Salve's performance for the period of July to December 2019.

Moreover, two other forms were given (i) to evaluate themselves individually for their performance as a member comprising the Board and (ii) to evaluate their peer in their performance of the same.

**X. Upcoming Schedules**

**A. MicroInsurance Forum (January 30, 2020).** KMBA BoT, Board Advisers, management, and area coordinators will attend; held in PICC.

**B. Next Board Meeting (March 13, 2020; 8:30a.m.)**

**VIII. Adjournment**

There being no other matters discussed, the meeting ended at 11:46 a.m.

Prepared by:

  
Brenda F. Lumbao  
Board Secretary