



KASAGANA-KA Mutual Benefit Association, Inc.
5th Regular Meeting of the Board of Trustees
via Zoom Videoconference
September 11, 2020 1:00 pm

In Attendance:

Board of Trustees:

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

Also Present:

Board of Advisers:

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

Board Member Emeritus

12. Leticia Rodriguez
13. Wenifreda Rodriguez

Management and Staff

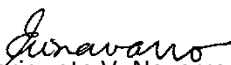
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|--------------------------|------------------|
| 14. Silvida R. Antiquera | -General Manager |
| 15. Evelyn Lagmay | -Finance Manager |

The following were not able to attend:

16. Maria Anna dR. Ignacio


Jonalyn T. Andres
Board Secretary

Attested by:


Enriquetta 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. Financial Report
 - a. Financial Statement for the month of June and July 2020
 - b. Investment as of September 10,2020
- VIII. Operations Update
 - a. Membership and claims
 - b. Pneumonia/ Covid19 related claims as of September 10, 2020
 - c. Status of accounts covered by grace period
- IX. Confirmation of the employees COVID-19 swab testing
- X. KSO office rental
- XI. PhilHealth-KMBA partnership
- XII. For information
 - a. Account Officer on quarantine
 - b. Evangeline Pe's Secondment Agreement
- XIII. Other Matters
- XIV. Schedule of next regular/special board meeting
- XV. Adjournment

DISCUSSION HIGHLIGHTS

I. The meeting started at 1:31 p.m. with a prayer.

II. Quorum and Agenda

Board Secretary Jonalyn conducted a roll call and determined 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 Lilibeth, duly seconded by BoT Teresita.

III. Reading and Approval of the Minutes of the Meeting

The minutes of the previous Regular Board meeting were provided ahead of the meeting. Pres. Enriqueta asked the Board for clarification or comments that needed discussions. There being none, Pres. Enriqueta moved for the deferment on reading the previous minutes of the meeting.

BoT Alma moved to suspend the reading of the minutes of the previous Regular Board Meeting duly seconded by BoT Teresita.



IV. Business Arising

There were no businesses arising from the previous board meeting.

V. Financial Report

A. Financial Statements

FM Eve presented the Statement of Financial Position as of July 31, 2020. The summary of the report is provided below.

Particular	As of July 31, 2020	As of July 31, 2019	Variance	
			Amount	%
Total Assets	Php 228,677,403.91	Php 216,811,792.41	Php11,865,611.50	5%
Total Liabilities	155,625,121.46	142,507,020.98	13,118,100.48	9%
Total Fund Balance	73,052,282.45	74,304,771.43	(1,252,488.98)	-2%

On the other hand, the summary of the Income Statement for the month ended July 31, 2020 is as follows:

Particular	As of July 31, 2020	As of July 31, 2019	Variance Amount
Gross Revenue	Php 19,685,093.64	Php 31,353,675.40	Php (11,668,581.76)
Total Benefit Expense	17,487,092.65	23,217,870.91	(5,730,778.26)
Total Operating Expense	5,585,499.02	6,191,181.40	(605,682.38)
Total Investment Revenue and Other Income	2,140,091.09	2,219,073.99	(78,982.90)
Net Surplus (Loss)	Php (1,247,406.94)	Php 4,163,697.08	Php (5,411,104.02)

B. Investments as of September 10, 2020

The portfolio mix as of September 10, 2020 is as follows:

Type of Investment	Current Placement
Cash in Bank	Php 19,293,409.33
Time Deposit	5,728,911.61
UITF	20,328,757.00
Government Securities	78,162,000.00
Corporate Bonds	6,000,000.00
Mutual Fund	5,000,000.00
Stocks	13,000,000.00
LTNCD	5,000,000.00
Investment Property	60,527,686.80
TOTAL INVESTMENTS	Php 213,040,764.74

Board Emeritus Leticia took notice on the 29% of the revenues being expended for its operating expenses. She asked the management on the reasonableness of the said fraction. FM Eve explained that during the months of April and May, there were continuous disbursements like payments of claims while there were no corresponding receipts and collections. GM Salve assured that the amounts are prudently monitored on monthly basis and that all expenses are justified.



With no further questions, BoT Lilibeth moved to accept the financial reports for the month of June and July, 2020 and investment mix as of September 10, 2020, duly seconded by BoT Jenifer.

VI. Operations Update

GM Salve updated the Board about KMBA's continuous operation. She underscored the following highlights:

Member Count

	June 2020	June 2019	Variance
In-Force	42,394	41,648	2% increase
Lapsed	12,490	11,974	4% increase
Total	54,884	53,622	2% increase

- *Collection Rate on the members' lapsed accounts hit 30%. Additional lapsed accounts increased from July 1 to September 10, 2020 raised the target of completion to 70%*

BLIP Claims

Month	2020	2019	Variance
January	52	46	13% increase
February	47	35	34% increase
March	52	53	2% decrease
April	30	48	38% decrease
May	28	49	43% decrease
June	41	55	25% decrease
Total	250	286	13% decrease

Moreover, GM Salve disclosed data regarding the number of claims where causes of death were related to Pneumonia.

BLIP Report Summary: ALL KCOOP Claims since March 16, 2020 to Claims Associated with Pneumonia/Covid-19		
Cluster	Branch/ SatO	Death Relating to Pneumonia
Central 1	Batasan	2
Central 1	Tandang Sora	2
Central 1	Fairview	1
Central 2	Bagong Silang	4
Central 2	Lagro	1
Central 2	Novaliches New	2
East 1	Marikina	3
East 2	Padilla	2
East 2	Sumulong	3
East 3	Taytay	3
East 3	Cainta	2
East 3	Binangonan	1
North 1	Norzagaray	2
North 1	Sapang Palay	2
North 1	Tungko	1



BLIP Report Summary: <i>ALL KCOOP Claims since March 16, 2020 to Claims Associated with Pneumonia/Covid-19</i>		
Cluster	Branch/ SatO	Death Relating to Pneumonia
North 2	Marilao	2
North 2	Meycauayan	1
North 3	Baliuag	1
South 1	San Pedro	1
South 1	Las Pinas	1
South 2	Dasmarias	2
South 2	GMA	1
South 2	Trece Martires	1
Cebu City	Bantayan	1
Cebu City	Camotes	1
Cebu City	Cebu City	1
Cebu City	Danao	1
Cebu City	Lapu-Lapu	2
GRAND TOTAL		47

CLIP Claims

Month	2020	2019	Variance
January	31	11	182% increase
February	21	22	5% decrease
March	23	25	8% decrease
April	3	30	90% decrease
May	4	21	81% decrease
June	21	15	40% increase
Total	103	124	17% decrease

HIIP Claims

Month	Number	Amount
January	5	Php 9,000.00
February	11	18,200.00
March	10	14,800.00
April	2	1,600.00
May	1	400.00
June	6	6,800.00
TOTAL	35	Php 50,800.00

VII. Confirmation of the Employees' COVID-19 Swab Testing

GM Salve referred to the Board about its prior approval on the fund contributed by KMBA for KSO Employees' Covid-19 Swab Testing amounting to One Hundred Fifty Thousand (Php 150,000.00) Pesos and asked for confirmation for that purpose.

GM Salve discussed that in a recently conducted meeting of the KSO Coordinating Committee, each organization head came up on establishing a common fund, as employers, to shoulder expenses related to Covid-19 Swab Test, exclusively. She added that KMBA will contribute the first amount of the fund amounting to One Hundred Fifty Thousand (Php 150,000.00) Pesos in consideration of the other organizations being badly hit by the pandemic. Said amount shall come from KMBA's excess unassigned surplus.



Bot Jenifer moved to confirm KMBA's contribution to the fund established for KSO employees' CoviD-19 Swab Testing amounting to Php 150,000.00. BoT Teresita seconded the motion.

**BOARD RESOLUTION NO. 2020-31:
CONFIRMATION OF THE EMPLOYEES' COVID-19 SWAB TESTING**

***RESOLVED**, to confirm KMBA's contribution for KSO Employees' CoviD-19 Swab Testing amounting to One Hundred Fifty Thousand (Php 150,000.00) Pesos.*

VIII. KSO Office Rental

GM Salve shared to the Board the occupancy status of its sister organizations, KDCI and KCOOP, in KMBA Members' Center Building which is active since May, 2020. She exclaimed that KMBA, as the lessor of the office spaces, should earn rental income as purposed. However, she added that the pandemic badly hit KDCI and KCOOP financially. She then raised her concern to the Board about the finality on the reckoning date of the rental billings for the lessees, considering current circumstances.

GM Salve shared its prior exchanges with the other organization heads and said that rent charges should have been billed starting July 2020 for KCOOP and August 2020 for KDCI. GM Salve said that its contribution to the COVID-19 Swab Test Fund for KSO employees is an explicit expression that KMBA understands and supports its sister organization including the billing of rent charges.

GM Salve presented the management's proposal which pointed out October 2020 as the commencement of the rental billings for the KSO lessees. In addition, she emphasized that payment can be done by the lessee organizations as soon as they are able to do so. Thus, billings can form part to KMBA's receivable from the lessee organizations starting October.

Board Emeritus Leticia and Board Adviser Chona agreed on the proposal and thanked the management in its support and consideration to KDCI and KCOOP. Board Adviser Isabel asked the management if the approval includes the billings on the utilities. GM Salve clarified that the utilities are separate from the rent and both lessee organizations pay their utility bills religiously. Board Adviser Isabel supported the proposal.

BoT Jennifer and BoT Alma voted in the affirmative and said that the proposal underscored mutual understanding and will bring together KSO in continuous harmony. Pres. Enriqueta also voted in the affirmative and revisited the rationale on the building of KMBA Members' Center which is to serve as the home for the organizations comprising the KSO. BoT Lilibeth agreed and shared common experiences heard from lessors during this pandemic.

BoT Lilibeth moved to approve the charging of rental billings to KSO lessee organization office spaces starting October 1, 2020. BoT Lilibeth also moved to approve the payment that can be done as soon as KSO lessee organizations are able to do so. BoT Alma seconded the motions.



**BOARD RESOLUTION NO. 2020-32:
APPROVAL OF KSO OFFICE RENTAL**

RESOLVED, to approve the charging of rental billings to KSO lessee organizations starting October 1, 2020.

IX. PhilHealth-KMBA Partnership

GM Salve recalled the agreement that KMBA holds with PhilHealth since 2011 as partner in enrolling the members to the latter. The nine-long years of partnership with PhilHealth brought good help to the members. However, in the said period, several problems were encountered specially with the system glitches on the part of PhilHealth. She said that after a meeting with PhilHealth and the KSO, PhilHealth accepted the termination of the contract with KMBA effective July 2020.

X. Other Matters

GM Salve discussed to the Board some updates about KMBA employees

A. Account Officer on quarantine

An account officer was put to quarantine on July 16 after manifesting Covid-19 symptoms regardless of having no known exposure to patients. The AO was requested to get swab tested. Result came out positive. GM Salve shared to the Board that the building went into a thorough disinfection. She added that close contacts in the office did not manifest any COVID-like symptoms within the observation window.

B. Evangeline Pe's Secondment Agreement

GM Salve reminded the Board about OM Vangie's secondment agreement discussed during the most recent special board meeting. She said that due to the pandemic, OM Vangie's designation as Housing Development Specialist became less priority in KSO's operation, thus, GM Salve shared to the Board that she has to come back reporting to KMBA starting August 15, 2020 after the termination of the secondment agreement with the Housing Project of KDCI.

GM Salve reported to the Board that she has sent a letter to OM Vangie about the prompt reporting to KMBA. So far, OM Vangie hasn't expressed any response. GM Salve will update the Board on the next steps that the management will do.

XI. Upcoming Schedules

A. 6th Regular Board Meeting. October 30, 2020 via Zoom Videoconference (9:00 am)


IX. Adjournment

There being no other matters discussed, the meeting ended at 3:38 p.m.

Prepared by:


Jonalyn T. Andres
Board Secretary

Attested by:


Enriqueta V. Navarro
President