



**KASAGANA-KA Mutual Benefit Association, Inc.**  
**2<sup>nd</sup> Regular Meeting of the Board of Trustees**  
**Via Tele/Video Conferencing**  
**KMBA Members' Center #5 Matimpiin St. Pinyahan, Quezon City**  
**March 5, 2021, 9:00 am**

**In Attendance:**

Board of Trustees:

- |                             |                           |
|-----------------------------|---------------------------|
| 1. Enriqueta V. Navarro     | -President                |
| 2. Alma D. Gilbaliga        | -Vice President           |
| 3. Lilibeth C. Molina       | -Treasurer                |
| 4. Jonalyn T. Andres        | -Board Secretary          |
| 5. Teresita D. Padel        | -Board Member             |
| 6. Rita Dela T. Cruz        | -Board Member             |
| 7. Jenifer L. Abao          | -Board Member             |
| 8. Philip Arnold P. Tũaño   | -Independent Board Member |
| 9. Atty. Gettie C. Sandoval | -Independent Board Member |

**Also Present:**

Board of Advisers:

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

Board Member Emeritus

12. Leticia T. Rodriguez
13. Wenifreda F. Rodriguez

Management and Staff

- |                          |                      |
|--------------------------|----------------------|
| 14. Silvida R. Antiquera | -General Manager     |
| 15. Evelyn Lagmay        | -Finance Manager     |
| 16. Analyn Shih          | -Executive Assistant |

**The following were not able to attend:**

- |                            |                |
|----------------------------|----------------|
| 17. Maria Anna dR. Ignacio | -Board Adviser |
|----------------------------|----------------|



## 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-
  - a. Additional Committee
  - b. Board and Committee Assessment Result
- VII. Financial Report
  - a. Financial Statement for the month of January 2021
  - b. Investment as of March 4, 2021
- VIII. For Discussion and Approval
  - a. Confirmation of P10M loan to KCOOP
  - b. KCOOP Appeal (Re: Office Rental)
  - c. Unmonitored Accounts
  - d. Signatory to FS
  - e. Official Representative to MiMAP AGM
  - f. Committees for ACGR
- IX. Updates/Upcoming Schedules
  - a. Proxy Voting
  - b. Result of Board and Committee Assessment
  - c. Board, Coordinators and Staff Recollection via Zoom
  - d. MiMAP General Assembly
- X. Other Matters
- XI. Schedule of next regular/special board meeting, April 30, 2021
- XII. Adjournment



## DISCUSSION HIGHLIGHTS

I. The meeting started at 9:00 a.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. The Board approved it.

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

Board Secretary Jonalyn read the minutes of the previous meeting.

There were no comments and clarifications that needed further discussions. BoT Alma moved to approve the previous board meeting minutes last January 28, 2021, duly seconded by BoT Teresita.

### IV. Business Arising

#### A. Additional Committee

GM Salve gave the Board an update about the discussion on the additional committees as per compliance to the ASEAN Corporate Governance Report (ACGR) adopted by the Insurance Commission. As a result of the exchanges and reviews with MiMAP and Atty. Fatima Parahiman, KCOOP's Secretary, she reported that the recommended additional committees play functions that are mutually exclusive with the existing committees of KMBA. GM Salve concluded that existing committees would remain and the recommended additional committees will be included as an agenda for the incoming General Assembly of the Association. Additional committees will be (1) Corporate Governance Committee, (2) Board Risk Oversight Committee and (3) Related Party Transaction Committee.

#### B. Result of Board and Committee Assessment.

Exec. Assistant Analyn Shih, presented to the board the result of the Board and committee assessment form which was sent through their respective email account. Based on the consolidated assessment form gathered, most of the Board members and committee members strongly agree that each one of the trustees as well as the committees are performing their best by attending every meeting, performing the assigned task and responsibility, helps and guide the management in performing its task and achieving the purpose and company goals. However, Vice-President Alma, observed that there are times that the meeting schedule are not meet on time so she suggested to observed the time allocated for each committee meeting to maximized the time and avoid delay. Unanimously, the board agree to the comment of BoT Alma and reminded everyone to be more punctual.

### V. Financial Report

#### A. Financial Report



FM Eve presented the Statement of Financial Position as of January 31, 2021. The summary of the report is provided below:

Particular	As of January 31, 2021	As of January 31, 2020	Variance	
			Amount	%
Total Assets	Php 236,865,161.38	Php 223,695,878.35	Php 13,169,283.03	6%
Total Liabilities	162,633,123.11	147,150,603.07	15,482,520.04	11%
Total Fund Balance	74,232,038.27	76,545,274.95	(2,313,236.68)	-3%

On the other hand, the summary of the Income Statement for the month ended January 31, 2021 is as follows:

Particular	As of January 31, 2021	As of January 31, 2020	Variance Amount
Gross Revenue	Php 3,030,464.30	4,079,155.41	Php (1,048,691.11)
Total Benefit Expense	3,116,326.98	3,530,265.48	(413,938.50)
Total Operating Expense	952,196.81	1,147,944.18	(195,747.37)
Total Investment Revenue and Other Income	284,978.41	284,941.98	36.43
Net Surplus (Loss)	Php (753,081.08)	Php (314,112.27)	Php (438,968.81)

B. Investments as of March 4, 2021

The portfolio mix as of March 4, 2021 is as follows:

Type of Investment	Current Placement
Cash in Bank	Php 13,073,319.07
Time Deposit	5,737,524.45
UITF	20,328,757.00
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	65,321,223.53
<b>TOTAL INVESTMENTS</b>	<b>Php 216,622,824.05</b>

FM Eve noted that the increase in Net Loss for January corresponded with the significant decrease in Gross Revenue, although expense accounts also decreased. She added that BLIP claims for the month were higher compared to the same period last year.

Sir Philip asked FM Eve about the Association's policy on write-off of receivables, where the latter responded in the negative. FM Eve supported her answer and explained that non-payment of premium would entail the member's non-availing of its benefits arising from the



contributions. In connection with that, GM Salve took a chance to preview membership updates of the Association. She said that 24% or about 16,000 members remained to be on the watchlist with lapsed accounts.

Atty Gettie posed a clarificatory question in connection to the lapsed accounts. She asked the management whether members with lapsed accounts are properly monitored precisely on their existence, status on their economic conditions and the like. GM Salve responded in the affirmative and shared that communications with partner organizations remain active and open regarding the matter.

With no further questions, BoT Rita moved to accept the financial reports for January 2021 and investment mix as of March 4, 2021, duly seconded by BoT Alma.

#### VI. Unmonitored Accounts

FM Eve presented to the Board a financial reporting concern that needed necessary actions. She shared that in 2006 or prior to the implementation of the use of the internally-developed Management Information System of KMBA, there were no proper and comprehensive transaction and management reporting systems, which resulted in the General Ledger to not tally with the Seriatim or the Subsidiary Ledger on particular accounts of (1) Aggregate Reserve Trust Liability RF and (2) Liability on Individual Equity Value. She added that the enhancement of the policy on the return of equity value with interest to resigning members contributed to the distortion of the data. The summary of the management finding is as follows:

Account Code	Per Book (GL)	Per Seriatim Record (SL)	Difference
Aggregate Reserve Trust Liability (RF)	Php 57,046,145.30	Php 56,765,817.33	Php 280,327.97
Liability on Individual Equity Value	95,607,312.15	84,936,675.12	10,670,637.03
Grand Total	<u>Php 152,653,457.45</u>	<u>Php 141,702,492.45</u>	<u>Php 10,950,965.00</u>

Moreover, FM Eve observed the same resulting difference in every conduct of the Finance Unit's regular reconciliation. She said that this affects the fair presentation of the Association's records, including the submission of Seriatim to the Insurance Commission, where said report forms part of the Annual Statement requirement to IC. FM Eve added that IC requires that RF and Equity Value per book record must equal or tally with seriatim record; otherwise, will be subjected to a penalty. The actuary, as consulted by KMBA and considering the cause as a system constraint and limitation, advised to identify the total amount as "Unmonitored Accounts" and reclassify the same from Aggregate Reserve Trust Liability RF and Liability on Individual Equity Value to "Restricted Fund Balance\_Unmonitored Accounts."

Furthermore, FM Eve clarified that the reclassification suggests effective maintenance of the identified Ten Million Nine Hundred Fifty Thousand Nine Hundred Sixty-Five (Php10,950,965.00) Pesos to a Restricted Fund which can only be used when members, with complete and valid supporting documents, present themselves to have contractual claim/s on the said fund.



The Board agreed to the recommendations. BoT Teresita moved to approve the identification of the Ten Million Nine Hundred Fifty Thousand Nine Hundred Sixty-Five (Php10,950,965.00) Pesos as "Unmonitored Accounts" and reclassify the same to "Restricted Fund Balance\_Unmonitored Accounts." BoT Alma seconded the motion.

**BOARD RESOLUTION NO. 2021-05:  
IDENTIFYING AND RECLASSIFYING UNMONITORED ACCOUNTS TO RESTRICTED FUND  
BALANCE\_UNMONITORED ACCOUNTS**

***RESOLVED**, to approve the identification of Ten Million Nine Hundred Fifty Thousand Nine Hundred Sixty-Five (Php10,950,965.00) Pesos as Unmonitored Accounts and reclassify the same from Aggregate Reserve Trust Liability RF and Liability on Individual Equity Value to RESTRICTED FUND BALANCE\_UNMONITORED ACCOUNTS.*

**VII. Confirmation of 10M Loan to KCOOP**

The Board confirmed the Ten Million (Php 10,000,000.00) Peso – Loan released to KCOOP, which was previously approved by the same Board online upon motion of BoT Alma duly seconded by BoT Teresita.

**BOARD RESOLUTION NO. 2021-06:  
CONFIRMING THE PHP10-MILLION LOAN TO KCOOP**

***RESOLVED**, to confirm the released loan to Kabuhayan sa Ganap na Kasarinlan Credit and Savings Cooperative amounting to Ten Million (Php 10,000,000.00) Pesos.*

**VIII. KCOOP Appeal (RE: Office Rental)**

GM Salve revisited this Board's previous approval on charging rental billings to KSO lessee organizations which started last October 1, 2020. Also, she presented a letter transmitted by KCOOP through its Chief Finance Officer, Catherine Saballegue, requesting KMBA to waive rental charges from October-December 2020, which are due amounting to Two Hundred Fifty-Five Thousand Eight Hundred Fifty-Eight & 42/00 (Php 255,858.42) Pesos. CFO Cathy cited the Cooperative's net operating loss of more than Php 20M as the cause of its appeal.

The Board found KCOOP's financial performance as an adequate justification to approve the appeal. BoT Alma moved to approve KCOOP's request on the waiver of rental charges from October-December amounting to Php 255,858.42. BoT Jennifer seconded the motion.

**BOARD RESOLUTION NO. 2021-07:  
APPROVING KCOOP'S APPEAL (RE: OFFICE RENTAL)**

***RESOLVED**, to approve the appeal of Kabuhayan sa Ganap na Kasarinlan Credit and Savings Cooperative (KCOOP) on the waiver of rental charges for the months October to December 2020 amounting to Two Hundred Fifty-Five Thousand Eight Hundred Fifty-Eight & 42/00 (Php 255,858.42) Pesos.*



#### **IX. Signatory to FS**

FM Eve relayed to the Board the management's recommendation as per the external auditor's advice to authorize Silvida Reyes-Antiquera, General Manager, to sign, on behalf of the Board of Trustees, in the audited financial statements. The recommendation was due to the limited capacity and restricted movement caused by the pandemic.

BoT Teresita moved to approve the authorization of GM Salve as the signatory officer to the audited financial statements. Atty. Gettie seconded the motion.

#### **BOARD RESOLUTION NO. 2021-08:**

#### **AUTHORIZING SILVIDA REYES-ANTIQUERA AS SIGNATORY TO THE AUDITED FINANCIAL STATEMENT**

**RESOLVED**, to authorize the General Manager of the Association, Silvida Reyes-Antiquera, to sign and approve the financial statements on behalf of the Board of Trustees.

#### **X. Official Representative to MiMAP AGM**

Executive Assistant Analyn announced the incoming Annual General Meeting of the Microinsurance MBA Association of the Philippines (MiMAP) on March 22-23, 2021. In addition to that, she mentioned the need for KMBA to appoint an official representative to the said meeting. The management recommended General Manager Silvida Antiquera as the official representative of KMBA and KMBA President Enriquetta Navarro as the alternate representative.

BoT Alma moved to approve General Manager Silvida Antiquera as KMBA Representative to the 2021 MiMAP AGM and President Enriquetta Navarro as the alternate representative. BoT Jennifer duly seconded.

#### **BOARD RESOLUTION NO. 2021-09:**

#### **APPOINTING SILVIDA REYES-ANTIQUERA AS KMBA REPRESENTATIVE TO MIMAP ANNUAL GENERAL MEETING**

**RESOLVED**, to appoint the General Manager of the Association, Silvida Reyes-Antiquera, to represent KMBA in the 2021 MiMAP Annual General Meeting on March 22-23, 2021 and President Enriquetta Navarro as the alternate representative for the same event.

#### **XI. Proxy Voting**

BoT Teresita, also a member of the Election Committee, reported updates on the ongoing run of the Election of Board Trustees. After the screening, panel interview and deliberation conducted by the Committee, she announced the final list of qualified candidates as follows:

<b>Nominees</b>	<b>Satellite Office</b>
1. Jennifer Ramos	Baliuag
2. Jeronima Teodoro	Guiguinto
3. Medy Evangelista	Meycauayan



4. Luzviminda Bata	RHS
5. Lolita de Vera	Padilla
6. Emelda Castro	Masinag
7. Remy Estrera	Taytay
8. Marlin Perez	Sumulong

Board Emeritus Leticia informed the Board about the Election Management's inconsistent announcement of the Trustees with expiring term and the corresponding vacancy in the Board. She said that the information brought confusion which the management could have avoided by adequately backing up or verifying the announcement with official documents. Election Management, AO Ian, asked for an apology for the information discrepancies and assured the Board that it wouldn't happen again in the future. Board Emeritus Leticia accepted the apology.

Moreover, Board Emeritus Leticia also expressed concerns about the selection process where she noted non-observance of the strict compliance on the requirements and criteria of the candidates. She cited that aside from being a KMBA Coordinator, a candidate must also be in a center consisting of 24 to 28 members at a minimum. She exclaimed that a running candidate was confirmed to have a total of 12 members only in her center. Election Management, AO Ian, explained that the requirement mentioned was for selecting Sato Coordinators and were required to be in a center with 14 members, which is the standard, and neither 24 nor 28. AO Ian added that the determination of the center's membership was done during the recruitment of Sato Coordinators. He admitted that the Election Committee and the Management, collectively, missed the process of reviewing that particular criterion. GM Salve posed disagreement to AO Ian's explanation and said that they must observe diligence and prudence in conducting the screening and miss no standards over the process.

Furthermore, BoT Alma asked the Committee about the reasons for Elsie Aguilar and Meneliza Clete's delisting from the first list of qualified nominees. AO Ian said that Elsie Aguilar voluntarily delisted and withdrew while Meneliza Clete went overdue with her terms being a Sato Coordinator. Board Adviser Isabel posed concern on inconsistency as BoT Rita was a Sato Coordinator for so long before she was elected as a Trustee. AO Ian expressed no clear explanation and just referred that the Association is in its process of refining the procedures and guidelines of the election. There were no reactions from the response.

After long discussions, GM Salve recommended the Committee to proceed with the approval of the final list of nominees. BoT Teresita moved to approve the final list of qualified candidates for the election of Board of Trustees, duly seconded by BoT Alma.

## **XII. Updates**

- C. Board, Coordinators and Staff Recollection via Zoom.** GM Salve discussed the schedule and program of the Recollection (March 13,14 and 21, 2021)
- D. Golden Arrow Award.** GM Salve announced that KMBA garnered a Golden Arrow Award from the Institute of Corporate Directors (ICD).
- E. Next Board Meeting** April 30, 2021





IX.


**Adjournment**

There being no other matters discussed, the meeting ended at 11:55 am.

Prepared by:

  
Jonalyn T. Andres  
Board Secretary

Attested by:

  
Enriqueta V. Navarro  
President