



**Board Resolution No. 24B
Series of 2020**

KMBA'S SUPPORT TO MIMAP: UTILIZATION OF EQUITY VALUE

Upon motion, duly seconded, the Board of Trustees, in a special meeting held on May 30, 2020, where a quorum is present, adopted the following resolution:

WHEREAS, due to the CoViD-19 outbreak, the government has implemented restricted movement across the country through various degree of community quarantine that affects the economic activity of the major populace including the members of Kasagana-Ka Mutual Benefit Association, Inc.;

WHEREAS, the Insurance Commission issued Circular Letter No. 2020-18 or the *"Guidelines Regarding the Extension of Grace Period of All Insurance, Pre-Need and HMO Policies/Plans/Agreements Due to CoViD-19 Coronavirus Outbreak in the Philippines"* which expresses the need to urge its regulated entities including the KMBA to provide a more lenient policy regarding payment of considerations to ease the financial burden and to ensure continuous coverage for those affected by the outbreak or the extension of grace period in addition to the period indicated in each product's Implementing Rules and Regulations;

WHEREAS, KMBA implemented the 31-day extension of grace period in addition to the 45-day original grace period of insurance products as per Implementing Rules and Regulations of each effective March 15 to May 30, 2020 and further month-extension from May 31 to June 30, 2020;

WHEREAS, within that period, on April 13, 2020, KMBA wrote a letter addressed to the Insurance Commission about inquiries and guidance on partly using the members' equity value to cover their unpaid weekly contributions for their life insurance which they were not able to pay due to the ECQ;

WHEREAS, on April 16, 2020, the Commission responded and said that the equity value of members may be used for that purpose provided it is specifically indicated in the membership certificate and the Implementing Rules and Regulation for Basic Life Insurance Premium;

WHEREAS; KMBA does not meet abovementioned conditions;

WHEREAS; General Manager Silvida Reyes Antiquera brought this correspondence with the Insurance Commission to the Microinsurance MBA Association of the Philippines (MiMAP) and found out that other MBAs also have the same challenges;

WHEREAS, on April 22, 2020, MiMAP wrote a letter to the Commission addressing the same concern which the latter replied, giving the same response as KMBA, on May 18, 2020;

WHEREAS, MiMAP expressed its discountenance from the Commission and emphasized that members from different MBAs form part of the significant number of affected residents in the country due to CoviD-19 and helping them, aside from the extension of the grace period, in the payment of their premium would mean a better fruition of the Commission's concern in easing the financial burden to the members;

WHEREAS, MiMAP decided to make an appeal to the Insurance Commission on the approval of the utilization of available sources like the equity value of members for their unpaid weekly contributions during the implementation of extended grace period;

WHEREAS, the appeal will include data of affected members across the MBA institutions under the network supported by prudent principles of accounting and actuary;


WHEREAS, as an active member institution of MiMAP, KMBA found this movement sound and beneficial not only to the organization but also to the whole network;

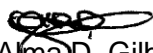
NOW THEREFORE, the foregoing premises considered, the Board of Trustees **RESOLVED** to support, as a member institution, the Microinsurance MBA Association of the Philippines (MiMAP) in the appeal to Insurance




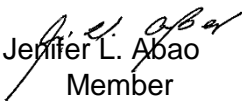
Commission on the utilization, partly, of the equity value of MBA members to cover their unpaid weekly contributions for their life insurance which they were not able to pay due to the pandemic.

Adopted this 30th of May, 2020 via Zoom Videoconference, in the 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


Lilibeth C. Molina
Treasurer


Jennifer L. Abao
Member


Rita T. dela Cruz
Member


Teresita D. Padel
Member

Atty. Maria Cleofe Gettie C. Sandoval
Independent Member

Philip Arnold P. Tuaño
Independent Member

Attested by:


Brenda F. Lumbao
Board Secretary