



KASAGANA-KA Mutual Benefit Association, Inc.
6th Regular Meeting of the Board of Trustees
5 Matimpiin St. Pinyahan, Quezon City
September 3, 2021, 9:00 am
Via Video/Teleconferencing

In Attendance:

Board of Trustees:

- | | |
|--|----------------------------|
| 1. Enriqueta V. Navarro | -President |
| 2. Alma D. Gilbaliga | -Vice President |
| 3. Jonalyn T. Andres | -Board Secretary |
| 4. Teresita D. Padel | -Board Member |
| 5. Marlin C. Perez | -Board Member |
| 6. Jeronima C. Teodoro | - Board member |
| 7. Philip Arnold P. Tuaño | -Independent Board Member |
| 8. Atty. Maria Cleofe Gettie C. Sandoval | – Independent Board Member |

Also Present:

Board of Advisers:

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

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 |



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. Key Performance Indicator
- VII. Operations Update
- VIII. Financial Report
 - a. Financial Statement for July 2021
 - b. Investment as of September 2,2021
- IX. For Discussion and Approval
 - a. Corporate GCash Account (for confirmation)
 - b. Revised Budget for 2021
 - c. Nomination and Election Committee: Election of Treasurer
 - d. Financial Support
 - e. Commission Fee
 - f. Referral Fee
- X. Updates/Upcoming Schedules
 - a. Election Committee Report
 - b. Performance Evaluation Result (January to June 2021)
- XI. Other Matters
- XII. Schedule of next board meeting
- XIII. 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. Enriquetta presented the proposed agenda for the day's meeting. Bot Alma moved to approve the proposed agenda duly seconded by BoT Teresita.

III. Reading and Approval of the Minutes of the Meeting



Board Secretary Jonalyn read the minutes of the previous Board meeting. The Board found no clarification or comments on the minutes that needed discussions. BoT Teresita moved to approve the minutes of the previous Board meeting, duly seconded by BoT Alma.

IV. Business Arising

FM Eve presented the Association's Key Performance Indicators from last meeting which now included KPIs of other MBA-members in the network. She discussed the relevance of each indicators including its measurement, implications and relationship with the performance of the operations and financials of KMBA. The Board found the report most useful.

V. Operations Update

GM Salve reported on the status of KMBA's operations.

Status of Members as of August 31, 2021.

Organization	Total Members	Inforce Accounts	Lapsed Accounts	Dormant accounts
KCOOP	31,535	28,989	2,546	2,019
Associate Members	557	454	103	292
Consortium – Baguio	335	162	173	1,400
Consortium – CAPS-R	9,706	7,479	2,227	7,688
GRAND TOTAL	42,133	37,084	5,049	11,399

Claims Report as of August 31, 2021

BRANCH	Number of Claims		Total Amount
	Regular	Kaagapay	
Baguio	2		Php 15,000.00
CAPS-R	72		1,309,717.00
KCOOP	327	15	6,491,318.70
Staff	2		70,000.00
Associate Members	3		60,000.00
GRAND TOTAL	406	15	Php 7,946,035.70

Claims related to Pneumonia/CoViD-19 as of August 25, 2021

Cluster	Branch/SatO	Cases	Cluster	Branch/SatO	Cases
Central 1	Batasan	5	East 3	Cainta	4
	Fairview	3		Taytay	7
	Tandang Sora	3		Binangonan	1
Central 2	Bagong Silang	8	South 1	Las Piñas	3
	Camarin	2		Parañaque	2
	Lagro	2		San Pedro	1
	Novaliches	2	South 2	Dasmariñas	3
North 1	Tungko	2		GMA	2
	Sapang Palay	7		Trece Martires	2
	Norzagaray	5	Cebu City	Bantayan	2
North 2	Marilao	3		Bogo	1
	Meycauayan	3		Camotes	1
North 3	Baliuag	2		Cebu City	2
	Pulilan	1		Danao	1
East 1	Montalban	2		Lapu-Lapu	5
	Marikina	4		Toledo	1



Cluster	Branch/SatO	Cases	Cluster	Branch/SatO	Cases
East 2	Masinag	3	Head Office	KMBA Associate	1
	Sumulong	7			
	Padilla	7			
TOTAL			110		
% from the total membership			0.2%		

The Board accepted the report.

VI. Financial Report

A. Financial Statements for July 2021

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

Particular	As of July 31, 2021	As of July 31, 2020	Variance	
			Amount	%
Total Assets	Php 233,552,960.22	Php 228,625,411.85	Php 4,927,548.37	2%
Total Liabilities	152,096,818.06	155,625,121.46	(3,528,303.40)	-0.02%
Total Fund Balance	81,456,142.17	73,000,290.40	8,455,851.77	12%

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

Particular	As of July 31, 2021	As of July 31, 2020	Variance Amount
Gross Revenue	Php 23,462,816.32	Php 19,685,093.64	Php 3,777,722.68
Total Benefit Expense	19,889,031.20	17,487,549.87	2,401,481.33
Total Operating Expense	6,597,352.91	5,637,033.86	960,319.05
Total Investment Revenue and Other Income	2,496,467.57	2,140,091.09	356,376.48
Net Surplus (Loss) before Income Tax	Php (527,100.22)	Php (1,299,399.00)	Php 772,298.78
Income Tax Expense	8,325.24	0.00	8,325.24
Net Surplus (Loss)	Php (535,425.46)	Php (1,299,399.00)	Php 763,973.54

Moreover, the summary of the Cash Flow Statement as of July 31, 2021 is as follows:

	Php
Cash provided by operations	Php 910,194.00
Dividend Income	406,067.00
Interest Income	2,090,400.00
Net cash provided by operating activities	Php 3,406,661.00
Acquisition of property, plant and equipment	Php (73,161.00)
Receivable from KCOOP	(10,000,000.00)
Net cash used in investing activities	Php (10,073,161.00)
Release of excess unassigned surplus	Php (1,679,288.00)
Contribution of retirement benefit obligation	(2,048,926.00)
Net cash used in financing activities	Php (3,728,214.00)
Cash and Cash Equivalents, beginning	29,659,995.00
Cash and Cash Equivalents, as of JUNE 30, 2021	Php 19,265,281.00



B. Investments as of September 2, 2021

The portfolio mix as of September 2, 2021 is as follows:

Type of Investment	Current Placement
Cash in Bank	Php 12,351,249.65
Time Deposit	5,740,788.39
UITF	20,408,495.73
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	64,338,685.01
TOTAL INVESTMENTS	Php 215,001,218.78

With no further questions, BoT Teresita moved to accept the financial reports for July 2021 and investment mix as of September 2, 2021, duly seconded by BoT Alma.

VII. Corporate GCash Account – Confirmation

GM Salve presented the Board, for confirmation, the latter's prior approval on the application of KMBA for its Corporate GCash Account last August 24, 2021. She added that the application was already filed with Globe Telecom/G-Xchange, Inc. and is only waiting for approval. BoT Alma moved to confirm the approval of the application of KMBA's Corporate GCash Account, duly seconded by BoT Teresita.

BOARD RESOLUTION NO. 2021-24:

APPROVING THE APPLICATION OF KMBA'S CORPORATE GCASH ACCOUNT

RESOLVED, that until further orders of this Board and in the absence of any revocation thereof, the following management officers of the Association acting to with:

<i>Silvida Reyes-Antiquera</i>	<i>General Manager</i>
<i>Analyn A. Shih</i>	<i>Executive Assistant</i>

are hereby authorized to make, sign, execute and deliver for and in behalf of the Association contracts, documents, agreements and other writings of whatsoever nature, kind and description with Globe Telecom/G-Xchange, Inc. relative to the Association's application for its Corporate GCash Account.

VIII. Revised Budget for 2021

FM Eve presented the Board the Revised Budget for 2021 after considering changes in the assumptions and projections on the 2021 Budget based on the Associations mid-year performance

ITEMS	APPROVED 2021 BUDGET	REVISED 2021 BUDGET	Variance
Regular Operation per fund allocation <i>(personnel expenses, other administrative expenses, BLIP collection fees, etc.)</i>	Php 13,342,771.88	Php 11,839,136.17	Php (1,503,635.71)



ITEMS	APPROVED 2021 BUDGET	REVISED 2021 BUDGET	Variance
Building expenses <i>(net of monthly dues)</i>	1,581,800.00	2,492,350.43	910,550.43
Member's benefit from Excess Unassigned Surplus <i>(benefits in kind and other relevant services, continuing member education, capacity building, and upgrading and improving system)</i>	4,652,536.00	3,049,826.00	(1,602,710.00)
Approved Budget (12/10/2020) – OPEX	Php 19,577,107.88		
Add: Total Budget for Clams	20,595,987.00	17,910,562.69	(2,685,424.31)
TOTAL BUDGET	Php 40,173,094.88	Php 35,291,875.29	Php (4,881,219.59)

FM Eve explained that the proposed revision of the budget was due to the decrease of the projection in member outreach from 60,000 to 50,085 which directly affected the budget on regular operations. Other items were: (1) deferral of the application for tax exemption, (2) decrease of Php 100,000.00 in Calamity Assistance, (3) decrease of Php 200,000.00 in First Life – K20, (4) and decrease on continuing member education, capacity building and upgrading and improving system.

BoT Alma moved to approve the Revised 2021 Budget amounting to Thirty-Five Million Two Hundred Ninety-One Thousand Eight Hundred Seventy-Five & 29/100 (Php 35,291,875.29). BoT Jeronima duly seconded the motion.

**BOARD RESOLUTION NO. 2021-25:
APPROVING THE REVISED 2021 BUDGET**

RESOLVED, to approve the Revised 2021 Budget to Thirty-Five Million Two Hundred Ninety-One Thousand Eight Hundred Seventy-Five & 29/100 (Php 35,291,875.29) Pesos.

IX. Nomination and Election Committee: Election of Treasurer

Independent Board Randy, also the Chairperson of the Nomination and Election Committee, presented the Committee Report regarding the vacant position in the Board of Trustees. He gave references to the Revised Corporation Code and KMBA's Articles of Incorporation and By-Laws. The following are the Committee's recommendations:

Recommendation of the Nomination and Election Committee
<ol style="list-style-type: none"> 1. To write a report to the SEC informing the fact of Lilibeth Molina's resignation as Board Member and Treasurer of KMBA according to Title III Sec 25 par.5 of the RCC. 2. To further review the roles and responsibilities of Treasurer as a Corporate Officer of the Association if such are delegable to other remaining members of the Board of Trustees except the President. 3. To elect a new Treasurer by at least 2/3 of the remaining Trustees who shall serve the remaining term of Lilibeth Molina. <p>Other Committee recommendations:</p> <ol style="list-style-type: none"> 1. To review and study the roles and responsibilities of the existing committees and determine which among them can be merged to effectively address the needs of the Association and to comply with the recommendations of the Insurance Commission.



The Board identified the election of a new Treasurer as a need for KMBA. BoT Alma moved to approve the Nomination and Election Committee’s recommendation including the election of vacant position by at least the 2/3 votes of the remaining Trustees still constituting quorum who shall serve until May 31, 2022. BoT Jeronima seconded the motion.

**BOARD RESOLUTION NO. 2021-26A:
APPROVING THE FILLING UP OF BOARD TREASURER BY ELECTION FROM THE REMAINING TRUSTEES**

RESOLVED, to approve the filling up of Board vacancy by election from at least the 2/3 votes of the remaining Trustees still constituting quorum who shall serve until May 31, 2022.

There were no objections on the motion. The Board unanimously nominated and voted affirmatively, Teresita Padel as the new Treasurer of the Association.

**BOARD RESOLUTION NO. 2021-26B:
CONFIRMING THE ELECTION OF TERESITA PADEL AS KMBA TREASURER**

RESOLVED, to confirm the election of Teresita Padel as the new KMBA Treasurer until May 31, 2022.

X. Financial Support

GM Salve revisited KSO’s institutional policy on K-Kabataan which provides financial support to the Board, Coordinators and Staff depending on the availability of funds. She presented the KSO Coordinating Committee’s recommendation for this year’s benefit on the said financial support:

A. K-KABATAAN (Php 3,000.00)	Number	Amount
KMBA Adviser (Nanay)	4	Php 12,000.00
KMBA Board (Nanay)	6	18,000.00
Coordinator	24	72,000.00
KMBA Staff	4	12,000.00
KCOOP Board	9	27,000.00
SUB TOTAL	47	Php 141,000.00
B. Cash Assistance (Php 1,000.00) ***not qualified for K-Kabataan	Number	Amount
KMBA Staff	6	Php 6,000.00
SUB TOTAL	6	Php 6,000.00
GRAND TOTAL	53	Php 147,000.00

GM Salve added that KMBA’s last disbursement on the said benefit was on 2019. BoT Teresita moved to approve the Financial Support on K-Kabataan and Cash Assistance amounting to One Hundred Forty-Seven Thousand (Php 147,000.00) Pesos. BoT Alma duly seconded the motion.



**BOARD RESOLUTION NO. 2021-27:
APPROVING THE FINANCIAL SUPPORT (K-KABATAAN AND CASH ASSISTANCE) TO BOARD,
COORDINATOR AND STAFF**

RESOLVED, to approve the financial support to Board, Coordinator and Staff amounting to One Hundred Forty-Seven Thousand (Php 147,000.00).

XI. Commission and Referral Fee

GM Salve presented the management’s Membership Marketing Proposal that was developed to encourage and invite organizational growth through incentivization.

	CRITERIA	PROPOSAL
Collection Fee/Marketing Expense	Less than 5,000 members	3% of BLIP contribution (P20)
	5,000 and above	5% of BLIP contribution (P20)
Referral Fee	3% of first remittance	

GM Salve emphasized that benchmarking was done across similar MBAs and commercial insurance companies to come up with the figures and percentages that is deemed appropriate and reasonable with KMBA. She also added that those fees mentioned above are not applicable to existing partner organizations of KMBA and are only applicable to organized groups, not individual membership.

BoT Alma moved to approve the implementation of the 3%-5% Collection Fee on BLIP contributions based on membership, duly seconded by BoT Jeronima.

**BOARD RESOLUTION NO. 2021-28A:
APPROVING THE COLLECTION FEE**

RESOLVED, to approve the collection fee or marketing expense of 3% of BLIP Collection for organized groups with less than 5,000 members and 5% of BLIP Collection for organized groups with 5,000 members and above.

Moreover, BoT Teresita moved to approve the implementation of the 3% Referral Fee on the first remittance of the referred organized group, duly seconded by BoT Alma.

**BOARD RESOLUTION NO. 2021-28B:
APPROVING THE REFERRAL FEE**

RESOLVED, to approve the referral fee of 3% of the first remittance from the referred organized group/s.

XII. Updates/Upcoming Events

- A. **Strategic Planning (2022-2027)**. November 27, 2021
- B. **Performance Evaluation Results (January-June 2021)**. Executive Assistant Anlyn presented the result of the Performance Evaluation of the General Manager and the Board for the period of January-June 2021. She announced that the Board gave GM Salve the highest rating or “4-Pinakamahusay” in their assessment in areas of (1) Governance and Board Management, (2) Program Strategy, (3) Service Delivery, (4) Financial Sustainability, and (4) Institutional



Management. Moreover, she presented the Summary of Board Assessment where the Board assessed themselves to have common understanding on their roles and responsibilities.

C. **Next regular Board Meeting.** October 29, 2021 9:00 am.


IX. Adjournment

There being no other matters discussed, the meeting ended at 11:44 am.

Prepared by:


Jonalyn T. Andres
Board Secretary

Attested by:


Enriqueta V. Navarro
President