



KASAGANA-KA Mutual Benefit Association, Inc.
1st Regular Meeting of the Board of Trustees
KMBA Members' Center #5 Matimpiin St. Pinyahan, Quezon City
January 28,2022, 9:00 am
Via Video/Teleconferencing

In Attendance:

Board of Trustees:

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| 1. Enriqueta Navarro | -President |
| 2. Alma Gilbaliga | -Vice President |
| 3. Jonalyn Andres | -Board Secretary |
| 4. Teresita Padel | -Treasurer |
| 5. Marlin Perez | -Board Member |
| 6. Jeronima 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

Board Member Emeritus

11. Leticia Rodriguez
12. Wenifreda Rodriguez

Management and Staff

- | | |
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| 13. Silvida R. Antiquera | -General Manager |
| 14. Evelyn A. Lagmay | -Finance Manager |
| 15. Analyn A. Shih | -Executive Assistant |

The following were not able to attend:

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| 16. Maria Anna dR. Ignacio | -Board Adviser |
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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
- VII. Year-end Report
- VIII. Financial Report
 - a. Financial Statements for the month of December 2021
 - b. Investment as of December 31, 2021
- IX. For Discussion and Approval
 - a. Review Vision, Mission and Goals
 - b. Commitment to Corporate Governance
 - c. Review of Related Party Transaction
 - d. Cash Relief Assistance to CAPS-R
 - e. Reclassify RF & EV to Assigned Surplus
- X. FYI/Updates
 - a. M360 Application/Text Blast
 - b. GCash Application
 - c. Annual Board and Committees Performance Assessment
 - d. Performance Evaluation to General Manager
- XI. Other Matters
- XII. Schedule of next board meeting
- XIII. Adjournment



DISCUSSION HIGHLIGHTS

I. The meeting started at 9:08 am 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. Bot Teresita moved to approve the proposed agenda duly seconded by BoT Alma.

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 Marlin moved to approve the minutes of the previous Board meeting, duly seconded by BoT Alma.

IV. Business Arising

Executive Assistant Analyn reported on the updates of the Corporate GCash Account Application and the M360 Application or Text Blast with Globe. She announced that the M360 has been approved and is now ready for use for announcement and product campaigns. Moreover, for GCash, she announced that it will be officially deployed and available on February 2, 2022, under Bills Payment – Insurance.

In addition, GM Salve reported on the status of the previously approved renewal of K-Kalinga with the Malayan Group Bankers Assurance. She said that enrollment for new policies was put on hold because of the big amounts of remaining payables that Malayan has not paid yet.

The Board took note of both matters.

V. Year-end Report

GM Salve presented the 2021 Year-end Report:

Membership:

Organization	Inforce	Lapsed	TOTAL
KCOOP	30,375	2,317	32,692
KMBA Associate	483	188	671
CAPS R	7,557	1,486	9,043
JVO Baguio	179	150	329
TOTAL	38,594	4,141	42,735

Products:

Product	# of Claims	Amount of Claims	Claims Ratio
BLIP	599	Php 12,989,326.32	46.8%
CLIP	269	3,470,762.22	40.8%
HIIP	26	60,200.00	2.58%



TOTAL	Php 16,520,288.54
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Other Services

Services	Enrollment		Claims/Benefits	
	#	Php	#	Php
K-Kalinga	12,344	617,200.00	7	125,000.00
K-Bente	44,307	886,140.00	43	257,000.00
Calamity Assistance			460	1,789,542.57
KJSP			130	5,725,721.00
TOTAL	56,651	Php 1,503,340.00	640	Php 7,897,263.57

FM Eve presented the 2021 Financial Year-End Report (2016-2021):

In Php (1,000,000.00)

	2016	TARGET	2021	RESULT	REMARKS
ASSETS	165.09	240.68	230.74	-4.13%	Inc. 7% per year
LIABILITIES	106.41	159.83	150.62	-5.76%	Inc. 7% per year
FUND BALANCE	58.68	80.85	80.12	-0.90%	Inc. 7% per year
COLLECTION	38.30	49.53	42.72	-13.75%	Inc. 8.72% per year from 2016-2019; A dec. of 20% in 2020 but a 0.034% inc. in 2021

Claims Ratio

	STANDARD	2016	2017	2018	2019	2020	2021
BLIP	30%	21.72%	20.09%	23.63%	28.02%	34.20%	46.80%
CLIP	30%	22.07%	20.23%	19.42%	29.15%	32.20%	40.80%
HIIP	50%				1.35%	8.06%	2.58%

FM Eve added that KMBA had a Solvency Ratio of 129%, a result within the Standard of =>120%. However, the Liquidity Ratio is 112%; a result falling short compared to the Standard of 120%. Furthermore, the Risk-Based Capital ratio of the Association showed a good score of 359%, a score within the bound of the Standard of >125%.

The Board accepted the Year-End Report upon motion of BoT Alma duly seconded by BoT Teresita.

VI. Financial Report

A. Financial Statements for December 2021

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



Particular	As of December 31, 2021	As of December 31, 2020	Variance	
			Amount	%
Total Assets	Php 230,741,996.86	Php 237,971,707.54	Php (7,229,710.68)	-3.04
Total Liabilities	150,620,285.66	154,305,499.27	(3,685,213.61)	-2.39
Total Fund Balance	80,121,711.20	83,666,208.72	(3,544,497.52)	-4.25

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

Particular	As of December 31, 2021	As of December 31, 2020	Variance Amount
Gross Revenue	Php 42,721,358.66	Php 41,328,110.52	Php 1,393,248.14
Total Benefit Expense	36,256,767.63	27,406,667.37	8,850,100.26
Total Operating Expense	11,903,985.96	11,011,863.70	892,122.26
Total Investment Revenue and Other Income	4,549,382.77	4,784,370.99	(234,988.22)
Net Surplus (Loss) before Income Tax	(890,012.16)	7,693,950.44	(8,583,962.60)
Income Tax Expense	(17,881.92)	(3,481.00)	(14,400.92)
Net Surplus (Loss)	Php (907,894.08)	Php 7,690,469.44	Php (8,598,363.52)
Other Comprehensive Income/(Loss)	248,741.42	2,749,114.55	(2,500,373.13)
NET COMPREHENSIVE SURPLUS	Php (659,152.66)	Php 10,439,583.99	Php (11,098,736.65)

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

	Php
Cash provided by operations	Php (8,289,536.00)
Dividend Income	812,134.00
Interest Income	3,737,606.00
Net cash provided by operating activities	Php (3,739,796.00)
Acquisition of property, plant and equipment	Php (104,160.00)
Receivable from KCOOP	(4,000,000.00)
Net cash used in investing activities	Php (4,104,160.00)
Release of excess unassigned surplus	Php (2,889,992.00)
Contribution of retirement benefit obligation	(2,048,926.00)
Net cash used in financing activities	Php (4,938,918.00)
Cash and Cash Equivalents, beginning	Php 29,659,995.00
Cash and Cash Equivalents, as of DECEMBER 31, 2021	Php 16,877,121.00

B. Investments as of December 31, 2021

The portfolio mix as of December 31, 2021, is as follows:



Type of Investment	As of December 31, 2021	As of January 26, 2022 (Current Placement)
Cash in Bank	Php 11,095,673.41	Php 20,003,013.92
Time Deposit	5,749,448.22	5,750,104.55
UITF	22,656,565.06	22,656,565.06
Government Securities	73,178,366.33	73,178,366.33
Corporate Bonds	6,000,000.00	6,000,000.00
Mutual Fund	5,697,290.91	5,697,290.91
Stocks	14,092,000.00	14,092,000.00
LTNCD	5,000,000.00	5,000,000.00
KCOOP Loan	7,000,000.00	3,000,000.00
Investment Property	63,847,415.75	63,847,415.75
TOTAL INVESTMENTS	Php 214,316,759.68	Php 219,224,756.52

With no further questions, Independent Board Randy moved to accept the financial reports and investment mix as of December 31, 2021, duly seconded by BoT Teresita.

VII. 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 to ensure that its operational plans and targets are in harmony with its avowed vision and mission. GM Salve presented the following:

Vision	<i>A self-reliant and self-sustaining mutual benefit association that actively and appropriately responds to the financial risk management needs of poor Filipino families.</i>
Mission	<i>To provide microinsurance products and services to the poorest Filipino families</i>
Corporate Goals	<ul style="list-style-type: none"> ▪ <i>To promote basic life insurance that can broaden the safety net of the Filipino poor;</i> ▪ <i>To engage in socially-oriented activities that render assistance to members in terms of their security needs;</i> ▪ <i>To develop a cost-effective mechanism for the delivery of microinsurance products and services.</i>

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

**BOARD RESOLUTION NO. 2022-01:
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 a guide in the attainment of the association goals.

BoT Alma moved to confirm the commitment of KMBA to Good Corporate Governance duly seconded by BoT Marlin.

**BOARD RESOLUTION NO. 2022-02:
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.*

VIII. Review of Related Party Transaction

BoT Adviser Isabel, reported to the Board of Trustees the result of the RPT Committee meeting. She ensured that there were no issues found on the review of the RPT of KMBA with its sister organization, KCOOP. She ensured the Board that all transactions that were identified by the external auditor has undergone due process and adheres to the rules and policy of KMBA.

**BOARD RESOLUTION NO. 2022-03:
REVIEW OF RELATED PARTY TRANSACTION**

***RESOLVED**, to confirm adherence to the principle of transparency with regards to related party transactions as per review of the Related Party Transaction Committee.*

IX. Confirmation of Cash Relief Assistance to CAPS-R

GM Salve presented, for confirmation, the Hundred Fifty Thousand Cash Relief Assistance to members in Cebu through CAPS-R which was approved via referendum last 24 December 2021.

BoT Alma moved to confirm the Cash Relief Assistance amounting to One Hundred Fifty Thousand (Php150,000.00) Pesos to CAPS-R duly seconded by BoT Jeronima.

**BOARD RESOLUTION NO. 2021-37:
APPROVING THE RELIEF TO CAPS-R**

***RESOLVED**, to approve the Cash Relief Assistance amounting to One Hundred Fifty Thousand (Php 150,000.00) Pesos to CAPS-R members.*



X. Reclassification of RF & EV to Assigned Surplus in the Fund Balance

FM Eve reported to the Board a financial accounting and reporting matter involving floating retirement fund and equity value reserves of lapsed and dormant accounts. She referred to the exchanges and correspondences of MiMAP and the Insurance Commission regarding the appropriate treatment of such. She presented the subject of reclassification to the Board for approval:

YEAR LAPSED	Number of Members	Retirement Fund	Equity Value	TOTAL AMOUNT
2007	1	Php 656.86	Php 148.21	Php 805.07
2008	2	589.26	167.95	757.21
2010	2	73.63	100.15	173.78
2011	30	2,328.73	2,793.74	5,122.47
2012	208	32,885.11	46,155.67	79,040.78
2013	241	71,082.90	99,132.84	170,215.74
2014	713	279,481.63	386,487.04	665,968.67
2015	1,188	484,340.43	672,656.30	1,156,996.73
2016	11,787	3,767,307.88	5,262,213.03	9,029,520.91
2017	27,500	5,586,367.88	7,966,841.98	13,553,209.86
2018	2,963	716,601.12	1,058,761.57	1,775,362.69
Jan 2019	306	85,513.90	126,034.19	211,548.09
GRAND TOTAL	<u>44,941</u>	<u>Php 11,027,229.33</u>	<u>Php 15,621,492.67</u>	<u>Php 26,648,722.00</u>

FM Eve recommended to the Board an adherence to the Insurance Commission's approval of MiMAP's proposal of transferring the Peso-amount of floating reserves to the Assigned Surplus of the Fund Balance.

BoT Teresita moved to approve the reclassification of the Eleven Million Twenty-Seven Thousand Two Hundred and Twenty-Nine & 33/100 (Php 11,027,229.33) Peso-Retirement Fund and the Fifteen Million Six Hundred Twenty-One Thousand Four Hundred and Ninety-Two & 67/100 (Php 15,621,492.67) Peso-Equity Value with the grand sum of Twenty-Six Million Six Hundred Forty-Eight Thousand Seven Hundred and Twenty-Two (Php26,648,722.00) Pesos to the Assigned Surplus in the Fund Balance. KMBA shall maintain the corresponding schedule in case any of the accounts shall have a claim in the future. BoT Alma duly seconded the motion.

BOARD RESOLUTION NO. 2022-04:

RECLASSIFYING RETIREMENT FUND AND EQUITY VALUE TO ASSIGNED SURPLUS

RESOLVED, to approve the reclassification of Eleven Million Twenty-Seven Thousand Two Hundred and Twenty-Nine & 33/100 (Php11,027,229.33) Peso-Retirement Fund and Fifteen Million Six Hundred Twenty-One Thousand Four Hundred and Ninety-Two & 67/100 (Php 15,621,492.67) Peso-Equity Value with a total sum of Twenty-Six Million Six Hundred Forty-Eight Thousand Seven Hundred and Twenty-Two (Php 26,648,722.00) Pesos to the Assigned Surplus in the Fund Balance of the Association.



XI. Updates/Upcoming Events

- A. **Performance Evaluation July-December 2021** EA Analyn announced that KMBA shall be having again its performance evaluation for the Board and the General Manager for the months of July-December 2021.
- B. **Audit Committee Meeting.** February 9, 2022; 9:00AM
- C. **Other Matters.** KMBA will arrange a Voters' Education session for the members and employees of KSO.
- D. **Schedule of the Next Regular Board Meeting.** TBA

XI.


Adjournment

There being no other matters discussed, the meeting ended at 11:22 am.

Prepared by:


Jonalyn T. Andres
Board Secretary

Attested by:


Enriqueta V. Navarro
President