



KASAGANA-KA Mutual Benefit Association, Inc.
8th Regular Meeting of the Board of Trustees
KMBA Members' Center Building, 5 Matimpiin St. Pinyahan, Quezon City
November 25, 2022, 9:00 am

In Attendance:

Board of Trustees:

- | | |
|--|---------------------------|
| 1. Marlin Perez | -President |
| 2. Nelly Vengano | -Vice President |
| 3. Emelda Castro | -Treasurer |
| 4. Myrna Verdadero | -Board Member |
| 5. Jeronima Teodoro | -Board Member |
| 6. Sylvia Trijo | -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 Capayas
- 10. Isabel Iliw-iliw
- 11. Enriquetta Navarro

Board Member Emeritus

- 12. Leticia Rodriguez

Management and Staff

- | | |
|--------------------------|----------------------|
| 13. Silvida R. Antiquera | -General Manager |
| 14. Evelyn Lagmay | -Finance Manager |
| 15. 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
- VII. Financial Report
 - a. Financial Statement (September and October 2022)
 - b. Investments as of October 2022
- VIII. For Discussion and Matters Requiring Resolutions
 - a. Operations update
 - b. Priorities for 2023
 - c. Budget Projection for 2023
 - d. Risk Management Manual
 - e. Renewal of Property Insurance
 - f. Renewal of K-Kalinga
 - g. Renewal of K-Bente
 - h. Cash Gift for Employees
- IX. Updates
 - a. ICMIF Conference
 - b. IFRS 17
 - c. Mobile App
- X. Upcoming Activity
 - a. Christmas party
- XI. Other Matters
- XII. Schedule of Next Board Meeting
- XIII. Adjournment



DISCUSSION HIGHLIGHTS

I. The meeting was formally started at 9:00 am with a prayer.

II. Quorum and Agenda

Vice President, Nelly Vengano conducted the roll call and determined the presence of a quorum, with eight of the nine members of the Board present. Subsequently, President Marlin Perez presented the Agenda and it was approved by the Board upon motion by BoT Sylvia and seconded by BoT Myrna.

III. Reading and Approval of the Minutes of the Meeting

The minutes of the previous meeting was reviewed, and General Manager Salve Antiquera raised the following corrections:

1. KMBA is one of the top 4 MBAs in the Golden Arrow awards, and not of the two
2. Clarification in the year of implementation of IFRS in MBAs is in the year 2027 and not in the year 2025

With no other clarifications, the minutes of the previous meeting was approved upon motion by BoT Jeronima and seconded by BoT Emelda.

IV. Business Arising

GM Silvada Antiquera mentioned that mentioned that the assignments from the previous meeting are included in those that will be discussed in the updates.

V. Financial Report

A. Financial Statements for September and October/ 2022

Finance Manager, Evelyn Lagmay presented the Statement of Financial Position for the months September and October 2022. The summary of the report is provided below:

Particular	As of October 31, 2022	As of October 31, 2021	Variance	
			Amount	
Total Assets	Php 234,575,467.18	Php 228,459,996.60	Php 6,115,470.58	2.68%
Total Liabilities	129,105,315.20	148,917,393.95	(19,812,078.75)	-13%
Total Fund Balance	105,470,151.99	79,542,602.66	25,927,549.33	32.60%

On the other hand, the summary of the Income Statement for the months of September and October 2022 are as follows:

Particulars	For the Month of October 2022	For the Month of September 2022	Variance in Amount
Gross Revenue	Php 4,402,731.03	Php 4,531,694.26	Php (128,963.23)
Total Benefit Expense	2,911,597.74	2,892,864.03	18,733.00
Total Operating Expense	1,296,722.16	1,342,587.63	(45,865.47)
Total Investment Revenue and Other Income	274,844.63	256,905.52	17,939.11
Net Surplus (Loss) before Income Tax	469,255.77	553,148.12	(83,892.35)
Income Tax Expense	-	-	-
Net Surplus (Loss)	469,255.77	553,148.12	(83,892.35)



The Board accepted the Financial Report for the months of September and October 2022 upon motion by BoT Sylvia and seconded by BoT Myrna.

B. Investments as of October 31, 2022

The portfolio mix as of October 31 2022, is as follows:

Type of Investment	As of October 31, 2022	As of November 24, 2022
Cash in Bank	Php 19,094,657.74	Php 24,520,252.47
Time Deposit	3,292,781.19	3,193,438.50
UITF	22,219,268.11	22,220,491.16
Government Securities	80,612,095.95	78,144,155.03
Corporate Bonds	10,280,000.00	10,280,000.00
Mutual Fund	5,600,750.00	5,600,750.00
Stocks	12,863,500.00	12,863,500.00
Investment Property	63,240,071.86	63,240,071.86
TOTAL INVESTMENTS	Php 222,103,125.40	Php 225,062,659.56

Finance Manager Evelyn Lagmay explained that if the total assets and the total investments are compared, there is a difference worth Php 12,472,341. 78, constituted by the following:

ITEMS	AMOUNT
Cash On Hand	Php 22,000.00
Receivables	7,553,232.17
PPE	3,569,009.14
Intangible	697,836.51
Prepaid Assets	630,263.96
Total Difference	12,472,341.78

The Board acknowledged the efforts of the management and praised its good performance concerning the management of the organization's investments.

The Investment Mix as of 31 October 2022 was approved upon motion by BoT Sylvia and seconded by BoT Myrna.

VI. For Discussion

a. Operations Report

GM Salve reported on the state of operations, and clarified that the data that will be reported is from January to October 2022 only:

	TARGET	ACTUAL
Membership	50,500	48,331
Premiums	Php 37.4M	Php 26.5M
Assets	P235	234
Liabilities	158	139
Fund Balance	77.6	105
Number of claims	-	662



In the discussion, everyone agreed that there should be a proper campaign to reduce the number of lapsed accounts, and increase the enrollment of K-Bente and HIIP. GM Salve also explained that this concern has been conveyed to K-Coop so that the mandatory enrollment of members in HIIP can be implemented more strictly for members in the 2nd loan cycle. Board Emeritus Letty Rodriguez suggested that the HIIP enrollment should be campaigned to the Coordinators so that they themselves can explain and campaign it in the centers.

The Board accepted the Operations report chaired by BoT Sylvia and seconded by BoT Nelly.

b. Priorities for 2023

GM Salve also explained the areas that KMBA will focus on for the year 2023. She emphasized that the main objective of the Association in the next three years is to return to its pre-pandemic numbers and status:

PRIORITY AREAS	ACTIVITIES
Products and Services	Retain existing benefits; Partners for non-life remain the same including reinsurance
Membership growth	Increase in members to 60,000; Recruit associates
Underwriting	Digitize documents of all policy holders including dependents to be uploaded to the Koins system; Issuance of insurance policy; Regular updating of members' records
Claims	8-24 hours claims settlement upon receipt of completed documents;
Marketing and promotion	Microinsurance awareness campaign; How to use the KMBA mobile App Maximize the use of social media platform;
IT/MIS	Work on the integration of database management system with other systems via API and digital platform; Continues development of modules; Strict monitoring of security measures
Administrative	On-time submission of regulatory requirements to avoid penalties. Explore the adoption of a paperless, digital system to eliminate printing-related costs; cost-cutting of admin expenses
Finance and Accounting	Use of online banking and e-wallet system for fast payments; Familiarize with IFRS 17 requirements in accounting; Initiate consultation with the external auditor should it be applied to MBAs
Compliance	Apply for KMBA Koins copyright from the IPOPHL Apply for Tax exemption Apply for IFRS 17 exemption SEGURO Asean Corporate Governance Score Card
Personnel	Claims processors to take the TESDA NCII-Microinsurance; FM to take the CPA exam; Organizational structure; Competency training of staff.
Networking	Remain active in MiMAP and ICMIF activities

The Board approved and accepted the priorities for 2023 upon motion by BoT Nelly and seconded by BoT Jeronima.



c. Budget Projection for 2023

The budget projection for the year 2023 was discussed:

ASSUMPTIONS	2022 PROJECTION	ACTUAL as of October 2022	PROJECTION FOR 2023
MEMBERS	50,500	48,331	60,000
ASSETS	235,648,352.20	234,575,467.00	245,492,211.58
LIABILITIES	158,004,359.24	129,105,315.00	140,593,714.10
FUND BALANCE	77,643,992.91	105,470,152.00	104,988,497.49
TOTAL COLLECTIONS	50,725,500.00	39,740,060.25	61,355,000.00
TOTAL BUDGET	36,548,272.56	23,936,446.89	37,226,319.95

The projections for the year 2023 were approved and agreed to by all members of the Board.

d. Risk Management Manual

The contents of the Risk Management Manual were discussed in the meeting. The primary objective of the manual is to provide a framework to identify "potential risks" that may endanger the achievement of the organization's critical goals, as well as to design strategies to avoid or thus reduce its negative effects on the organization.

The content and policies stated in the Risk Management manual was accepted and agreed upon by all members of the Board.

e. Renewal of Property Insurance

The Board was informed that the property insurance of the KMBA building with Pioneer Insurance expired last December 01, 2022. As such, it is necessary to re-insure the building for the year 2023 to ensure that it has coverage during unexpected losses or damages. The Management proposed to renew the property insurance with Pioneer Insurance in the amount of Php 80,315.10.

The renewal of property insurance with Pioneer Insurance in the amount of Eighty Thousand Three Hundred Fifteen (80,315.10) was approved and agreed to by all members of the Board.

**BOARD RESOLUTION NO. 2022-28:
AUTHORIZING THE RENEWAL OF PROPERTY INSURANCE**

RESOLVED, to approve the renewal of property insurance for the KMBA Member Center Building with Pioneer Insurance amounting to ng Eighty Thousand Three Hundred Fifteen (80,315.10).

f. Renewal of K-Kalinga

The approval for the renewal of K-Kalinga in Malayan Insurance for the year 2023 was presented to the Board. It was approved and agreed to by all members of the Board.

**BOARD RESOLUTION NO. 2022-29:
AUTHORIZING THE RENEWAL OF K-KALINGA**

RESOLVED, to approve the renewal of K-Kalimng policy agreement with Malayan Insurance.



g. Renewal of K-Bente

The approval of the renewal of K-Bente in First Life Insurance for the year 2023 was presented to the Board. It was approved and agreed to by all members of the Board.

**BOARD RESOLUTION NO. 2022-30:
AUTHORIZING THE RENEWAL OF K-BENTE POLICY**

RESOLVED, to approve the renewal of K-Bente policy agreement with First Life Insurance

h. Cash Gift for Employees

GM Salve explained that all KSO is following a computation in giving Cash Gift to employees. This year, based on the said computation, the Cash Gift of the employees may reach Php 16,000 - 17,000.

Also, In the past, part of the benefits received by employees is the "Christmas package", where it contains groceries worth Php 1,000.00. During the pandemic, this was one of the benefits that was temporarily suspended due to the losses experienced by KSOs. In the year 2022, the "restoration of pre-pandemic benefits" was submitted to the Board and this benefit is one of those proposed to be given to employees again.

In a meeting held by the Coordinating Committee, it approved that the said package should be called the "Pasasalamat Package" as a way of thanking the employees for staying and persevering with the organization despite the trials caused by the pandemic.

The Board accepted and approved the giving of cash gifts to employees, based on the existing policy and computation as well as the Pasasalamat Package worth P1,000/per employee.

i. Updates

ICMIF Conference

The Board was informed of the successful participation of KMBA in the centenary conference of the International Cooperative and Mutual Insurance Federation (ICMIF). GM Salve emphasized the importance of being a member of ICMIF because it gives the organization access to knowledge and information related to insurance, as well as collaboration with other insurance organizations.

IFRS 17

Finance Manager Evelyn Lagmay and Executive Assistant Analyn Shih attended the session on IFRS 17 last September 27-29, 2022. The session aims to help insurance organizations to better understand the changes in accounting standards that will be implemented by the Insurance Commission. Based on the new accounting standards, there will be changes on how premiums are recorded, thus it is necessary to study and prepare for this changes as early as now.

Mobile App

The functionality of the app is currently in the process testing and adjustments. It is estimated that it will be fully functional in the 2nd quarter of this year.



j. Upcoming activity


The Board was informed of the conduct of the Christmas party to be attended by the Coordinators and Trustees on December 22, 2022 at 9:00 a.m. at the KMBA Members Center Building.

XI.

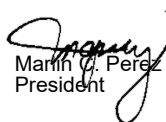
Adjournment

There being no other matters discussed, the meeting ended at at 11:33 am.

Prepared by:


Joseph M. Lopez
Secretary

Attested by:


Martin G. Perez
President