



KASAGANA-KA
Mutual Benefit Association, Inc.

KASAGANA-KA Mutual Benefit Association, Inc.
3rd Regular Board Meeting
5 Don Francisco St., Don Enrique Heights
Brgy. Holy Spirit, Quezon City
May 6, 2016, 8:30 am

Present

Board of Trustees

- | | |
|------------------------|-----------------------|
| 1. Elizabeth N. Yayon | – President |
| 2. Judea T. Gutierrez | – Treasurer |
| 3. Jerlene B. Perez | – Secretary |
| 4. Ailene V. Ramos | – Member |
| 5. Marivic R. Loterte | – Member |
| 6. Ma. Jona K. Parolan | – Member |
| 7. Perla F. Batingal | – Independent Trustee |

Board of Advisers

- | | |
|---------------------------|-----------------|
| 8. Leticia T. Rodriguez | – Padilla |
| 9. Wenifreda F. Rodriguez | – Bagong Silang |
| 10. Martiniana G. Mancio | – Montalban |
| 11. Chona B. Capayas | – Masinag |
| 12. Ma. Anna DR. Ignacio | – Adviser |

Management & Staff

- | | |
|-------------------------|-----------------------|
| 1. Silvida R. Antiquera | – Gen. Manager |
| 2. Evangeline E. Pe | – Operations Manager |
| 3. Evelyn A. Lagmay | – Finance Manager |
| 4. Analyn A. Shih | – Executive Assistant |

Certified by:


Jerlene Perez
Secretary



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May 6, 2016, 8:30 am**

- I.** Call to Order
- II.** Prayer
- III.** Determination of Quorum
- IV.** Approval of the propose Agenda
- V.** Approval of previous minutes of the meeting (March 10, 2016)
- VI.** Financial Report & Investment: Financial Statement for March 2016
- VII.** Updates
 - a. Election Committee
 - b. Anniversary Committee
 - c. SEGURO Performance Rating (January to March 2016)
 - d. IC License 2016-2018
- VIII.** For Discussions and Approval
 - a. Renewal: Catastrophe Excess of Loss Treaty CAT-XOL (April 1,2016 to March 31, 2017)
 - b. Renewal: Social Initiative Against Catastrophe (SICAT)
- IX.** Board Performance Evaluation
- X.** Adjournment



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I. Prayer

The meeting started with a prayer led by Board of Trustees (BoT) member Jona Parolan.

II. Checking of quorum

Board Secretary Jerlene Perez confirmed and noted each attendee in the meeting. Seven (7) out of the seven (7) Board members were present, which met quorum requirements and made it possible for the Board meeting to continue.

III. Approval of the propose agenda

Board President Elizabeth Yayon presented the meeting's proposed agenda items, and asked the Board members and other attendees if they would want to add any item to those that were mentioned. As there were no proposals, the meeting proceeded.

IV. Approval of previous minutes of the meeting (March 10, 2016)

Since the advance copy of the minutes of the meeting was disseminate to the board, General Manager Silvida Antiquera suggested that the board just go through the minutes of the previous meeting silently, and noted that it could be good to change some of the processes in the Board meetings as required by the ACGS system and standards.

V. Clarifications and discussion

In relation to what was stated in page 4 of the minutes regarding the association's rent expenses, Board member Jona Parolan inquired on when KMBA began to pay the rent for Room 504 of the building wherein its head office is currently located. Evelyn Lagmay, KMBA Finance Manager, answered that KMBA started to pay rent in May 2016. Independent Board member Perla Batingal then suggested indicating in the minutes, on page 8, the effectivity date of the Hospital Assist Program (HAP). Apart from these, there were no further clarification or discussion on the previous meeting's minutes.

- Board Treasurer Judea Gutierrez moved for the approval of the minutes of the previous Board meeting, March 10, 2017. Board member Marivic Loterte seconded the motion. The Board approved the minutes.

VI. Financial status report (March 2016)

Finance Manager Evelyn Lagmay reported on the association's financial status as of March 2016. Total recorded assets for the period was Php 145,249,861.61. This amount was comprised of cash and cash equivalents, receivables, short-term financial assets, and non-current assets. This indicated an increase of Php 25 million



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or 21% compared to the same month of the previous year (2015). She noted that a big part of the cash amount is lodged in time deposit accounts of the association with Metrobank and BDO.

Meanwhile, total liabilities amounted to Php 101,789,240.76, which represented a 22% increase from the figure during the same month of the previous year (2015). Evelyn explained that the Php 5.00 savings or Retirement Fund (RF) contributed by members and half of their Php 15.00 premium payments for the life insurance (or Php 7.50) went into this total. Fund balance reached Php 43,460,620.85, or a 20% increase from the same month of the previous year 2015. Liabilities and fund balance thus totalled Php 145,249,861.61. Net surplus amounted to Php 841,698.71 for March 2016.

FM Evelyn also reported that claims to KMBA's Basic Life Insurance Plan (BLIP) for March 2016 was higher than that of the previous month (February 2016). BLIP claims for March totalled Php 592,368.25, which indicated a 22.78% increase from February. On the other hand, claims for the Credit Life Insurance Plan (CLIP) reached Php 122,000, or 29.15% increase based on the figure for the previous month. This was below the standard rate of 30% for CLIP claims. KMBA's operational expenses were also low at Php 515,053.67 or 17.65% of the 20% operating standard.

Investment (May 2016)

Finance Manager, Evelyn reported next on the association's investments as of May 2016. FM Evelyn explained that a big amount of cash was deposited to the association's savings account in Metrobank during the month. This came from KDCI's collection, and would be transferred to the association's time deposit account.

Type of Investment	Bank	Account Type	Maturity Date	Coupon/ Gross Rate	Net Int.Rate	Face Amount
GEORGETY / GT HOLDINGS CAPITAL						
CASH IN BANK	Metro Bank	Current Account - General Fund #007-032-50403-1		0.00%	0.00%	744,302.48
		Current Account- CLIP #032-7032-50480-5		0.00%	0.00%	427,908.06
		Current Account- BLIP #007-032-50451-1		0.00%	0.00%	475,699.04
		Savings Account - BLIP Acct.#3032178775		0.00%	0.00%	9,601,506.22
		Savings Account - CLIP Acct.#032- 3-032-22213		0.00%	0.00%	1,412,824.93
		Total cash in Bank				
TIME DEPOSIT	Metro Bank	Regular Time Deposit Acct#032-103202782-0	June 17, 2016 (63 Days)	1.00%	0.80%	4,074,317.97
		Regular Time Deposit Acct# 032-103202934-3	May 27, 2016 (36 Days)	1.00%	0.80%	10,045,418.97
		Regular Time Deposit Acct#032-1032028517	May 12, 2016 (32 Days)	0.50%	0.40%	806,728.55
		Regular Time Deposit Acct#032-1-03202951-3	May 31, 2016 (32 Days)	0.75%	0.50%	2,003,023.73
		Total Time Deposit				



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UITF	Metro Bank	Unit Investment Trust Fund - Money Market Fund-15681	11-Jan-16	1.54	1.55	10,000,000.00
MUTUAL FUND	FMIC	Save & Learn Fixed Income Fund (SALFIF)	15-Apr-13	2.12	2.23	5,000,000.00
TOTAL INVESTMENT UNDER GEORGE TY			31.57%			44,591,729.95
SY GROUP						
CASH IN BANK	BDO	Savings Account Acct.#7250027686				51,460.03
		Current Account Acct#7258003871				639,926.36
	CHINA BANK	Savings Account Acct.#138-313121-3				7,010.32
TOTAL						698,396.71

TIME DEPOSIT	BDO	Regular Time Deposit Acct#372507309020	May 30, 2016 (30 Days)	0.50%	0.40%	303,304.06
TOTAL						303,304.06
UITF	BDO	Unit Investment Trust Fund - Money Market Fund -144978	10-Jan-16	1493.11	1499.62	10,000,000.00
CORPORATE BONDS	FMIC	SMIC- Fixed Rate Bond	July 16, 2019 (7 years)	6.00%	4.80%	7,500,000.00
TOTAL INVESTMENT UNDER SY GROUP			13.10%			18,501,700.77
GOVERNMENT						
GOVERNMENT SECURITIES	BDO	RTB (Retail Treasury Bonds)10-04 ; Brokers Confirmation No: 2024061	Aug. 15, 2023 (10years-Tradable)	3.25%	2.60%	10,000,000.00
	Metro Bank	FXTN (Fixed Rate Treasury Notes)25-08; Broker's Confirmation	Dec. 16, 2035 (25years-Tradable)	8.13%	6.32%	15,035,000.00
	FMIC	FXTN,Fixed Rate Treasury Notes)25-08 ; COS# 0100159	Dec. 16, 2035 (25years-Tradable)	8.13%	6.48%	5,000,000.00
		FXTN,Fixed Rate Treasury Notes)25-08 :COS# 01001752	Dec. 16, 2035 (25years-Tradable)	8.13%	6.43%	4,000,000.00
	CHINA BANK	FXTN,Fixed Rate Treasury Notes)25-08 Broker's Conf'n Ref #	Dec. 16, 2035 (25years-Tradable)	8.13%	6.49%	7,127,000.00
		RTB(Retail Treasury Bonds)10-04 Ref# 38414 & SN No: 8000258	Aug. 15, 2023 (10years-Tradable)	3.25%	2.60%	10,000,000.00
		RTB(Retail Treasury Bonds)10-59 ISN#PBD1024H595	Aug. 20, 2024 (10years-Tradable)	4.13%	3.30%	10,000,000.00
TOTAL INVESTMENT UNDER GOVERNMENT			43.30%			61,162,000.00
MERALCO / CHAIRMAN OF THE BOARD: MANUEL PANGILINAN						
CORPORATE BONDS	FMIC	MERALCO- Fixed Rate Bond	Dec. 12, 2020 (7 years)	4.38%	3.50%	7,000,000.00
TOTAL INVESTMENT UNDER MERALCO			4.96%			7,000,000.00
SUN LIFE						
MUTUAL FUND	SUNLIFE	Government Securities Fund (GS Fund)	18-Apr-13	1.63	1.56	2,000,000.00
TOTAL INVESTMENT UNDER SUN LIFE			1.42%			2,000,000.00
SAN MIGUEL CORPORATION						
STOCK	FMIC SECURITIES	Petron Preferred Shares Series A			6.30%	8,000,000.00
TOTAL INVESTMENT UNDER PETRON /SAN MIGUEL			5.66%			8,000,000.00
GRAND TOTAL						141,255,430.72



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PORTFOLIO MIX

Types of Investment	Investment Limit (IC Code)	Current Placement	% of Placement over Admitted Assets	Potential for placement	
				%	Amount
Cash in Bank		Php 13,360,637.44	9.69%		
Time Deposit		Php 17,232,793.28	12.49%		
Government Securities		Php 61,162,000.00	44.34%		
Corporate Bonds	25%	Php 14,500,000.00	10.51%	14.49%	19,986,065.50
Mutual Fund	10%	Php 7,000,000.00	5.07%	4.93%	6,794,426.20
Stocks	10%	Php 8,000,000.00	5.80%	4.20%	5,794,426.20
LITF	10%	Php 20,000,000.00	14.50%		
TOTAL Funds		Php 141,255,430.72			
Admitted Assets as of December 2015		137,944,262.00			

VII. Updates on recent activities

a. Election Committee meeting

KMBA Operations Manager Evangeline Pe reported to the Board that collected ballots from the branches have not yet reached 80% of the total number issued. Evangeline also noted that there were ballots from the Bagong Silang branch that had signatures but did not contain votes for any candidate. In light of this, the Operations Manager recommended to the Board the extension of the proxy voting deadline, from May 6 to May 12. Canvassing of votes would be done on May 18.

- Board member Jona Parolan formally moved for the proxy voting extension. The motion was seconded by Board member Ailene Ramos.

b. Anniversary Committee meeting

General Manager Silvida Antiquera then reported to the Board that the anniversary committee already met and were able to discuss preparations for the upcoming anniversary celebrations of KMBA. Included in the plans discussed during the meeting was the giving of awards for most outstanding Field Managers (FM) and Socioeconomic Officers (SO). Independent Board member Perla Batingal then suggested the following criteria or bases for deciding on the awardees:



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For the most outstanding (pro-active) SO:

1. Initiative or displays willingness in her work
2. With highest number of enrollees for KMBA products
3. With unique stories from those that were given claims benefits

For the most outstanding (supportive) FM;

1. Relates well with client-beneficiaries and staff
2. With highest number of enrollees for KMBA products
3. Good knowledge of protocols

General Manager Silvida also suggested selecting the most inspiring story from the anniversary magazine. There would be video presentations. The association also plans to acknowledge and express its gratitude to its past presidents. KMBA would also hire a photographer and a videographer to cover the Annual General Meeting (AGM) and anniversary program. Independent Board member Perla proposed contacting her friend from the Philippine Star to cover the event.

GM Silvida also presented the proposed physical arrangement for the anniversary program. The Human Resource department would be asked to provide support for the registration and for ushering in the attendees and guests. People from the Management Information System (MIS) team would be tapped to help with the physical arrangements and in setting up the sound system. The association also plans to give out souvenir items which should also serve as marketing materials or advertisements for its microinsurance products and services.

c. SEGURO performance rating

General Manager Silvida Antiquera then reported to the Board members KMBA's SEGURO performance rating for the period of January to March 2016. The association got an overall mark of 89 out of the 100 standard under SEGURO. The Board members were pleased with the results. GM Silvida also presented the criteria used:

SEGURO	SCORE	STANDARD
Stability	25	30
Efficiency	14	20
Governance	15	15
Understanding	10	10
Risk based capital	20	20
Outreach	5	5



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The General Manager clarified that the low mark for “Stability” was due to the “0” mark given for liquidity. Based on SEGURO standards, for every peso of the association’s current liability, there should be a corresponding peso in its current assets to get a perfect score for liquidity. A big part of the organization’s fund is lodged in long-term investments to get good returns, and these were classified as non-current assets. Meanwhile, equity value and RF which constituted a big part of the association’s liability were classified under current liabilities.

KMBA’s low mark for “Efficiency” meanwhile was due mainly to its operational expenses not meeting SEGURO’s standard of 10%. The association’s current level of operating expenses is 20% which merited KMBA a score of only “4” under SEGURO’s existing rating scheme/system.

VIII. Other decision points and Approved motions

a. Renewal of Catastrophe Excess of Loan Reinsurance (CAT-XOL) contract

General Manager Silvida Antiquera reported to the Board that the contract for this life reinsurance ended last 31 March 2016. The General Manager recommended to the Board members the contract’s renewal, from 01 April 2016 to 31 March 2017. Board Treasurer Judea Gutierrez moved for the approval of the General Manager’s recommendation for renewal of the CATXOL contract. The motion was seconded by Board member Ailene Ramos. The whole Board concurred with the motions.

b. Renewal of Social Initiatives Against Catastrophe (SICAT) contract

General Manager Silvida Antiquera requested the Board for the renewal of the association’s contract with SICAT for the year 2016. Board member Jona Parolan formally moved for the Board’s approval of the General Manager’s recommendation. Board member Marivic Loterte seconded it. The Board approved the proposal for contract renewal.

IX. Board Assessment

In compliance with the principles of good governance, the Board of Trustees conducted an assessment of its performance for the period January to May 2016. KMBA’s Executive Assistant Analyn Shih presented the results of the trustees self-assessment.




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X. Adjournment

There being no other matter to discuss, a motion to adjourn the meeting was raised and seconded. The Board of Trustees meeting formally ended at 12:30 pm.

Certified by:


Jerlene B. Perez
Secretary

Attested by:


Elizabeth N. Yayon
President