

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
PAGASA NG PINOY MUTUAL BENEFIT
ASSOCIATION, INC. (PPMBAI)**

The regular meeting of the board of trustees of Pagasa ng Pinoy Mutual Benefit Association, Inc. was held on the 7th Floor, Jenkinsen Tower, No. 80 Timog Avenue, Quezon City on November 28, 2024, at 1:00 pm.

Present:

Genaro L. Kong
Jonnelle C. Almazar
Eufrecina T. De Jesus
Katrina Sanedel C. Silanga
Md. Shamsul Hasan
Joan S. Alfarero
Joan D. Madriaga
Jocelyn S. Pavia
Arlene A. Catolico
Zorabel G. Asuncion
Emelita B. Bordaje
Lorna D. Dalere
Ricardo P. Lirio
Reena Concepcion G. Obillo

Also Present:

T I M Fakruzzaman
Noel D. Madriaga
Richard Jeremy L. Tabudo
Joselito D. Fernandez

CALL TO ORDER

The President, Mr. Genaro L. Kong, acting as Chairperson ("Chairperson") called the meeting to order and thereafter presided. The Corporate Secretary, Atty. Joselito D. Fernandez (outgoing Corporate Secretary) and Atty. Katrina Sanedel Silanga ("incoming Corporate Secretary"), recorded the minutes thereof.

OPENING PRAYER

The Chairperson/President requested board of trustee Ms. Eufrecina T. De Jesus to lead the opening invocation.

CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary conducted a roll call of the members and certified that a quorum existed for the meeting to proceed upon determining that all the trustees were in attendance.

READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Chairperson/President proceeded to the next item on the agenda, summarizing the topics discussed in the previous meeting. He provided the members of the Board of Trustees with the opportunity to review the minutes of the regular meeting held on August 28, 2024. One of the independent directors raised a minor typo error; however, other than that, the Board approved the minutes.

Thereafter, the Chairperson/President noted that the minutes constituted the faithful recording of the matters that were discussed during the meeting.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that the minutes of the regular meeting of PPMBA’s Board of Trustees held on August 28, 2024, be approved and ratified.”

ITEMS FOR THE APPROVAL OF THE BOARD

The meeting pursued discussions on the items for approval of the Board. Enumerations are as follows:

1. **Expanded CLIP.** The Board discussed the Expanded CLIP which the members will pay Php10.00 for every Php 1,000.00 for their loan added benefit to expand the coverage— which may cover serious sickness, severely affected by the typhoon, disability, bankruptcy, and calamities. The Expanded CLIP will pay 90-95% of the member’s loan; previously, 100% will be paid in CLIP. These conditional addition benefits are subject to approval of partner MFI and the Head Office.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that PPMBAI’s Expanded CLIP is approved and ratified.”

2. **Forfeiture of equity of inactive members (more than 3 years).** The discussion resulted in the approval of the Board and resolved to submit a revised IRR to the Insurance Commission with the condition to use the group and satisfy the loan before forfeiting the equity.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that PPMBAI forfeits the equity of inactive members provided more than three (3) years have lapsed and submission of revised IRR to the Insurance Commission is approved and ratified.”

3. The Borad added to its agenda that the **contestability clause** will be reduced to six (6) months from the previous term of one (1) year, and the said changes were approved immediately.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that PPMBAI reduction of the contestability clause period to six (6) months from the previous term or one (1) year is approved and ratified.”

4. **Christmas Party Subsidy.** The Chairperson announced that Pagasa Philippines Finance Corporation (“PPFC”) would give a Christmas Party Subsidy. PPMBAI’s estimated share in the expenses for the said subsidy is about Php 15 million. For issuance of a letter to the group/borrowers.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that PPMBAI’s contribution to the Christmas Party Subsidy budget in the amount of Php 15 million is approved and ratified.”

APPROVAL OF THE NEW PRODUCTS

1. The Enhanced HCA Plan is a new proposed product of the MBA, improving the HCA product – financial assistance to the members in case of hospital confinement. The plan initially proposed to give a Php 500.00 daily allowance to the members for a maximum of fifteen (15) days per six (6) months, with a premium amount of Php 175.00 for individual coverage and Php 600.00 for family coverage. The Boad proposed and thereafter approved only a Php 400.00 – Php 500.00 daily allowance. The target implementation date for the Enhanced HCA Plan will be in February 2025 for PPFC and PMPMI member – insured.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that
PPMBAI’s Enhanced HCA Plan is approved and
ratified.”

2. Enhanced Dependents Coverage Plan Benefits was discussed, an optional plan that covers unlimited dependents in the table below.

Insured Lives/Contingent Events	Spouse	Children	Parents
Natural	40,000.00	10,000.00	40,000.00
Accident	90,000.00	10,000.00	40,000.00

The dependent coverage applies for both natural and accidental death. The premium will be Php 310.00 without equity; it was discussed that the restriction on age shall be the same, 65 years old (same with parents), and the dependent children shall be 18 years old and above regardless of if they are co-borrowers.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that the
PPMBAI’s Enhanced Dependents Coverage Plan
Benefits is approved and ratified.”

3. Emergency Room Care Plan, a newly proposed product with Php 5,000.00 benefits twice a year, with a premium amounting to Php 300.00, is approved by the Board. As per PPFC’s President, this product is subject to further discussion on whether to offer this product to sell.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, that the
PPMBAI’s Emergency Room Care Plan is approved
and ratified.”

FOR INFORMATION

The Chairperson/President informed the Board of the result of the Insurance Commission Exit Audit Interview, the Risk – Based Capital (RBC) is 367%, compared to the last year’s with 158%. The Chairperson/President further informs the Board that the Insurance Commission License is under process.

**THE PRESIDENT'S UPDATE ON
THE MBA'S OPERATIONAL
UPDATES 3RD QUARTER 2024**

Moving on to the next item on the agenda, the Chairperson/President presented to the board the operations data as follows:

Operational Performance – Collection

PRODUCT		3RD QUARTER 2024	3RD QUARTER 2023	INCREASE/ DECREASE
ADMISSION FEE	Members Collected	229,807	145,940	57%
	Collection	Php22,980,669	Php14,594,180	57%

PRODUCT		3RD QUARTER 2024	3RD QUARTER 2023	INCREASE/ DECREASE
BLIP	Members Collected	530,335	408,519	30%
	Collection	Php206,830,527	Php159,322,147	30%
	Active Members	350,256	275,232	27%

PRODUCT		3RD QUARTER 2024	3RD QUARTER 2023	INCREASE/ DECREASE
CLIP	Members	530,335	408,519	30%
	Collection	Php46,324,776	Php34,150,922.00	36%
	Active Members	350,256	275,232	27%

PRODUCT		3RD QUARTER 2024	3RD QUARTER 2023	INCREASE/ DECREASE
RSF	Members Collected	470,618	397,199	18%
	Collection	Php61,180,301	Php51,636,529	18%
	Active Members	313,611	264,563	19%

PRODUCT		3RD QUARTER 2024	3RD QUARTER 2023	INCREASE/ DECREASE
HCA	Members Collected	530,335	540,066	2%
	Collection	Php71,338,305	Php54,006,650	32%
	Active Members	350,256	275,232	27%

The Chairperson/President noted the substantial increase in the Admission Fees for Q3 2024. A quick comparison between Q3 2023 and Q3 2024 would reveal an overall increase in membership and premium collections of 57%, which may indicate that the PPMBA is showing positive trends of development and improvement. Noticeably, many borrowers availed BLIP and other optional products. As it stands, the operational position of PPMBA is stable.

Operational Performance Claim

CLAIMS, EQUITY RETURN AND BENEFIT PAYMENT								
YEAR	BASIC LIFE INSURANCE (BLIP)		CREDIT LIFE INSURANCE (CLIP)		RETIREMENT SAVINGS FUND		Hospitalization Care Assistance	
	No. Of Claims	Claims Payment	No. Of Claims	Claims Payment	No. Of Claims	Claims Payment	No. Of Claims	Claims Payment
3RD Quarter 2023	79,862	Php104,568,305	603	Php12,010,120	77,993	Php39,507,995	5509	Php9,529,504
3RD Quarter 2024	97,712	Php114,336,169	868	Php14,383,598	89,325	Php37,073,421	9983	Php19,266,735
Percentage Increase (decrease)	22%	9%	44%	20%	15%	-6%	81%	102%

	BASIC LIFE INSURANCE (BLIP) - Claims and Benefit Payment		
YEAR	Equity Return	Death Benefit	Total
3RD Quarter 2023	Php62,035,274	Php42,533,031	Php104,568,305
3RD Quarter 2024	Php59,430,632	Php54,905,537	Php114,336,169

3RD Quarter 2024						
BENEFIT PAID TO	Equity Return		Death Benefit		TOTAL	
	Number of Claims	Amount	Number of Claims	Amount	Number of Claims	Amount
Dependent	-	-	1642	Php14,144,500	1642	Php14,144,500
Member	95200	Php59,430,632	870	Php40,761,037	96,070	Php100,191,669
TOTAL	95200	Php59,430,632	2512	Php54,905,537	97,712	Php114,336,169

The Chairperson/President noted the Insurance claims and posted an overall increase based on the figures for the 3rd Quarter of the year 2024 as compared with the 3rd Quarter of the year 2023. This is because more insured members are claiming Hospitalization Care Assistance.

THE PRESIDENT’S REPORT ON PPMBAI’S FINANCIAL PERFORMANCE

The Chairperson/President gave an overview of the PPMBAI’s financial standing as follows:

Financial Highlights – Financial Position

PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION, INC.		
FINANCIAL POSITION (in Php)	As of September 30, 2024	As of December 31, 2024 (Audited)
Assets		
Cash and Cash Equivalents	701,719,112	663,939,445
FVPL Investments	36,406,834	31,481,652
HTM Investments	90,968,055	79,317,285
Loans and Receivables	151,223,952	6,056,298
Property and Equipment	14,712,432	15,008,830
Intangible and Other Assets	368,265	374,940
Total Assets	995,398,649	796,178,450
Liabilities		

Due to Members (Equity and RSF)	637,396,214	574,102,826
Reserve for Insurance Liability	66,341,636	43,998,278
Hospitalization Care Assistance	20,603,004	15,836,525
Other Liabilities	103,440,870	23,478,861
Total Liabilities	827,781,723	657,416,491
Fund Balance	167,616,926	138,761,959

The Chairperson/President noted that the financial position of PPMBAI showed a decline in total assets and liabilities as of December 31, 2024, compared to September 30, 2024. This is due to the reduction in loans and receivables, cash and cash equivalents, and other liabilities, while the fund balance increased, reflecting financial stability and sustained growth in reserves.

Financial Highlights – Financial Performance

PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION, INC.			
FINANCIAL PERFORMANCE (in Php)	For the 9-months ending September 30, 2024 (Unaudited)	For the 6-months ending September 30, 2023 (Unaudited)	For the year ending December 31, 2023 (Audited)
Revenue	349,357,924	262,171,861.38	Php386,515,051
Benefits and Expenses			
Insurance Benefit Expenses	214,347,368	160,200,072	210,723,317
Reimbursement of Expenses	46,032,346	29,156,864	44,680,492
General and Administrative Expenses	60,123,244	58,382,609	82,465,524
Total	320,502,957	247,739,545	337,869,333

Income after Final Tax	28,854,967	14,432,316	48,645,718
Excess of Revenue over Expenses	Php28,854,967	Php14,432,316	Php48,645,718

The Chairperson/President noted that the financial performance of PPMBAI showed an increase in revenue and net income for the nine months ending September 30, 2024, compared to the six months ending September 30, 2023. This is due to higher insurance benefit expenses, reimbursement of expenses, and general administrative costs, which were offset by a significant rise in total revenue, resulting in a higher excess of revenue over expenses.

Insurance liabilities and Reserves

	As of September 30, 2024	As of September 30, 2023	As of December, 2023
Reserves for Member's Equity Value	408,464,177	353,947,662	369,213,146
Retirement Savings Fund	228,932,036	194,967,390	204,889,680
Total Liabilities – To Members	637,396,214	548,915,052	574,102,826
Reserves for Basic Life Insurance	33,810,879	22,351,575	24,945,418
Reserves for Credit Life Insurance	12,496,130	9,653,294	7,475,993
Policy and Contract Claims Payable	20,034,626	15,228,890	11,576,867
Total Reserve Liabilities	66,341,636	47,233,759	43,998,278
GRAND TOTAL	703,737,849	596,148,811	618,101,104

*Guaranty Fund and Risk – Based
Capital Requirement*

	As of December 31, 2023 (Audited)	As of December 31, 2022 (VERIFIED)
TOTAL GUARANTY FUND AS REQUIRED UNDER IMC NO. 2-2006	93,275,291	75,789,746
(IC REQUIREMENT)		
TOTAL GUARANTY FUND DEPOSITED w/ IC – GOV'T BONDS AND DEPOSIT CERTIFICATES	95,000,000	80,000,000
EXCESS (DEFICIENCY) IN GUARANTY FUND	1,724,709	4,210,254
Risk Based Capital (RBC) Ratio Requirement – Per IC	<i>should not be lower than 125%</i>	<i>should not be lower than 125%</i>
PPMBAI RBC – As verified by IC	367%	158%

As of December 31, 2022	As of December 31, 2023 (Verified)	As of December 31, 2022(Verified)
ADMITTED ASSETS	762,370,434	673,382,651
TOTAL LIABILITIES	657,743,877	591,807,076
Members Equity	104,626,557	81,575,575

The Chairperson/President noted that the guaranty fund and Risk-Based Capital (RBC) ratio of PPMBAI improved as of December 31, 2023, compared to December 31, 2022, with the guaranty fund deposited exceeding regulatory requirements and the RBC ratio increasing significantly to 367% from 158%, ensuring compliance with Insurance Commission (IC) standards. Additionally, while admitted assets and total liabilities decreased, members' equity grew, reflecting stronger financial stability and increased member contributions.

After discussions on the said reports, the Board is convinced that the PPMBAI has improved in almost every facet of its operations and financial standing and adopted several more steps for the furtherance of the company's continued improvement and success.

CORPORATE GOVERNANCE

The Chairperson announced the resignation of Atty. Joselito Fernandez and the nomination of Atty. Katrina Sanedel Silanga to serve the remaining term.

Upon motion made and duly seconded, it was unanimously

“RESOLVED, as it is hereby resolved, appointing Atty. Katrina Sanedel C. Silanga as the new Corporate Secretary of PPMBAI is approved and ratified.”

The Chairperson further announced that one seat member of the Corporate Governance Committee remains vacant.

The Chairperson welcomes the new member of the Board of Trustees, Mr. Azizur Rahman, as he was not present during the last Board of Trustees regular meeting.

OPEN FORUM

The Chairperson opened the floor for an open forum. Trustee and Treasurer Eufrecina T. De Jesus moderated the session. The matters discussed are as follows:

1. Rebates – the rebate is already deducted from the interest. Hence, the disbursed loan is already adjusted. Borrowers prefer to see the rebate to their BARB. This is a PPFC matter.
2. Withdrawing cash. Borrowers raised that the withdrawal of cash is taking time and requires them to stay longer even for a small amount. This is likewise a PPFC matter.
3. Expanded HCA covers severe illness on a case-to-case basis and is subject to evaluation of the submitted application or claim. The main priority of this benefit is the member.

CLOSING REMARKS

The Chairperson/President delivered his closing remarks and congratulated the board for a good performance. He thanked the two independent trustees, Mr. Ricardo P. Lirio and Ms. Reena Concepcion G. Obillo, and wished everyone a Merry Christmas.

ADJOURNMENT

There being no further business to transact, on motion duly made and seconded, the meeting was adjourned.

ATTY. KATRINA SANEDEL C. SILANGA
Secretary of the Meeting

ATTESTED BY:

GENARO L. KONG
Chairman of the Meeting

MINUTES READ AND APPROVED:

EUFRECINA T. DE JESUS
Trustee

JONNETTE C. ALMANZAR
Trustee

MD SHAMSHUL HASAN
Trustee

AZIZUR RAHMAN
Trustee

INDEPENDENT TRUSTEES' APPROVAL:

RICARDO P. LIRIO
Independent Trustee

REENA CONCEPCION G. OBILLO
Independent Trustee