

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 March 21, 2025, at 1:00 pm.

Present:

Genaro L. Kong
Jonnelle C. Almazar
Eufrecina T. De Jesus
Atty. Katrina Sanedel C. Silanga
Md. Shamsul Hasan
Md. Azizur Rahman
Joan S. Alfarero
Joan D. Madriaga
Jocelyn S. Pavia (video conference)
Arlene A. Catolico (video conference)
Zorabel G. Asuncion (video conference)
Lorna D. Dalere
Ricardo P. Lirio
Reena Concepcion G. Obillo

Also Present:

T I M Fakruzzaman
Noel D. Madriaga
Richard Jeremy L. Tabudlo

Absent:

Atty. Joselito D. Fernandez
Emelita B. Bordaje

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. Katrina Sanedel Silanga ("Corporate Secretary"), recorded the minutes thereof.

OPENING PRAYER

The Chairperson/President requested independent trustee Ms. Eufrecina 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 November 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

Board Resolution No. 2025-0321-001

“RESOLVED, as it is hereby resolved, that the minutes of the regular meeting of PPMBAI’s Board of Trustees held on November 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. **Appointment of a third Independent Trustee as per Corporate Governance.** The Chairperson informed the Board of the proposal to expand the composition of the Board through the addition of the third (3rd) independent trustee in compliance with applicable corporate governance requirements. Upon the recommendation of the Nomination Committee, Atty. Joselito D. Fernandez was nominated for appointment as the 3rd Independent Trustee.

There being no objections, and upon motion made and duly seconded, it was unanimously

Board Resolution No. 2025-0321-002

“**RESOLVED**, as it is hereby resolved, appointing Atty. Joselito D. Fernandez as the third Independent Trustee of PPMBAI is approved and ratified.”

2. **Board Membership Update.** The Chairperson informed the Board of the recommendation to remove Mrs. Emelita Bordaje, representing Mindanao, from the Board of Trustees because of her failure to maintain in good standing, as per the Corporation’s By-Laws and applicable corporate governance policies.

Upon motion made and duly seconded, it was unanimously

Board Resolution No. 2025-0321-003

“**RESOLVED**, that the discontinuation or removal of Mrs. Emelita Bordaje in the Board of Trustees of PPMBAI due to her failure to maintain in good standing, is hereby, approved and ratified by the Board.

RESOLVED FURTHER, that the **vacant seat** in the Board of Trustees resulting from the cessation of Mrs. Bordaje’s trusteeship shall be **filled during the next upcoming election** of Board members for year **2025”**

3. **AGM Budget.** The Chairperson presented to the Board a proposed budget in the amount of One Million Five Hundred Thousand Pesos (PHP 1,500,000.00) for the conduct of the Annual General Meeting (AGM). The proposed amount includes allowances intended to compensate members for potential income lost as a result of attending the AGM.

After due deliberation and upon motion duly made and seconded, the Board unanimously

Board Resolution No. 2025-0321-004

“**RESOLVED**, that the Board of Trustees of PPMBAI hereby approves the allocation of a budget in the amount of One Million Five Hundred Thousand Pesos (**PHP 1,500,000.00**) for the Annual General Meeting (AGM), inclusive of compensation for members’ lost income due to their attendance at said meeting.”

FOR INFORMATION

1. **Insurance Commission Citation.** A special citation from the Insurance Commission was awarded to PPMBAI on March 28, 2024, by Commissioner Regalado. The award recognized full compliance with Commission requirements. It was proposed that this citation also be credited to the efforts of the Board of Trustees, Mr. Rahman and Mr. Hassan.
2. **Risk – Based Capital (RBC) Update.** The current RBC is at 367, which is higher than last year. The RBC is a parameter for assessing liquidity and profitability. The Insurance Commission considers PPMBAI's performance satisfactory.
3. **Annual General Meeting (AGM) Structure.** The AGM will be conducted per region: Luzon, Visayas, and Mindanao. Three (3) separate meetings will be held. Regional and District Managers may not be required to attend to prevent disrupting PAGASA's operations.
4. **Loan Against Equity.** It was noted that while members may avail themselves of the loans against their equity, there is no existing system in place for implementation at present.
5. **Proposal for Fire Insurance.** A proposal was raised to offer fire insurance. Further study is needed, as the PPMBAI is unfamiliar with its mechanics.
6. **Unclaimed Insurance Proceeds.** The Insurance Commission (IC) disapproved PPMBAI's request to forfeit or convert unclaimed insurance proceeds into income. These amounts will instead be transferred to the "unpayable" account. The matter will be raised with RIMANSI for further escalation to the IC.
7. **New Insurance Product – Takaful.** The Insurance Commission (IC) announced the introduction of a new microinsurance product—Takaful or Islamic insurance—based on Sharia law. Muslim members may contribute rather than pay a premium.
8. **RIMANSI Membership.** It was advised that full membership in RIMANSI is not feasible as board participation is closed. Associate membership is recommended instead.

OPERATIONAL REPORT

All product lines demonstrated growth, highlighted by an 18% increase in both BLIP and CLIP member collections, with CLIP leading premium growth at 29%, while significant gains in Admission Fee collection and onboarding point to effective recruitment efforts; however, the minimal 1% rise in active members suggests a need to improve engagement and retention strategies.

Admissions have increased; however, new members are the only ones that pay admission fees. The Chair noted that PPMBAI IRR and bylaws, including the definition of new members, should be provided to all for dissemination of information. The Chair will review the IRR in connection with the definition of “new members” and will issue a memo to be submitted to the Executive Committee and Board for approval.

PRODUCT/SERVICE COLLECTION								
YEAR	Admission Fee		Basic Life Insurance (BLIP)			Credit Life Insurance (CLIP)		
	Premium Collection	Members Collected	Active Members	Premium Collection	Members Collected	Active Members	Premium Collection	Members Collected
Year 2023	Php24,108,941	214,089	327,188	Php226,973,990	581,985	327,188	Php47,254,425	581,985
Year 2024	Php29,861,751	298,619	331,684	Php267,199,347	685,127	331,684	Php61,031,000	685,127
% Increase (decrease)	24%	39%	1%	18%	18%	1%	29%	18%

The Retirement Savings Fund (RSF) recorded an 11% increase in premium collections in 2024, despite a slight drop in active members. This growth was supported by an 11% rise in the number of members contributing, indicating strong member participation and trust in the program.

Hospitalization Care Assistance (HCA) showed an even stronger performance with a 26% increase in premium collections and an 18% growth in members collected. However, like RSF, active membership only grew by 1%, suggesting room for improvement in sustaining long-term member engagement. It was noted by the Chair that comparative data will be presented at the next board meeting.

PRODUCT/SERVICE COLLECTION						
YEAR	RETIREMENT SAVINGS FUND			Hospitalization Care Assistance		
	Active Members	Premium Collection	Members Collected	Active Members	Premium Collection	Members Collected
Year 2023	291,354	Php70,871,921	545,169	327,188	Php75,427,150	581,985
Year 2024	284,564	Php78,955,757.17	607,351	331,684	Php95,346,855	685,127
% Increase (decrease)	1%	11%	11%	1%	26%	18%

OPERATIONAL PERFORMANCE

Claims across all product lines increased significantly in 2024, with the number of claims for Hospitalization Care Assistance (HCA) rising by 74% and for Credit Life Insurance (CLIP) by 42%. Correspondingly, claims payments grew by 43% for HCA and 18% for Basic Life Insurance (BLIP), indicating higher utilization of member benefits.

However, while CLIP saw a substantial increase in the number of claims, its claims payment decreased by 7% (negative value), suggesting a decline in average benefit per claim or a change in claim value structure. This negative trend in payout warrants a closer review to ensure data is correct. The Chair suggested that Atty. Silanga take notes of the data for the next meeting's review.

CLAIMS, EQUITY RETURN AND BENEFIT PAYMENT								
YEAR	BASIC LIFE INSURANCE		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
Year 2023	106,005	Php136,334,663.21	808	Php19,969,267	102,839	Php50,743,456	7767	Php13,923,104
Year 2024	130,876	Php160,595,118.21	1146	Php18,566,748.26	119,751	Php55,482,741.50	13,495	Php19,874,679.17
% Increase (decrease)	23%	18%	42%	-7%	16%	9%	74%	43%

	BASIC LIFE INSURANCE (BLIP) – Claims and Benefit Payment		
YEAR	Equity Return	Death Benefit	Total
For the year 2023	Php81,442,132.21	Php54,892,531	Php136,334,663.21
For the year 2024	Php89,845,373.62	Php70,749,744.59	Php160,595,118.21

For the year 2024						
BENEFIT PAID TO	Equity Return		Death Benefit		TOTAL	
	Number of Claims	Amount	Number of Claims	Amount	Number of Claims	Amount
Dependent			2138	Php19,717,744.59	2138	Php19,717,744.59
Member	127,598	Php89,845,373.62	1146	Php51,032,000.00	128,744	Php140,877,373.62
TOTAL	127,598	Php89,845,373.62	3284	Php70,749,744.59	130,882	Php160,595,118.21

FINANCIAL HIGHLIGHTS

The company (PPMBAI) has demonstrated solid financial growth over the two-year period, with total assets reaching Php931.96 million in 2024—just shy of the Php1 billion mark, reflecting a 17% increase from the previous year. This growth was primarily driven by increases in cash and cash equivalents (16%), FVPL investments (50%), and loans and receivables (93%), underscoring the Association’s expanding investment and liquidity position.

Despite a slight decline in property (due to PPMBAI property consisting of 1 unit in Jenkinsen Tower which was sold), equipment, and intangible assets, the overall asset growth indicates robust financial health. The substantial rise in assets positions the organization for greater operational capacity and reinforces its financial stability going into the next fiscal year. The liabilities due to members (equity and RSF) amounted to Php645,329,156 as of December 31, 2024 (Unaudited). This represents a 12% increase from the previous year.

PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION, INC.				
	As of December 31, 2024 (Unaudited)	As of December 31, 2024 (Audited)	Percentage Increase (decrease)	Percentage Increase (decrease)
FINANCIAL POSITION (in Php)				
Assets				
Cash and Cash Equivalents	767,965,604	663,939,445	104,026,159	16%
FVPL Investments	47,219,023	31,481,652	15,737,371	50%
HTM Investments	92,868,040	79,317,285	13,550,755	17%
Loans and Receivables	11,683,142	6,056,298	5,626,844	93%
Property and Equipment	11,960,594	15,008,830	(3,048,236)	-20%
Intangible and Other Assets	262,814	374,940	(112,126)	-30%
Total Assets	931,959,217	796,178,450	135,780,767	17%
Liabilities				
Due to Members (Equity and RSF)	645,329,156	574,102,826	71,226,330	12%
Reserve for Insurance Liability	61,456,439	43,998,278	17,458,161	40%
Hospitalization Care Assistance	19,874,679	15,836,525	4,038,154	25%
Other Liabilities	27,679,913	23,478,861	4,201,052	18%
Total Liabilities	754,340,187	657,416,491	96,923,696	15%
Fund Balance	177,619,030	138,761,959	38,857,071	28%

FINANCIAL PERFORMANCE

The revenue of PPMBAI increased by 21%, reaching Php466,618,913 (Unaudited) as of December 31, 2024, compared to Php386,515,051 (Audited) in the previous year. The net income after final tax for the same period is Php38,857,072 (Unaudited).

The reimbursement of expenses increased by Php15,143,764, from Php44,680,492 (Audited) to Php59,824,256 (Unaudited), reflecting a 34% increase as of December 31, 2024.

While, the Insurance Liabilities and Reserves increased by Php17,458,161, from Php43,998,278 (Audited) to Php61,456,439 (Unaudited), representing a 40% increase as of December 31, 2024.

PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION, INC.				
	As of December 31, 2024 (Unaudited)	As of December 31, 2023 (Audited)	Percentage Increase (decrease)	Percentage Increase (decrease)
FINANCIAL POSITION (in Php)				
Revenue	Php466,618,913	Php386,515,051	Php80,103,862	21%
Benefits and Expenses				
Insurance Benefit Expenses	275,096,444	210,723,317	64,373,127	31%
Reimbursement of Expenses	59,824,256	44,680,492	15,143,764	34%
General and Administrative Expenses	92,841,141	82,465,524	10,375,617	13%
Total	427,761,841	337,869,333	89,892,508	27%
Income after Final Tax	38,857,072	48,645,718	-9,788,646	-20%
Excess of Revenue over Expenses	Php38,857,072	Php48,645,718	(Php9,788,646)	-20%

INSURANCE LIABILITIES and RESERVES				
	As of December 31, 2024 (Unaudited)	As of December 2023 (Audited)	Percentage Increase (decrease)	Percentage Increase (decrease)
Reserves for Member's Equity Value	416,988,171	369,213,146	Php47,775,025	13%
Retirement Savings Fund	228,340,985	204,889,680		
Total Liabilities – To Members	645,329,156	574,102,826	71,226,330	12%
Reserves for Basic Life Insurance	30,287,825	24,945,418	5,342,407	21%
Reserves for Credit Life Insurance	11,475,146	7,475,993	3,999,153	53%
Policy and Contract Claims Payable	19,693,468	11,576,867	8,116,601	70%
Total Reserves Liabilities	61,456,439	43,998,278	8,116,601	18%
Grand Total	706,785,596	618,101,104	79,342,931	13%

As of December 31, 2024, the total Guaranty Fund deposited with the Insurance Commission in the form of government bonds and deposit certificates amounted to **Php 95 million**, which falls short of the required **Php 125 million** under Insurance Memorandum Circular No. 2-2006. This results in a deficiency which must be addressed to maintain compliance with the regulatory requirement.

Despite the shortfall in the Guaranty Fund, the Association's Risk-Based Capital (RBC) ratio remained strong at **256%**, well above the minimum requirement of **125%** set by the Insurance Commission. This indicates a sound capital position and continued financial stability, notwithstanding the need to top up the Guaranty Fund to meet the statutory threshold. It was agreed that Mr. Tabudlo and the Chair will review the financial figures at the next scheduled meeting.

It was noted by the Chair that in the event that the Risk-Based Capital (RBC) remains below the required threshold of PHP 125 million and the Insurance Commission (IC) does not approve the submitted action plan, the IC may exercise its authority to assume control over the operations of the Association.

	As of December 31, 2024 (Unverified)	As of December 31, 2023 (Verified)	As of December 31, 2022 (Verified)
Total Guaranty Fund as required under IMC No. 2-2006 (IC Requirement)	109,686,809	93,275,291	75,789,746
Total Guaranty Fund Deposited w/ IC-Gov't Bonds and Deposit Certificates	95,000,000	95,000,000	80,000,000
Excess (Deficiency) Guaranty Fund	(14,686,809)	1,724,709	4,210,254
	Should not be lower than	Should not be lower than	Should not be lower than
Risk Based Capital (RBC) Ratio Requirement – Per IC	125%	125%	125%
PPMBAI RBC	256%	367%	158%
As of December 31, 2022	As of December 31, 2024 (Unverified)	As of December 31, 2023 (Verified)	As of December 31, 2022 (Verified)
Admitted Assets	917,883,711	762,370,434	673,382,651
Total Liabilities	754,340,187	657,743,877	591,807,076
Members Equity	163,543,524	104,626,557	81,575,575

OPEN FORUM

1. PPFC clarified matters regarding rebates.
2. Expanded HCA: A 6-month contestability period was suggested with a proposal to remove exceptions covering all illnesses including cancer. This will be discussed in the next meeting.

ANOUNCEMENT

The Chairperson has announced that there will be an upcoming group leader gathering. Additionally, the Annual General Meeting (AGM) is tentatively scheduled to take place during the second week of June 2025. In order to minimize disruptions to the operations of PAGASA, online attendance will no longer be permitted.

PPFC PRESIDENT'S MESSAGE

Mr. T I M Fakruzamman, President of PAGASA (PPFC) expressed gratitude to the Board, the field staff, attendees, executives, and managers. He requested the IT team to study synchronization with the PAGASA portal to speed up processing. He urged those in Mindanao and other regions to cooperate and assist employees in completing tasks earlier.

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 welcomes the newly joined and the third independent trustee Atty. Joselito D. Fernandez.

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