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# KCCDFI Mutual Benefit Association, Inc.

## Minutes of the 13<sup>th</sup> Annual General Membership Meeting Theme: "Gearing Towards Sustainability and Improved Services." October 14, 2022, Friday

### In Attendance:

#### Board of Trustees

- |                              |                       |
|------------------------------|-----------------------|
| 1. Ms. Mary Ann R. Candoy    | – President           |
| 2. Ms. Ma. Cristina D. Bugay | – Vice-President      |
| 3. Ms. Hermie A. Hasan       | – Secretary           |
| 4. Ms. Jessica A. Araneta    | – Treasurer           |
| 5. Ms. Catherine A. Elumbra  | – Board Member        |
| 6. Ms. Dezza S. Mohammad     | – Independent Trustee |
| 7. Ms. Nevilyn P. Abualas    | – Independent Trustee |
| 8. Atty. Ibarra A. Malonzo   | – Advisory Board      |
| 9. Ms. Mercedes G. Faustino  | – Advisory Board      |

#### MBA Coordinators/Representatives

- |                               |                                     |
|-------------------------------|-------------------------------------|
| 10. Ms. Myrna D. Gregorio     | – MBA Coordinator                   |
| 11. Ms. Ellen M. Benitez      | – MBA Coordinator                   |
| 12. Ms. Rachel S. Natividad   | – MBA Coordinator                   |
| 13. Ms. Lida A. Santos        | – MBA Coordinator                   |
| 14. Ms. Imelda F. Bautista    | – MBA Coordinator                   |
| 15. Ms. Arlene C. Sevillano   | – MBA Coordinator                   |
| 16. Ms. Floramay M. Belandres | – BM-Representative (Vitali)        |
| 17. Ms. Stephanie A. Raña     | – BM-Representative (Curuan)        |
| 18. Ms. Alma A. Tawasil       | – BM-Representative (Mercedes)      |
| 19. Ms. Abigail B. Acorin     | – BM-Representative (Sta. Maria)    |
| 20. Ms. Saadiya Q. Isnain     | – BM-Representative (Talon-Talon)   |
| 21. Ms. Myra C. Laudin        | – BM-Representative (Siocon)        |
| 22. Ms. Shillah S. Belamide   | – BM-Representative (Maasin)        |
| 23. Ms. Angelyn P. Borbon     | – BM-Representative (Sta. Catalina) |
| 24. Ms. Mary Jane A. Tinay    | – BM-Representative (Liloy)         |
| 25. Ms. Anisa M. Salih        | – BM-Representative (Imelda)        |
| 26. Ms. Merlyn G. Caitom      | – BM-Representative (Ipil)          |
| 27. Ms. Alcida A. Hasim       | – BM-Representative (Ipil)          |

#### Participants/Representatives from Head Office/KCCDMFI

- |                                |                                  |
|--------------------------------|----------------------------------|
| 28. Ms. Janette G. Pejana      | - Finance Department Head        |
| 29. Ms. Leizel D. Gadiane      | - OIC, Accounting Department     |
| 30. Ms. Beverly B. Francisco   | - Area Manager - Area A          |
| 31. Ms. Ma. Luisa A. Barilla   | - Area Manager - Area B          |
| 32. Ms. Mirelyn J. Manjalon    | - Area Manager - Area C          |
| 33. Ms. Noemie A. Alindajao    | - Area Manager - Area E          |
| 34. Ms. Raidah A. Nebrija      | - Branch Manager - Tetuan        |
| 35. Ms. Jenevie S. Lubrica     | - Branch Manager - Sinunuc       |
| 36. Ms. Ruthmarie A. Hechanova | - Branch Manager - Talisayan     |
| 37. Ms. Genebyl Q. Ochavillo   | - Area Manager – Area D          |
| 38. Ms. Marissa S. Fortuna     | - HR Department Head             |
| 39. Ms. Jenny A. Regalado      | - Branch Manager – Cabaluay      |
| 40. Ms. Rachel I. Uddin        | - Branch Manager – Kabasalan     |
| 41. Ms. Derek Abecia           | - Internal Audit Department Head |
| 42. Ms. Araceli J. Amlih       | - Former BOT Secretary           |
| 43. Ms. Daniela V. Barredo     | - Former BOT Member              |
| 44. Nelita B. Bantoto          | - Executive Assistant            |
| 45. Christopher G. Trunz       | - Company Driver                 |

#### Management and Staff

- |                              |                                 |
|------------------------------|---------------------------------|
| 46. Maria Teresa C. Gonzales | - General Manager               |
| 47. Jazel U. Janubas         | - Accounting Specialist         |
| 48. Olivia P. Antonio        | - Admin. and Finance Specialist |

49. Ma. Perla J. Medina  
50. Bernadette S. Bonifacio  
51. Conchita A. Elumbra  
52. Joelyn S. Felisilda  
53. Roel P. Manuel

- Promotions and Underwriting Officer  
- MIS Specialist  
- Insurance and Claims Specialist  
- Insurance and Claims Specialist  
- Driver/Utility/Messenger

**Proposed Order of Business:**

**AGENDA:**

1. Opening Prayer
2. Call to Order
3. Proof of Notice of Meeting
4. Determination of Quorum
5. Approval of Agenda
6. Reading and Approval of the Minutes of 2021 Annual General Membership Meeting
7. Business Arising from the Previous Meeting
8. New Agenda
  - a. President's Report
  - b. Treasurer's Report
  - c. Ratification of Management and Board Actions
  - d. Appointment of External Auditor
  - e. Question & Answer
9. Adjournment

**PROCEEDINGS OF THE MEETING:**

**1. Opening Prayer**

- The opening prayer was led by Ms. Nevilyn P. Abualas, Independent Trustee.

**2. Call to Order**

- Ms. Mary Ann R. Candoy, President of the Board of Trustees, presided over the meeting and called the meeting to order at exactly 1 o'clock in the afternoon.

**3. Proof of Notice of the Meeting**

- Ms. Hermie A. Hasan, Secretary of the Board of Trustees, certified that the Notice of Annual General Membership Meeting was posted last September 09, 2022 on the website, Facebook page of KCCDFI MBA and was issued through an advisory served to the members through the KCCDMFI Branch Offices.

**4. Declaration of Quorum**

- Ms. Hermie A. Hasan, the Secretary, determined the number of attendees present or in proxy, to validly transact business. Out of 18,885 voting members, there were 11,320 proxy votes gathered, 23 out of 53 participants present are voting members or 60%. Thus, the presence of quorum was declared.

**5. Approval of the Proposed Agenda**

- Ms. Mary Ann R. Candoy presented the proposed agenda. Thus, having no additional items raised, Ms. Jessica A. Araneta, BOT Treasurer moved to approve the proposed agenda and it was duly seconded by Ms. Ma. Cristina D. Bugay, BOT Vice-President.

### Members' Resolution No. 1-2022

**“RESOLVED**, as it is hereby resolved that the General Membership approved the proposed agenda for the 2022 KCCDFI MBA, 13<sup>th</sup> Annual General Membership Meeting held on October 14, 2022.”

The votes casted and received on approval of the proposed agenda for the 2022 Annual General Membership Meeting were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
18,885	11,320	11,320	0	7,565

### 6. Reading and Approval of the Minutes of 2021 Annual General Membership Meeting

- The Secretary, Ms. Hermie A. Hasan read the Minutes of the 2021 Annual General Membership Meeting held on November 17, 2021. The Secretary informed that a copy of the Minutes is with the office of the Secretary and is available during office hours.
- The members were asked if they have any questions on the Minutes. Since no questions were raised, the President sought for the approval of the Minutes including the acknowledgment of the completeness and accuracy of the minutes. Thus, Ms. Myrna D. Gregorio, Cabaluay Branch Coordinator moved to approve the Minutes of the 12<sup>th</sup> Annual General Membership Meeting dated November 17, 2021 and it was duly seconded by Ms. Ellen M. Benitez, Sinunuc Branch Coordinator. The Resolution is as follows:

### Members' Resolution No. 2-2022

**“RESOLVED**, that the Minutes of the 12th Annual General Membership Meeting of the KCCDFI Mutual Benefit Association, Inc., held on November 17, 2021 as they are hereby approved.”

The votes cast and received on approval of the Minutes of the 2021 Annual General Membership Meeting on November 17, 2021 were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
18,885	11,320	11,320	0	7,565

### 7. Business Arising

- a. No business arising was raised from the previous Annual General Membership Meeting.

### 8. President's Report

a. Ms. Mary Ann R. Candoy, the President presented to the general assembly the 2021 KCCDFIMBA result of operations and financial highlights including Covid-19 related cases, key accomplishments, and the plans for the year 2023, as follows:

- As of 2021, the Association has only 17,383 total active members covering 48,369 total insured individuals. As shown in the graph, membership have increased by about 11% from last year. In terms of collection, BLIP product has an increase of 10%, while for CLIP product 35% increase was observed as compared from last year. In

terms of number of claims paid, it can be noted that there was a significant increase in claims for both products. And as to the claims settlement ratio, it shows an increase of 15% for BLIP and by 18% for CLIP as compared from last year.

- Thus, for the year 2021 claims related to COVID-19 have increased by 145% from last year. Claims related to COVID-19 is about 15% of the total claims paid for life insurance and is about 17% of the total claims paid for CLIP.
- Following thereto, Ms. Candoy also shared to the general assembly, the key accomplishments for the year 2021 in terms of Governance, Finance, Regulatory Compliance, Investment, and for Other Members' Benefit highlighting on the following:
  - Based on the 2021 Asean Corporate Governance Scorecard Report KCCDFI MBA was still among one of the Top 5 out of 18 Mi-MBAs under MIMAP network for 3 consecutive years. Adjacent thereto, earlier this year IC issued a press release on Microinsurers Ranked per Performance Indicator (SEGURO) under Circular Letter No. 2020-03. And for MBA category, KCCDFI MBA was one of the Top 5 MBAs who got the highest ranking among the 23 MBAs.
  - In addition, thereto, appointment of 1 Advisory Board, 1 Board Member and the reappointment of 2 Independent Trustees were also ratified by the Assembly during last year's general assembly meeting. And was also able to elect new set of Board of Trustees for the year 2021-2023.
  - Concomitantly, in terms of product, finally the Insurance Commission has approved the Enhanced Basic Life Insurance Plan and the Hospitalization Assistance Pamilya Insurance Plan.
  - For finances, the Association was able to approve a credit line to KCCDMFI which is limited and not exceeding 10% of its admitted assets as allowed by the Insurance Commission. And was also able to lobby from KCCDMFI Board of Trustees on the reduction of collection fee of CLIP by 5% in consideration of the high claims ratio of CLIP product, as well as the reduction of interest rate of retirement savings fund to 1% per annum in consideration of the low investment yield experience as brought about by the pandemic. Lastly, the cleansing and transfer of floating equity value of members to the fund balance.
  - The Association has also successfully complied with the regulatory reports under the following agencies, Insurance Commission, Securities and Exchange Commission and Bureau of Internal Revenues and has no open cases.
  - With regards to investment, added fund diversification, the Association were able to open time deposit account with Katipunan Banking Corporation with an interest rate of 4%. And the interest income from investments were increased by 12% as compared from last year.
  - And finally, for other members' benefit, based on the Insurance Commission verification of the Association, they have verified that, there was an excess of the threshold limit of the free and unassigned fund balance owned by the association. Thus, the Association was recommended to appropriate the same in accordance with the Insurance Commission's Circular Letter No. 2015-46 and section 408 of Republic Act No. 1067 or the amended Insurance Code. Hence, as resolved by the Board of Trustees it was approved that the excess amounting to Php439,000.00 shall be appropriated to other members' benefit, specifically intended as funds for calamity relief operations.

- Moving forward, the Plans for the year 2023 were also presented to the body, to wit:
  - In terms of governance, to be able to improve ACGR/ACGS score by addressing and taking actions on the non-compliance items.
  - For seguro, to continuously improve performance indicator, in terms of solvency, efficiency, governance, understanding of members, retention, and outreach.
  - Thus, for MIS, database or system upgrade that can capture relevant information/data necessary and crucial in the decision making of the Board and Management.
  - For product, to be able to implement the HAPI Plan as value added service to members.
  - In terms of investment, to be able to increase the investment income.
  - And finally, for regulatory compliance, to be compliant to the requirements of the regulators.
- With that, there having no comments raised, thus, on motion of Ms. Lida A. Santos, Tetuan Branch Coordinator and duly seconded by Ms. Rachel S. Natividad, Sangali Branch Coordinator the President’s Report were accepted. The Resolution is as follows:

**Members’ Resolution No. 03-2022**

**“RESOLVED, that the on-going and future plans for the coming year be, as they are hereby, approved.”**

The votes casted and received on approval of the on-going and future plans of the Board of Trustees and Management for the year 2023 were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
18,885	11,320	11,320	0	7,565

**9. Treasurer’s Report**

- Ms. Jessica A. Araneta, the Treasurer presented to the assembly the Association’s Audited Financial Statements as of December 31, 2021, in terms of assets, liabilities, fund balance, income statement, revenue and expenses.
  - For current assets, there is a total of Php51.6 Million and for the non-current assets, a total of Php63.3 Million. Overall, the association have total assets ofPhp115 Million. With total liabilities of Php77.2 Million. Therefore, as of December 31, 2021, KCCDFI MBA has a net worth or fund balance of Php37.8 Million.
  - Thus, in detailed, the Association has a cash and cash equivalent to Php9.3 Million. There is a decrease of 64% compared to last year’s cash and cash equivalent. For, investments in debt and securities, both short term and long-term investments is 22% higher compared to previous year's investments. And other assets of Php1.7Million consisting of receivables from agents, prepayments, property, and equipment. Thus, there is a 38% decrease compared to previous year's figures since our partner KCCDMFI had a partial remittance of the MBA premium collections for the month of December 2021 before the year ends.
  - For current liability, trade and other payables amounted to 3.1Million. The Association also have aggregate reserves of Php38.4 Million. This is Members' Individual equity value and

other actuarial reserves.

- In 2021, a portion of the floating Members' individual equity value was reclassified to Free and unassigned Fund balance, which resulted to a decrease of 10% in the aggregate reserves compare to previous year. And the retirement trust fund amounted to Php35.5Million pesos which is 5% higher from the year 2020.
  - For fund balance, the guaranty fund is Php17.8Million. In 2021, the Association has allocated a fund for Members' benefits amounting to Php439,000.00 after the verification made by the Insurance Commission of the 2020 Annual Statement.
  - For General fund or Free and unassigned fund balance which was amounted to 18.4Million which is 10% higher than year 2020.
  - Lastly, the Revaluation reserve amounting to 1Million pesos. This is just a movement of the unrealized gain from BPI UITF or unit investment trust fund as of the year ended.
  - For our Statement of Profit & Loss, the Net members' Premium contributions is 16.4million. Other income is Php3.5Million. Overall, the total revenue is Php19.9Million. With total members' benefits & expenses amounting to Php12.4Million and operating expenses of Php5.4Million, or total expenses of Php17.9Million. Hence, the net surplus is Php2.04Million. Plus the other comprehensive income from UITF investment of Php1.03Million.
  - To sum up, the overall total Comprehensive Surplus of KCCDFI MBA as of December 31, 2021 is positive Php3.08Million. Thus, the revenue for the year 2021 has increased by 12% as compared to the income statement for the year 2020. And the benefits and operating expenses has decreased by 11%.
- There was no comments raised, Ms. Lida A. Santos, Tetuan Branch Coordinator moved to accept the 2021 Treasurer's Report. And Ms. Rachel S. Natividad, Sangali Branch Coordinator duly seconded that motion. The resolution is as follows:

**Members' Resolution No. 04-2022**

**“RESOLVED, that the audited financial statements for the year ended December 31, 2021, be, as it is hereby, approved.”**

The votes casted and received on approval of the audited financial statement for the year ended December 31, 2021 were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
18,885	11,320	11,320	0	7,565

**10. Ratification of Management and Board Actions**

- Ms. Maria Teresa C. Gonzales, the General Manager presented to the general assembly the acts and resolutions of the Board of Trustees during the year 2021 in explicit details. Thereafter, the body was asked to approve and ratify the enumerated actions.
- Thus, on motion of Ms. Angelyn P. Borbon, Sta. Catalina Branch Representative and duly seconded by Ms. Abigail B. Acorin, Sta. Maria Branch Representative the ratification and approval of the management and board actions were ratified and approved. The Resolution is as follows:

**Members' Resolution No. 05-2022**

**“RESOLVED, that the acts of the Management and Board of Trustees, be, as they are hereby ratified and approved.”**

The votes casted and received on the ratification and approval of

the acts of the Board of Trustees and Management during the year 2021 were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
18,885	11,320	11,320	0	7,565

11. Appointment of External Auditor

- Ms. Nevilyn P. Abualas, the Audit Committee Chairperson reported to the general assembly that the Board of Trustees have decided to reappoint Quilab & Garsuta CPAs’ to be the external auditor of KCCDFI Mutual Benefit Association, Inc., for the period of January 2022 to December 2022. Ms. Lida A. Santos, Tetuan Branch Coordinator moved to approve the reappointment of Quilab & Garsuta CPAs’ to be the external auditor of the Association for year 2022. And it was duly seconded by Ms. Rachel S. Natividad, Sangali Branch Coordinator.

Members’ Resolution No. 06-2022

“RESOLVED, as it is hereby resolved that the General membership approved the retention of Quilab & Garsuta CPAs’ as KCCDFI MBA’s external auditor for the year 2022.”

The votes casted and received on the approval of the appointment of external auditor were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
18,885	11,320	11,320	0	7,565

12. Questions and Answers

- During the open forum Ms. Beverly P. Francisco asked, when will be the implementation of the Enhanced Basic Life Insurance Plan? Will it be on November 01, 2022 as disseminated during the operations training held last month or next year?
  - Ms. Maria Teresa C. Gonzales, the General Manager answered that, considering that the issue is on the retirement saving fund which needs further discussion. This issue should first be decided with sufficient data gathered. As to the effectivity date it has to be decided once again for the benefit of all members.
  - On the other hand, the MFI Board is appealing to the MBA Board to suspend its implementation on November 01, 2022 and instead, the implementation of the Enhanced BLIP will be next year, January 01, 2023.
  - Hence, after thorough discussions and due deliberations, Ms. Nevilyn P. Abualas, Independent Trustee moved to postpone the implementation of the Enhanced BLIP for further study to January 01, 2023. And Ms. Dezza S. Mohammad, Independent Trustee duly seconded that motion.
  - On that note, further study on the implications of the issues at hand should be done.
- No more questions were raised.

13. Adjournment

Since, there were no more questions asked the 13<sup>th</sup> Annual General Membership Meeting was adjourned at exactly 2:41 in the afternoon on motion of Ms. Myrna D. Gregorio, Cabaluay

Branch Coordinator. And it was duly seconded by Ms. Imelda F. Bautista, Putik Branch Coordinator.

**Prepared by:**



**Ms. Ma. Perla J. Medina**  
Secretariat

**Approved by:**



**Ms. Mary Ann R. Candoy**  
President





