

*Meeting Details*

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| <b>Date and Time:</b>      | 29 April 2020 at 10:00 am  |
| <b>Location:</b>           | Via Zoom Conference  |
| <b>Present:</b>            | Ms. Ma. Luz A. Planas (Chairwoman)<br>Atty. Cornelio C. Gison (Vice Chairman)<br>Ms. Florencia G. Tarriela (Treasurer)<br>Mr. Rene E. Cristobal (Member)<br>Ms. Juanita D. Amatong (Member)<br>Ms. Alice Z. Cordero (President/CEO)<br>Ms. Rosalinda A. Gragasin (Client Representative, North Sector)<br>Ms. Bonifacia C. De Chavez (Client Representative, South Sector)<br>Ms. Modesta G. Flores (Client Representative, Central Sector)<br>Ms. Aquilina G. Onesa (Employee Representative) |
| <b>Apologies:</b>          | Mr. Ricardo G. Lazatin (Advisory Council Member)   |
| <b>Management Present:</b> | Atty. Leonarda D. Banasen (Corporate Secretary)<br>Ms. Sherry Lou A. Salazar (Director, Operations)<br>Ms. Sandra G. Serapio (CFO, TSPI MFI NGO)<br>Ms. Lorna M. Asuncion (Deputy Director, Finance – TSPI MFI NGO)  |

*Call to Order and Determination of Quorum*

After a quorum had been duly established, the Chairwoman called the meeting of the Board of Trustees of TSPI Mutual Benefit Association, Inc. (“TMBAI”) to order.

Mr. Rene Cristobal led the opening prayer.

*Approval of Audited Financial Statements for CY2019*

Ms. Salazar presented the Statement of Revenues and Expenses and Statement of Assets, Liabilities and Fund Balance. The total asset increased by P193M to P1.3B in 2019 attributed to increase in investment.

During the preparation of the Audit Financial Statements, three (3) major areas were addressed, namely: 1) Seriatim List; 2) Investment Portfolio

Valuation and Accounting; and 3) Investment Property Estimate Useful Life (EUL).

**The Board approved**

On item no. 2, Investment Portfolio Valuation and Accounting, the Board approved the recommendation of Management to hire an investment portfolio analyst.

On item no. 3, the Board confirmed the EUL of the MBA building at 10 years, consistent with the 10 year EUL of 2018.

After discussion, the Board approved the Audited Financial Statements for CY2019 as endorsed by the Audit and Compliance Committee.

**TMBAI 20-10**

**ON MOTION DULY SECONDED, the Board approved the hiring of an investment portfolio analyst by the Organization.**

**TMBAI 20-11**

**ON MOTION DULY SECONDED, the Board approved the Estimate Useful Life (EUL) of its building located at No. 2367 Antipolo Street, Guadalupe Nuevo, Makati City at 10 years.**

**TMBAI 20-12**

**ON MOTION DULY SECONDED, the Board approved the Audited Financial Statements for CY2019 of the TSPI Mutual Benefit Association, Inc.**

***Management Report as of February 2020***

The Director for Operations presented the Management Report as of February 2020, as follows:

**A. *Financials***

Total asset is at P1.3B, which is an increase by 16% compared to the same period last. Total equity is at P977M, which is an increase by 24% compared the same period last year. These increases were driven by the unrealized gain on AFS. YTD Net Income is at P11M, lower than plan, due to unrealized losses in investment portfolio. Net Operating Income at P6.4M YTD is better than plan, due to reduced marketing expense and operating expense.

**B. *Investment***

On investment, total investment portfolio is at P1.14B. Retail Treasury Bond unrealized gain of P24.8M and Fixed Income Treasury Notes gain of P3.2M were both off-set by the unrealized losses in Corporate Bonds and Stocks. Corporate Bonds incurred unrealized losses at P8.5M. Only Aboitiz Power and SM registered unrealized gains. New corporate bond bought for YTD Feb 2020 was BPI Fixed

Rate. The Board requested Management to convene Investment Committee regularly.

*C. Membership*

Total members as of Feb 2020 is 244,985, which is below plan and 20.17% lower than 2019. Shortfall was due mainly to the Kapamilya account by 5,147. The Chairwoman encouraged Management to give incentive program to members in order to beef-up Kapamilya accounts.

*D. Claims*

YTD total number of claims is at 326 and bulk of said claims are due to natural causes. Total amount of claims is at P1.2M, higher than the same period last year. Management informed the Board that it is monitoring the guidelines to be issued by the Insurance Commission on COVID-19 pandemic.

Management further presented the 3 programs implemented under the Sambayanihan as of February 2020. These are in compliance with the IC requirement of mandatory allocation for Members' Benefits.

### ***2020 Budget Plan Reforecast***

Management enumerated the following assumptions for the Budget reforecast due to the COVID-19 pandemic:

1. There is no collection for insurance premiums for the period March 15 to May 15, 2020 as per IC Circular Letter No. 2020-18. Average collection per month is at P14M.
2. There are no new members for the month of April and reduced new members for March, May and June 2020. As a result, membership growth rate is adjusted from original target of 30% to 22%.
3. Major expense lines, i.e., average claims per month is pegged at P5M and average marketing and operating expense is pegged at P7M per month.

**The Board  
noted**

With the foregoing assumptions, 2020 Budget Plan Reforecast will show Net Income of P72M, a decrease of 13.43% from the original Business Plan. The Board noted the same.

## *COVID-19 Contingency Plan*

Management presented three (3) items under the COVID-19 Contingency Plan, namely: Institution, Employees and Members. Said Plan aims to preserve assets and minimize risks.

For the institution, TSPI has created as BCP Committee where MBAI Operations Head is made part of the Committee. Management also focused on the balance sheet management.

For the employees, the following activities were done: skeletal force was put in place per IC Circular Letter No. 2020-40, distribution of Vitamin C to all employees, implementation of “forced leave” and allowed employees to return to their hometowns, early employee salary credits and implementation of critical positions under Work From Home covered by Telecommuting Agreement and increase of P100 load allowance to Insurance Officers.

For clients, responsible contact with clients and dissemination of information on COVID-19 were done. Insurance Officers are actively communicating with clients and claims processing are strictly monitored. As of April 2020, the organization has paid 40 claims amounting to P1.07M not only thru cash payments but also via funds transfers to ATM accounts or GCash accounts of beneficiaries. TSPI Facebook account also post messages on claims hotline, bible quotes, government agencies announcements and COVID-19 hygiene reminders.

## *Other Matters*

### A. Emergency Salary Loan

The Emergency Salary Loan Program shall be open to all regular employees who will no longer have salary for April 30, 2020 and those who have consumed their leave credits. The amount will be for P10,000 with zero interest payable for 2 years. Payment will be through salary deduction. The Board approved the same.

**The Board  
approved**

**TMBAI 20-13**

**ON MOTION DULY SECONDED, the Board approved the Emergency Salary Loan Program for all regular employees in the amount of P10,000.00.**

B. Appointment of Atty. Leonarda Banasen as HR and Legal Director

**The Board  
approved**

As recommended by Management, the Board approved the appointment of Atty. Leonarda D. Banasen as HR and Legal Director.

**TMBAI 20-14**

**ON MOTION DULY SECONDED, the Board approved the appointment of Atty. Leonarda D. Banasen as HR and Legal Director.**

Before adjournment, the Chairwoman expressed the Board's appreciation and recognition to the Senior Management for all works done to protect the interest of the members and the Organization.

(12:30 pm approximately, the meeting closed)

***Confirmation of Minutes***

Confirmed as a correct Record.

Prepared by:

Certified & Attested by:

**ATTY. LEONARDA D. BANASEN**  
Corporate Secretary

**MA. LUZ A. PLANAS**  
Chairwoman