



**Simbag sa Emerhensya asin Dagdag Paseguro
Mutual Benefit Association Inc. (SEDP MBA)**

3/F The Chancery, Cathedral Compound
Old Albay District, Legazpi City, Philippines
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MINUTES OF 10TH ANNUAL GENERAL MEMBERSHIP MEETING

May 25, 2019

SEDP SOCIAL HALL

4/F The Chancery, Cathedral Compound.
Albay District, Legazpi City

PRESENT:

- | | |
|-------------------------------|--|
| 1. Fr. Rex Paul B. Arjona | President/Chairman of the Board;
Governance Committee Chair |
| 2. Fr. Jose Victor E. Lobrigo | Vice President;
Finance Committee Chair |
| 3. Ms. Jennifer Casco | Secretary |
| 4. Ms. Amy Bombuhay | Treasurer |
| 5. Fr. Jonnathan Calleja | Independent Trustee |
| 6. Ms. Teresita Galang | Independent Trustee;
Audit Committee Chair |
| 7. Mr. Andres Paclibar | Board Member |

I. CALL TO ORDER

Fr. Rex Paul B. Arjona, the President and Chairman of the Board of Trustees called the meeting to order at 9:41 in the morning following with an opening prayer led by Ms. Alyssa Basmayor, SEDP staff.

II. PROOF OF NOTICE OF MEETING

Ms. Jennifer Casco, Board Secretary attested that the Annual General Membership Meeting Notice was issued on April 22, 2019 through the Branch Offices and publication in the SEDP MBA website www.sedpmba.ph.

III. PROOF OF QUOROM

Ms. Jennifer Casco, Board Secretary validated that based from the attendance sheet there were 144 voting members present representing all clusters with 54,319 out of 63,564 voting members represented in proxy form or 85.68% attendance in person and in proxy that constitutes a quorum.

Fr. Rex Paul Arjona, BOT President welcomed the participants together with the SEDP staff and informing them that this year will be the start of new schedule of SEDP MBA Annual General Meeting from 1st Saturday of December to every last Saturday of May of each year.

To proceed with the meeting Fr. Arjona appointed the Internal Audit of SEDP Inc. to facilitate the counting and validation of votes casts by the voting members for all the proceedings.

IV. READING AND APPROVAL OF 2018 ANNUAL GENERAL MEMBERSHIP MEETING MINUTES HELD LAST DECEMBER 7, 2018

Fr. Rex Paul Arjona, President asked the participants to have a silent reading of the previous minutes. Right after the silent reading Fr. Arjona asked the members if there are comments/corrections from the minutes, there being none he asked for the approval of the previous minutes.

Ms. Myra Ramirez moved to approve the previous minutes of the 9th Annual General Membership Meeting with the following resolution.

AGMM RESOLUTION NO. 01 – 2019

RESOLVED, as it is hereby resolved that the Previous Minutes of the 9th Annual General Membership Meeting held last December 7, 2018 at 4th Floor The Chancery, Cathedral Compound, Albay District, Legazpi City be approved.

Below are the votes received on the approval of the 2018 Annual General Membership Meeting Minutes.

Total Voting Members	Total Vote Casted	Votes in Favor	Invalid Votes	Abstentions
63,564	54,463	54,463	0	9,101

V. DISCUSSION OF BUSINESS ARISING FROM THE PREVIOUS ANNUAL GENERAL MEETING

No discussion on business arising from the previous Annual General Membership Meeting since all matters had been discussed clearly and correctly.

VI. PRESIDENT'S REPORT

Fr. Rex Paul Arjona, President presented to the general membership the 2018 Operations Status according to the approved plan implemented by the Management.

A. MEMBERSHIP AND CONTRIBUTIONS COLLECTED

Membership	:	61,528
BLIP Contribution	:	Php 53,653,686
CLIP Contribution	:	Php 13,093,490

B. NUMBER AND AMOUNT OF CLAIMS PAID

Particulars	Number	Amount
Basic Life Insurance Plan (BLIP)	523	11,799,500
Credit Life Insurance Plan (CLIP)	122	1,783,133
Daily Hospitalization Income Benefit (DHIB)	816	534,600

C. NON-FINANCIAL SERVICES

Additional Benefits	Number
Calamity Assistance	
Totally Damaged	3,454
Partially Damaged	19,328
SEDP CARE Program	25
Retirement Birthday Gift	149
Wedding Assistance	92

After the presentation of 2018 SEDP MBA Operations Status Fr. Rex Paul Arjona asked the members for any questions or clarifications on the report presented. Since there were no questions or clarifications, he proceeded of asking the Board of Trustees members and the general membership to approve the Operations Status report.

AGMM RESOLUTION NO. 02 – 2019

RESOLVED, as it is hereby resolved that the SEDP MBA 2018 Operations Status Report be approved.

Below are the votes received on the approval of the 2018 Annual General Membership Meeting Minutes.

Total Voting Members	Total Vote Casted	Votes in Favor	Invalid Votes	Abstentions
63,564	54,463	54,463	0	9,101

VII. TREASURER'S REPORT

Amy Bombuhay, Board of Trustees Treasurer reported to the members the Audited Financial Statement for the Year 2018 as follows.

	2018	2017
ASSETS		
Current Assets		
Cash and Cash Equivalent	40,001,225	53,987,520
Trade and Other Receivables	20,651,564	807,548
Total Current Assets	60,652,789	54,795,068
Non-Current Assets		
Furniture, Fixtures & Office Equip.	78,301	122,599
Investment in Debt & Equity Securities – at amortized cost	178,579,465	149,262,741
Total Non-Current Assets	178,657,766	149,385,340
TOTAL ASSETS	239,310,555	204,180,408

	2018	2017
LIABILITIES & FUND BALANCE		
Current Liabilities		
Trade and Other Payables	6,687,808	6,543,192
Insurance Contract Liabilities	1,774,594	667,621
Total Current Liabilities	8,462,402	7,210,813
Non-Current Liabilities		
Aggregate Reserves for Unexpired Risks	130,468,832	110,894,040
TOTAL LIABILITIES	138,931,234	118,104,853

	2018	2017
LIABILITIES & FUND BALANCE		
Fund Balance		
Assigned FB - Guaranty Fund	24,319,679	20,982,320
Assigned Fund Balance	48,273,395	41,472,265
Free and Unassigned Fund Balance	27,786,247	23,620,970
Total Fund Balance	100,379,321	86,075,555
TOTAL LIABILITIES & FUND BAL.	239,310,555	204,180,408

	2018	2017
REVENUE		
Members' Gross Premium Contributions	66,747,177	63,297,026
Less: Guaranty Fund	3,337,359	3,164,851
Net Members' Premium Contributions	63,409,818	60,132,175
REVENUE		
Interest and Investments Income	5,461,114	4,313,575
Membership Fees	2,392,228	1,632,585
Other Income	5,553	4,341
Total Revenue	71,268,713	66,082,676
BENEFITS & OPERATING EXP.		
Benefits and Claims Paid	25,452,905	23,464,774
Increase in Aggregate Reserves	19,574,792	15,033,845
Collection Costs	4,919,345	4,306,285
Mem. Enrollment & Marketing Exp.	954,736	869,364
Net Insurance Benefits & Claims	50,901,778	43,674,268
BENEFITS & OPERATING EXP		
Salaries, Wages & Benefits	1,983,254	2,041,068
General & Admin Expenses	2,256,081	1,911,486
Depreciation	55,998	57,174
Total Benefits & Operating Exp	55,197,111	47,683,996
NET SURPLUS	16,071,602	18,398,680

Fr. Jose Victor Lobrigo, Vice President clarified about the decreased of net income in the Year 2018 as compared to Year 2017. Josie Belen, SEDP MBA Admin & Finance Officer, explained that it was because of the re-classification or adjustment made by the External Auditor.

For better members' understanding, Fr. Lobrigo explained that as of now the Total Assets of SEDP MBA amounted to P239 Million and the premium collection also

amounted to 63,297,026. He emphasized that part of the unutilized members' funds were invested while the allocated for members benefit as additional non-financial benefits are plowed back to the members in terms of value-added services.

Still, Fr. Lobrigo explained to the members that the Aggregate Reserves for Unexpired Risks that amounted to 130,468,832 is a reserved for the all the future benefits of the members, this means that SEDP MBA is operationally stable.

After some clarifications from Fr. Lobrigo, the President Fr. Rex Paul Arjona again asked the members if there were any further clarifications from the Audited Financial Statements. There being none Minda Marbella, a member of Masbate branch moved to accept approved the Audited Financial Statement.

AGMM RESOLUTION NO. 03 – 2019

RESOLVED, as it is hereby resolved that the 2018 Audited Financial Statement be approved.

Below are the votes received on the approval of the 2018 Annual General Membership Meeting Minutes.

Total Voting Members	Total Vote Casted	Votes in Favor	Invalid Votes	Abstentions
63,564	54,463	54,463	0	9,101

VIII. RATIFICATION OF 2018 SUMMARY OF BOARD OF TRUSTEES RESOLUTIONS

The Secretary Jennifer Casco presented the Lists of 22 Board of Trustees Resolutions that were discussed and approved during the conduct of SEDP MBA Board of Trustees meeting in the year 2018.

Before ratification by the general membership Fr. Rex Paul Arjona asked the members present of any comments or clarifications to the resolutions presented. No objections were raised so Evelyn Laut, member moved to ratify and approved all the acts of the Board of Trustees for 2018.

AGMM RESOLUTION NO. 04 – 2019

RESOLVED, that the 22 Resolutions of the Board of Trustees for 2018 be ratified and approved.

Below are the votes received on the approval of the 2018 Annual General Membership Meeting Minutes.

Total Voting Members	Total Vote Casted	Votes in Favor	Invalid Votes	Abstentions
63,564	54,463	54,463	0	9,101

IX. APPOINTMENT OF EXTERNAL AUDITOR TO AUDIT THE 2019 FINANCIAL STATEMENT

Fr. Arjona appointed the Quilab and Garsuta CPAs from Cagayan de Oro City to be the External Auditor of SEDP MBA. Fr. Arjona explained that it was the recommended external auditor of the Management because it has passed the requirement of Insurance Commission to conduct an audit to MBAs. Below is the Fees & Incidental Expenses proposed.

FEES AND INCIDENTAL EXPENSES

Professional Fees

For the services outlined above, we will bill you for our professional fees the amount in pesos: **SEVENTY-FIVE THOUSAND PESOS ONLY (P75,000)**

Out-of-Pocket Costs

As the usual practice in our profession, we will bill you for the out-of-pocket expenses we will incur in this engagement representing substantially the cost of transportation, board and lodging, communications and the reproduction of our reports to the Association.

Our charges, which have been billed consistently during our previous engagements, would be guided

by our existing policies as follows:

a) Food Expenses

An employee on official business outside of Cagayan de Oro City shall receive a fixed per diem for food expenses in the amount of FIVE HUNDRED PESOS (P500) per day for meals not provided by clients. In case of broken claims for meal allowance, an employee may claim ONE HUNDRED PESOS (P100) for breakfast and TWO HUNDRED PESOS (P200) each for lunch and dinner. No receipts are required in liquidating meals per diem.

b) Lodging Expenses

Unless provided by client, employees on official business trips are required to secure safe and decent lodgings in their destinations. Lodging expenses are based on actual rates and must be liquidated with actual receipts using the Travel Liquidation Report.

c) Transportation

Employees on mission outside of the home base shall have their actual transportation expenses reimbursed based on actual receipts submitted.

d) Report Reproduction

We shall charge the Association with a fixed cost for report reproduction of SIX HUNDRED PESOS ONLY (P600.00) per printed reports for the Board of Directors and Management and reports to be submitted to the BIR, SEC and IC. We will be printing our reports based on the following allotments:

For BOD and management - 5
For SEC - 6
For IC - 5
For BIR - 3
Total 19

Please let us know in advance if you need more or less of the copies for BOD and management.

e) Other Costs

Other necessary costs that would be incurred (such as reproduction costs of audit-related documents, mailing, communication and others) would also be charged to you based on reimbursements basis.

Our fees are based on the time required by the staffs assigned to the engagement. Individual hourly rates of our staff vary according to the degree of responsibility involved and the experience and skills required.

Ms. Ruby Marbella of Goa Branch moved to approve the appointment of Quilab and Garsuta CPAs to be the external auditor of SEDP MBA. The motion was seconded by the body

AGMM RESOLUTION NO. 05 – 2019

RESOLVED, that the Board of Trustees and members approved the proposal of Quilab and Garsuta to conduct External Audit for the Year 2019.

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X. OTHER MATTERS

Three (3) SEDP MBA staff were presented by Fr. Rex Paul Arjona for the 10 Year Service Award:

- Mr. Roberto A. Dalit - SEDP MBA Manager
- Ms. Josie B. Belen - Admin & Finance Officer
- Ms. Evelyn Listana - MBA Staff

A plaque of Recognition for the Service awardee plus a Ten Thousand Pesos cash incentive per staff was awarded by the Board of Trustees.

The meeting was adjourned at 3:35 in the afternoon which was moved to adjourn by Ms. Mary Boneo and was seconded by the body.

XI. QUESTIONS AND ANSWERS

Before adjournment the President further solicit questions from the members of the Board of Trustees and from the member representatives to clarify issues and concerns aside from the agenda discussed and approved. No one raised questions and clarifications from the participants.

XII. ADJOURNMENT

Without any other matters for discussion the Annual General Meeting adjourned at 11:16 in the morning.

Prepared by


Jennifer Casco
Corporate Secretary

Approved by


FR. REX PAUL ARJONA
President