SEDMFI MBA

Operations Manual

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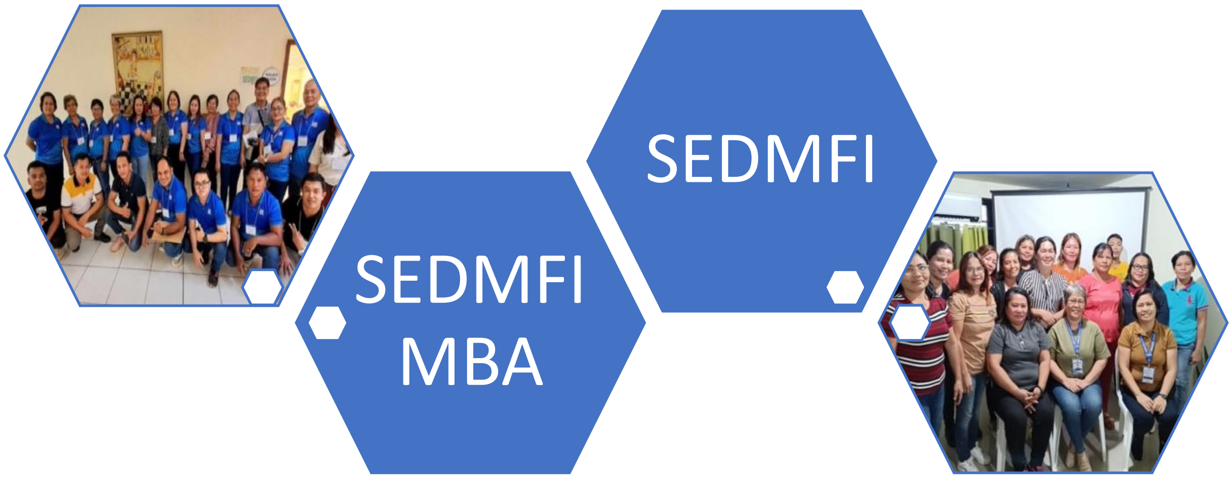

CHAPTER 1: History and Institutional Background

The **Surigao Economic Development and Microfinance Foundation, Inc.** (SEDMFI), which is formerly known as Surigao Economic Development Foundation, Inc. (SEDFI), is a private, nonprofit, non-stock and non-political service organization established on 12 January 1985 and duly registered with the Securities and Exchange Commission (SEC) on 07 June 1985. It is a duly registered institution under provisions of BIR-NEDA Regulation No.1-81.

SEDMFI was organized by a group of Surigaonons who also founded the Surigao Chamber of Commerce and Industry (SCCI). Mr. Jose L. Cortes, Jr. of Pacific Cement Co. Inc., encouraged the founders to organize a foundation to help in the rehabilitation and development of Surigao del Norte with the end goal of empowering the people of Surigao.

Sometime in 2019, Ms. Imelda Wines and Mr. Jules Lacsamana of SEDMFI spearheaded the idea of starting SEDMFI's own microinsurance as a response to their clientele's need after experiencing issues with previous insurance partners in processing claims. The 5-year journey with the help of MiMAP paved the way for the approval of the Insurance Commission for SEDMFI to start their own MBA. The journey was paved with challenges but the passion of the people behind the creation of SEDMFI MBA did not falter.

SEDMFI MBA has still a long way to go. The journey to new beginnings and a stronger SEDMFI and SEDMFI MBA has just began. *Dajong!*

CHAPTER 2: Vision, Mission, and Core Values

The creation of SEDMFI MBA was deeply rooted from the values and mission of SEDMFI which is to advance and promote the welfare of the poor and the country. The MBA has the following goals in mind as stated in its Articles of Incorporation:

1. To extend financial assistance to its members including their spouse, children, and parents in the form of death benefits, total and permanent disability (TPD), sickness benefits, provident savings and loan redemption assistance;
2. To ensure continued access to benefits/ resources by actively involving the members in the management of the association that will include implementation of policies and procedures geared towards growth, sustainability and improved services;
3. To provide benefits in-kind trainings, and other relevant financial assistance to its members;
4. To ensure compliance with administrative and regulatory issuances, rulings and directives by professionalizing the association, management, research and development, and technical services operations;
5. To adopt a prudent cash management program and to invest cash, in excess of current disbursement requirements, in bonds, equities, and other financial/investment products that will earn additional income for the corporation; and lastly
6. To finance and/or implement social development projects in the communities of its members that will promote self-reliance, resilience, and sustainability as part of its corporate social responsibility.

Vision

The leading and sustainable MBA in providing quality and affordable microinsurance services in CARAGA and neighboring regions.

Mission

To provide timely, quality and relevant microinsurance products and servoces to poor and vulnerable sectors.

Core Values

Dedicated
Adaptability
Joyful Service
Oneness
Nobility
God-fearing

Core Values

Dedicated: officers and staff are willing to devote their time in service to the association and its members.

Adaptability: the association is ready to embrace innovations to cope with the standards.

Joyful Service: serving clients and the organization with zeal and compassion.

Oneness: working together guided by one principle towards one common goal and direction.

Nobility: service with excellence to the members as an act of honor.

God-fearing: putting God as the center of our service.

CHAPTER 3: MBA Membership

Applicants must be at least eighteen (18) years old but not more than sixty (60) years old at the time of enrollment.

Applicant for insurance coverage must be an active member of SEDMFI or other organized groups defined in the Articles of Incorporation of SEDMFI.

Only those applicants who accomplished the prescribed application form will be eligible for membership, provided that the first contribution has been paid.

In case of multiple overlapping applications for insurance coverage, only the initial application shall be considered valid. Upon discovery of multiple insurance coverage of one person, the additional certificate/s of insurance coverage shall be automatically cancelled and the contributions for these overlapping certificates shall be refunded. In case of multiple claims for a single event by one member-insured, benefits will be paid only once as defined and due under the initial certificate.

Details of the membership in SEDMFI MBA can be found in its implementing rules and regulations (IRR) attached as Annex A of this manual.

CHAPTER 4: Product Features

SEDMFI MUTUAL BENEFIT ASSOCIATION, INC. (SEDMFI MBA) provides life insurance coverage to its members and his/her legal dependents in accordance with a schedule of benefits agreed upon by the Board of Trustees (BOT), and general assembly, and with the written approval of the Insurance Commission (IC).

The table below summarizes the key product features of SEDMFI MBA. The MBA shall pay the benefits under the Certificate of Membership to its member or his/her beneficiary/ies in accordance with the following provisions:

SEDMFI MBA BLIP TABLE OF BENEFITS					
Length of Continuous Insurance Coverage	Contingent Event	Member	Dependents		
			Spouse or Common-Law Partner	Parents	Children
Less than three (3) months	Natural or Non-Accidental Death	10,000	5,000	5,000	2,000
	Accidental Death	100,000	50,000	50,000	20,000
	TPD	10,000	5,000	5,000	2,000
Three (3) months to less than six (6) months	Natural or Non-Accidental Death	25,000	12,000	12,000	5,000
	Accidental Death	100,000	50,000	50,000	20,000
	TPD	25,000	12,000	12,000	5,000
Six (6) months or more	Natural or Non-Accidental Death	50,000	25,000	25,000	10,000
	Accidental Death	100,000	50,000	50,000	20,000
	TPD	50,000	25,000	25,000	10,000

Section 4.1 Insurance Benefit of a Recognized Member

Natural or Non-Accidental Death Benefit

Natural or Non-Accidental Death is defined as a loss of life due to natural causes, sickness, or non-accidental causes.

Upon death of the member-insured due to natural or non-accidental causes, SEDMFI MBA shall pay the designated beneficiary/ies an insurance benefit amount in accordance with the Table of Benefits outlined above.

It is understood that upon death of the member-insured, his/her Certificate of Insurance Coverage is automatically terminated.

Accidental Death Benefit

Accidental death is defined as the loss of life resulting directly, independently and exclusively of all other causes, of bodily injury effected solely by external, violent and accidental means, where, except in the case of drowning or if internal injury revealed by an autopsy (if it is not forbidden by law), there is evidence of a visible contusion or wound on the exterior of the body occurring within **one hundred eighty** (180) days from date of such injury.

Upon accidental death of the member-insured, SEDMFI MBA shall pay an accidental death benefit in accordance with the Table of Benefits in Annex A.

The following causes of death shall not accrue an accidental death benefit, but the death benefit in the IRR shall be provided shall still be payable:

1. Bodily or mental infirmity or disease of any kind;
2. Self-destruction or self-inflicted injuries, or any attempted suicide regardless of the person's state of mind at the time the incident occurs;
3. Murder or provoked assault;
4. Driving any vehicle under the influence of alcohol; driving without a driver's license; the driver committed a traffic violation; the driver is a minor or while racing on wheels;
5. Any injuries received while on police duty in any armed forces organization or civilian defense or local police forces;
6. Flying, other than while travelling as a fare-paying passenger on a licensed aircraft;
7. While traveling in any form of underwater transportation except as a fare paying passenger, or while engaging in any underwater operation but not limited to scuba diving;
8. While travelling in any form of unregistered land transportation;
9. In the commission or attempted commission of felony;
10. Drug addiction, alcoholism, sexually transmitted diseases and HIV if diagnosed within five (5) years from effective date of coverage;
11. Participation in any dangerous sports or activities;
12. Acts of God or Natural Calamities;
13. Any brawl, riot, civil commotion, war, terrorism, invasion, act of foreign enemy or warlike operations (whether declared or undeclared);
14. Any loss as a result of medical malpractice;
15. Ingested poison, gas or fumes voluntary or involuntary taken.

Section 4.2 Total and Permanent Disability Benefit

Total and Permanent Disability (TPD) shall mean disability caused by bodily injury or disease which prevents the member-insured from engaging in any gainful activity and must continue uninterruptedly for at least **six** (6) months except in the case of disability with dismemberment where the disability is immediate and permanent.

There are two types of TPD coverage:

1. **Disability with dismemberment** – The loss of both arms, or of both legs, or of one arm and one leg, or of both eyes, shall be immediately considered as total and permanently disability with dismemberment. Loss of both arms or of both legs

shall mean dismemberment by amputation of the entire hand or foot; with respect to eyes, entire and irrecoverable loss of sight.

2. **Disability without dismemberment** – The complete inability to engage in any gainful employment and being bedridden due to sickness or accident without dismemberment shall be considered as total and permanent disability without dismemberment, provided the disability persists continuously for at least **six** (6) months, subject to confirmation of a licensed physician.

Upon total and permanent disability of the member-insured, SEDMFI MBA shall pay the member-insured an insurance benefit amount in accordance with the Table of Benefits outlined above.

For cases of total and permanent disability without dismemberment, the member-insured must continue to pay his/her weekly contribution dues after filing a claim, until his/her total and permanent disability has been confirmed by a licensed physician. Upon confirmation of the total and permanent disability, the total contribution due collected from him/her after filing the total and permanent disability claim shall be refunded.

It is understood that upon full payment of the member-insured's total and permanent disability benefit, his/her Certificate of Insurance Coverage is automatically terminated, and no other benefits are payable.

4.3 Eligibility for Insurance Coverage

Applicants for insurance coverage must be active members of SEDMFI or other organized groups defined in the Articles of Incorporation of SEDMFI.

- Applicants must be eighteen (18) years old but not more than sixty (60) years of age.
- Only those applicants who accomplished the prescribed application form shall be eligible for membership, provided that the first contribution has been paid.
- In case of multiple overlapping applications for insurance coverage, only the first application shall be considered valid[1].
- Member-insured, not more than sixty-five (65) years old, rolling over from the prior insurance program shall have their length of membership counted towards meeting the requirement for full benefits as shown in the table of benefits. However, in the case of member's equity, all member-insured including those rolling over from the prior insurance program shall start with no Equity value. For the eligibility of Legal

[1] Upon discovery of multiple insurance coverage of one person, the additional certificate/s of insurance coverage shall be automatically cancelled and the contributions for these overlapping certificates shall be refunded without interest. In case of multiple claims for a single event by one member-insured, benefits will be paid only once as defined under the first certificate.

Dependents and lien on the benefits payable for member-insured or his/her legal dependents refer to Annex A, IRR under sections 3 and 4.

4.4 Member's Equity Value

Member-insured shall be entitled to an Equity Value equivalent to at least FIFTY PER CENTUM (50%) of his/her total gross contributions paid, interest shall be credited to the Equity value annually at a rate to be determined by the SEDMFI MBA Board of Trustees but in no case less than the prevailing savings rate of the top three (3) commercial banks.

This Equity Value, inclusive of interest thereon, is payable upon termination of the member-insured's membership from SEDMFI MBA including death and total and permanent disability.

Upon reaching the termination age of sixty-five (65) years old, the member-insured shall be entitled to the payment of the Equity Value plus interest.

CHAPTER 5: Operating Policies and Procedures

This chapter presents the details of the operating systems and procedures of SEDMFI MBA. Specifically, it outlines the initial policies, procedures, documentation, and responsibility assignment of those who are directly involved in the implementation of the micro-insurance program.

Section 1: Product Marketing

The following are marketing guides that were developed by SEDMFI MBA team to serve as guide during product orientations.

Section 1.1 Offering Microinsurance product to MFI members

Questions/Issues	Response
Do we have to attend an orientation before we can sell SEDMFI MBA's product?	Yes, we have regular orientation schedule to ensure that we all fully understand SEDMFI MBA microinsurance product before we offer it to our clients.
Are there any brochures, leaflets provided?	All Information, Education, and Communication (IEC) materials about our MBA and our product/s will be provided during orientations.
Is it compulsory to enroll all our active clients?	Yes, it is compulsory that all our active clients be enrolled in this program. This will ensure that our clients and their families' protection needs, especially those with low income, are provided for in times of difficulties.
Can they still continue the existing insurance?	Yes, they can still continue their existing insurance however they will have to prioritize SEDMFI MBA's microinsurance product.
How can we continue the membership of a client who is no longer qualified in SEDMFI MBA?	This is a sad reality not just for the members who are no longer qualified but for us as well. SEDMFI MBA will try to find another product or insurance provider that can insure people in this age group. Our service to our members extend beyond their age qualifications.

Section 1.2 Acceptability of microinsurance product to MFI members

QUESTIONS/ISSUES	RESPONSE
1. Why is there a membership fee of P250.00?	The P250.00 will pay for the membership in SEDMFI MBA. This will allow the member to participate in SEDMFI MBA programs and services as well as be part of a bigger organization that treats them as a family and an important member of the organization. To be a member of SEDMFI MBA is value for your money.
2. Why was the premium increased from P450.00 (as paid to Paramount) to P1,400.00?	P450.00 is the premium from our tied-up insurance provider of which we experience several problems during our claims. We did not have any control since this was a third-party provider. However, with the P1,400.00, you will become a member of the MBA which guarantees that claims will be processed much easier and faster. Claims can be received/released within 1 – 5 days upon the passing of the member-insured or when he/she resigns from the MBA. In addition, 50% of their contributions will be returned as equity value with interest. (Here you can state all other benefits of the MBA.)
3. Aside from the four (4) qualified dependents (children), can I add another child (or have more than five (5) children as dependents?	As much as we want to cover your whole family because we know how important it is to insure each member, we cannot for now. The insurance we offer guarantees the coverage of the member and only four (4) children. This helped to make the insurance cost (premium) lower because if we increase the number of covered children to more than 5 then the cost of the insurance will also increase, and it might be no longer affordable for some members. Our goal here is to provide protection to all our members.

QUESTIONS/ISSUES	RESPONSE
	But we truly understand your concern and we would be happy to look for other ways for you to insure your other children.
4. While you still don't have the Golden Age Insurance, how will you accommodate existing clients aging more than 60 years old?	We understand that insurance is indeed important for those in their 60s. Let me assure you that SEDMFI MBA has this concern in mind and we're working hard to hopefully provide this kind of insurance to our members soon. We value your concern, and we will be glad to check on other insurance providers that provides this insurance.
5. Bakit sa ibang MBA P20.00 lang ang weekly contribution, sa SEDMFI MBA ay P30.00?	Insurance is designed differently depending on what is most important to the organization and its members. For SEDMFI MBA, we made sure that the benefits that the dependent will get will financially help them over their lost. Likewise, the equity value the member will receive is higher than other microinsurance providers while taking into consideration a longer time frame for ladder benefits. (If member is not married and/or has a common law partner, you can also explain that the insurance SEDMFI MBA provides allows common-law partners as dependent/beneficiary.)
6. Pag si husband ay pumalit kay wife as borrower, ano ang mangyayari sa insurance ni wife?	The wife's insurance will be terminated. The equity value shall be returned to her. But since our product is affordable and very beneficial for the whole family, both the wife and the husband can get their own insurance. It might be a bit difficult to shoulder but as parents, being insured is a gift to your children to help them financially at a time of grief.

Section 1.3 Marketing Strategies

AIDAS-approach

ATTENTION	INTEREST	DESIRE	ACTION	SATISFACTION
Presentable Appearance ✓ *Wearing proper uniform with Company ID* ✓ *Pleasing Personality/ Good Posture* ✓ *Quality and well-modulated voice*	*Discuss the benefits of products with a convincing tone and eye contact*	*Convince the clients the necessity of having insurance*		
Script: Ma'am/Sir, alam natin na magastos ang mamatayan ngayon. Paano natin mahanapan ng solusyon ang pangangailangan na 'to? Saan tayo kukuha ng pera para sa lamay o pagpapalibing?	Ngayon ang SEDMFI ay may bagong initiative para matulungan kayo. Ito ay ang pagtaguyod ng SEDMFI MBA na kung saan nag bibigay ito ng family microinsurance sa murang halaga ngunit malaki ang suporta sa mga mahal natin sa buhay sa panahon ng pagdadalamhati.	Ang ating MBA ay may swak na benepisyo at madali lamang makuha...24 hours lang ang processing ng claim basta kumpleto ang iyong requirements. At maibabalik pa sa atin ang binabayad natin na 50% equity value na may kasamang interest. Automatic na may makukuha tayo (briefly discuss the table of benefits).	Subukan natin at mag-enroll na tayo ngayon! Magaan at madaling bayaran ang insurance natin kasi weekly payment lang naman ito. (Ipaliwanag paano maging member ng MBA.)	Gaya sa aming mother company na SEDMFI ang lahat ng naka avail ng value added services ay satisfied dahil sa magandang serbisyo na naibigay. Ganun din ang maipapangako namin sa SEDMFI MBA. Magtiwala lang kayo sa amin na kayo at ang kapakanan ng pamilya ninyo ang aming hangarin.

SIMAC-approach

SITUATION	IDEA	MECHANICS	ADVANTAGE	CONCLUSON
Natural and Accidental Death	• Kung may mamatay ano ba ang ating gagawin? • Sa karamihan kung wala silang DAJONG, hihingi sila ng tulong financial sa mga politiko or sa mga kamag-anak o sa mga kaibigan. • Sa palagay niyo ba hindi tayo mahihiya? • SEDMFI MBA (BLIP) is for the members level of contribution, benefits and equity value, settlement of claims 1-3-5 days based on the association's code of conduct.	The basis mechanism of SEDMFI MBA BLIP is that: • Applicants for insurance coverage must be active members of SEDMFI or other organized groups defined in the Articles of Inc. of SEDMFI • Applicants must be at least 18 yrs old but not more than 60 yrs old • Applicants must accomplish the prescribed application form and pay the BLIP one-time membership fee • Thirty pesos (P30) weekly contribution and or P1,400 annually • If the member-insured dies, the beneficiary will receive the insured sum (See table of benefits)	• Protect your family • Peace of mind • The final fund is very secured from the very beginning • There is no other scheme which provides this kind of benefits • Tax advantage • Help to pay any final expenses: a) Kabaong b) Burial expenses c) Others	• Kung kasali sa SEDMFI MBA, siguradong protektado ka at ang buong pamilya dahil BLIP provides a financial benefit to dependents upon death of an insured person. • Beneficiaries will receive specified amount called a death benefit if the insured person dies during the term.
Disability with dismemberment	Loss of both arms, or both legs, or both eyes, or one arm and leg.	Secure all documents required.	SEDMFI MBA will pay the member-insured.	At least the member will have financial benefits to support their financial needs.
Disability without dismemberment	Complete disability or bedridden continuously for at least six (6) months.	Secure all documents required.	SEDMFI MBA will pay the member-insured.	- Do -

Section 2: Member Enrollment

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Program implementation of pre-member insurance education seminars	▪ One (1) hour orientation shall be conducted during center meetings. ▪ Refresher shall also be conducted at least every six (6) months.	✓ Attendance sheet ✓ Hand-outs/ flyers/leaflets of the BLIP policies and procedures, tarpaulins		Credit Officer (CO)
	▪ Orientation and/or refresher shall also be conducted in branches during loan release.			Field Supervisor (FS)/ Branch Manager (BM)
	▪ Videos will be shown in the branches for information dissemination.			Branch Head (BH)
Filing of application forms and provision of required information	▪ Clients will fill-out application forms during center meetings.	✓ MBA application form		CO/FS/BH
	▪ Completeness of the accomplished application forms and other documents will be checked.			Center Level: CO Branch Level: FS
	▪ Checked accomplished application forms and other documents shall be forwarded to the MBA office every Monday.			BH

<table>
<tr><th rowspan="2">Key Steps</th><th rowspan="2">Procedure/ Policy/Frequency</th><th rowspan="2">Forms, Documents & Materials</th><th colspan="2">Responsible</th></tr>
<tr><th>MBA</th><th>MFI</th></tr>
<tr><td rowspan="2">Collection of information and documents supporting application</td><td>▪ Supporting documents shall be collected in the center weekly.
▪ Photocopies or soft copies printed in the branch are acceptable.
▪ Supporting documents not submitted during the application must be complied within three (3) months after the application.</td><td rowspan="2">✓ Birth certificate, Marriage contract, Barangay certification or Affidavit of Cohabitation (for Common-law spouses)
✓ Certificate of No Marriage (CENOMAR), Death Certificate (if widow or widower)
✓ Alternative document to Birth Certificate: Baptismal certificate</td><td></td><td>CO/FS/BH</td></tr>
<tr><td>▪ Details in the application forms, such as birthdays or spelling of names, shall be checked against the supporting documents submitted.</td><td></td><td>FS/BH</td></tr>
<tr><td></td><td>▪ Supporting documents shall be submitted to the MBA office every Monday.</td><td></td><td>General Manager (GM)/ Bookkeeper</td><td></td></tr>
<tr><td>Review and approval of applications, submission of membership requirements (MBA Level)</td><td>▪ Details in the application forms, such as birthdays or spelling of names, shall be checked against the supporting documents submitted.</td><td>✓ All required document</td><td>Accounting Clerk</td><td></td></tr>
</table>

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
	▪ Approval of the application		GM	
Collection of membership fees and issuance of receipts	▪ Compulsory membership fee of P250.00 and at least the payment of the first weekly contribution (P30.00) shall be collected upon submission of application form.	✓ Collection sheet (Separate collection sheet shall be prepared for MBA collection) ✓ Service Invoice (SI): *Center Collection – 1 SI per center *Individual Collection – 1 SI per client		Center payment: CO Branch payment: Cashier
	▪ Membership fees shall be remitted to the MBA monthly.	✓ Transmittal/ Voucher		Cashier
	▪ Remittance shall be received/checked by the MBA and accounted for.		Bookkeeper/ GM	
Issuance of certificate of cover	▪ Upon approval of the application, Certificate of Membership (COM) and Certificate of Insurance (COI) shall be printed. ▪ Printed COM and COI shall be distributed to branches within thirty (30) days after the	✓ Certificate of Membership ✓ Certificate of Insurance	Accounting Clerk	

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
	payment of the membership fee and the first weekly contribution.			
	▪ Printed COM and COI shall be given to the clients within thirty (30) days after the payment of the membership fee and the first weekly contribution.			CO

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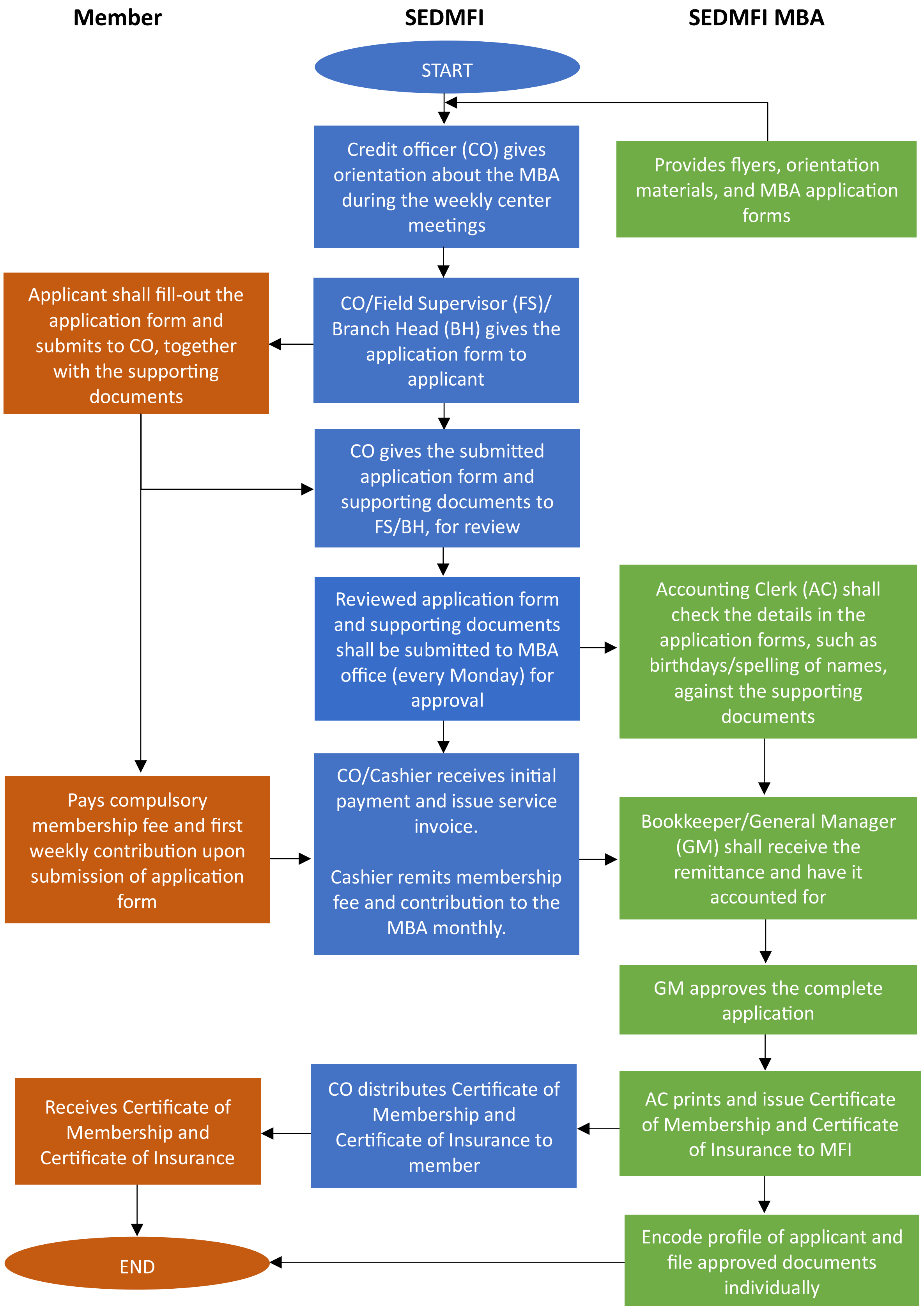


Section 3: Member Beneficiary/ Dependent Update

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Filing of beneficiary or dependent update	▪ All qualified dependents and beneficiaries shall be declared. ▪ Inform client every year.	✓ application form ✓ birth certificate ✓ marriage contract ✓ updating form		CO/FS/BH
Submission of update information	▪ To be submitted every Monday to MBA office (30 days maximum)	✓ Forms		
Verification of application and information	▪ Upon submission, all data shall be subject for checking and verification.	✓ Birth Certificate, Baptismal, marriage contract		
	▪ Final verification should be done and stamped "VERIFIED."		Bookkeeper	
Updating of member profile	▪ Filled-up regularly for updating forms for addition, deletion, or change of member/dependent status every 6 months (to be submitted to MBA office every Monday).		Bookkeeper	CO/FS/BH

Section 4: Member Resignation

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Filing of resignation	▪ Member execute resignation letter stating his/her purpose or reason.	✓ Resignation Letter	GM	CO/FS/BH
Determination of member dues	▪ Monthly regular updating of member's status (print ledger).	✓ printed monthly report ✓ ledger and passbook	Bookkeeper	
Exit interview	▪ Conduct interview. ▪ During submission of resignation letter.	✓ Exit interview forms		CO/FS/BH

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Validation of equity value amount	▪ Checked and verified the total contributions stated in the ledger upon exit interview.	✓ Report	Bookkeeper	
Refund of equity value	▪ 50% of total contributions and interest earned. ▪ 1 week after validation of equity.	✓ Equity Statement ✓ Valid ID	GM	Bookkeeper/ Cashier
Release of equity value and filing of resignation	▪ Release will be done after a thorough validation and approval of resignation ▪ 1 week after validation, release after validation ▪ Equity shall be facilitated in the branch office	✓ Voucher ✓ Valid ID	GM	Bookkeeper/ Cashier

Section 5: Member Reinstatement

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Filing of reinstatement	▪ All re-instated application shall be forwarded to SEDMFI MBA office. ▪ When the members have missed payments of 8 weekly contribution or 2 months, Procedure: paid delayed 8 weeks, then membership continue More than 8 weeks procedure same as new member	✓ Re-instatement form ✓ Passbook ✓ Contribution ledger		CO/FS/BH Bookkeeper, Cashier
Submission of form	▪ To be submitted every Monday to SEDMFI MBA office ▪ Validation of form 1 week	✓ Re-instatement form ✓ Application for re-instatement form	Bookkeeper and GM	
Approval of reinstatement	▪ Upon payment of re-instatement fee and unpaid contributions ▪ 1 week	✓ Receipts ✓ Validated Form ✓ Application	General Manager	CO/Cashier

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Collection of membership fee	▪ Upon implementation of SEDMFI-MBA ▪ Savings withdrawal	✓ Passbook ✓ Withdrawal slip		CO/Cashier
Remittance of membership fee	▪ Monthly	✓ Ledger ✓ Transmittal		Bookkeeper/ BH
Issuance of receipts and COM	▪ Upon payment, official receipt issued ▪ COM- 1 week	✓ Receipt ✓ COM	MBA personnel	

Section 6: Member Transfer

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Notice of transfer	▪ Execute letter for notice of transfer ▪ Request letter – 1 week	✓ Request Letter	MBA personnel	CO/FS/BH
Center action	▪ Provide center certification/notification ▪ Center certification from officer-upon submission of letter request for transfer	✓ Center certification		CO/FS/BH
Submission of request	▪ To be submitted every Monday in SEDMFI MBA			BH
	▪ From client to branch to MBA - weeks	✓ Request letter, transmittal		Accounting Clerk
Verification of receiving branch/center	▪ Inform center officers thru calls or during center meeting ▪ upon receive of docs.		GM	
Submission of notice	▪ Send an approved notice of transfer to center officers/ concerned members (1 week)	✓ Transfer forms	GM and MBA Personnel	

Section 7: Collection

Section 7.1 Center Level

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Present the program, product, benefit	▪ CO conducts center meeting and orientation of the product.	✓ Collection sheet, service invoice, passbook, center record book		CO
Collect and record collections	▪ Compulsory weekly collection to all SEDMFI partner clients.	✓ Enhance collection sheet for MBA		CO/ Bookkeeper/ Cashier
	▪ The CO shall post the payment in the partner clients passbook. ▪ The payment should be done during collection of regular loan. ▪ The system shall generate automatically the payments for MBA. ▪ Clients sign in the collection sheet ▪ Note: payment for the MBA contributions/fees shall be prioritized over payments for the MFI	✓ Add column on passbook for MBA collection		
Issuance of SI	▪ The credit officer shall issue service invoice for the payments received: For center collection: 1 SI per center	✓ Service Invoice with collection sheet		For field collection: CO/ For office collection: Cashier

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
	For individual collection: 1 SI per client			

Section 7.2 Branch Level

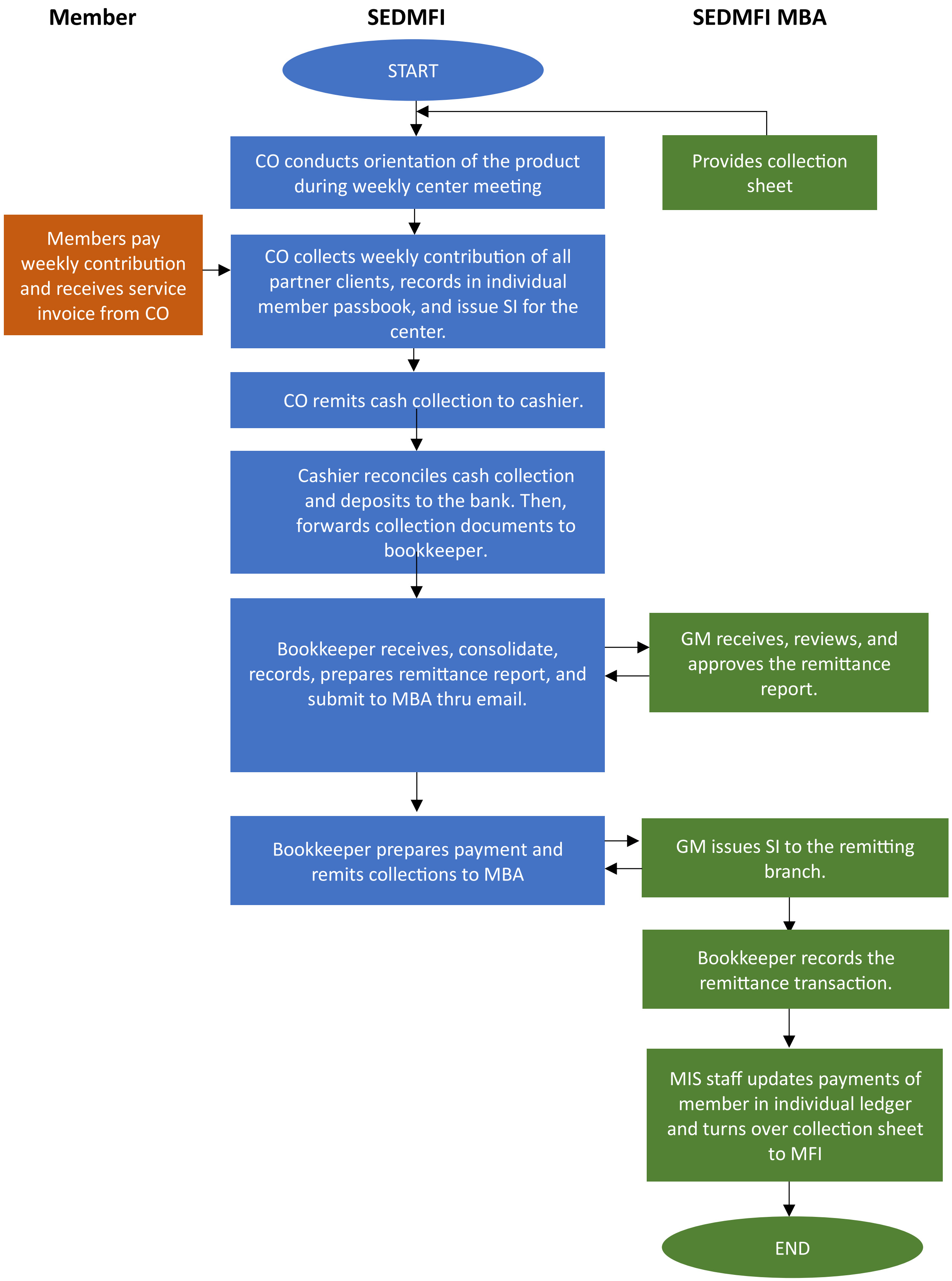
Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Remittance of collection	▪ CO remits cash collection to cashier.			CO
Reconciliation of collection versus	▪ Cashier reconciles cash received against the SIs issued by the CO.			Cashier
	▪ Cashier deposits the collection to the bank (Note: within the day or first hour of the next banking day). ▪ Collection documents forwarded to bookkeeper.	✓ Deposit slip/ passbook		
Posting of payments/ recording of transaction (branch level)	▪ Bookkeeper prepares journal entry for the collections for the day.	✓ Collection sheet DR: Cash CR: Due to MBA		Bookkeeper
	▪ Collection sheets (cutoff: Thursday collection) shall be forwarded to MBA office every Monday (photocopy of the document shall be retained in the branch).			Branch Head

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	**MFI**
Posting of Transaction (MBA Level)	▪ Bookkeeper prepares entry.	✓ Collection Sheet: DR: Due From Branch CR: Contribution Membership fee Etc.		
Prepare monthly collection report	▪ The bookkeeper shall segregate for the total claims, service fees and other charges.	✓ Summary of Remittance Report: Total Collections: Less: Equity Value withdrawals Service Charge ✓ Supporting Document: Weekly Collection Summary Acknowledgement Receipt of the Equity withdrawal		Bookkeeper
	▪ Send remittance report to MBA thru email.	✓ Schedules ✓ Transmittal		
Remit net collections	▪ Preparation of cash voucher and provide to cashier.	✓ Summary of Total Collection Report		
	▪ Preparation of check/withdrawal slip and transact in the bank.			Cashier

Section 7.3 MBA Level

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Opening of MBA bank account/s	▪ Scout prospect depository bank/s		General Manager	
	▪ Prepare/submit documents required by the bank	✓ Board resolution ✓ Valid id ✓ Business permit ✓ Articles of Incorporation ✓ By-laws ✓ General Information Sheet		
Receive and record remittance from MFI	▪ Issuance of Service Invoice to the remitting branch	✓ Service Invoice		
	▪ Bookkeeper records the transaction	✓ Service Invoice DR: Cash/Cash in Bank CR: Due from Branch	Bookkeeper	
Consolidate and record collection				
Deposit to appropriate account	▪ Note: within the day or first hour of the next banking day			

FLOWCHART OF COLLECTION



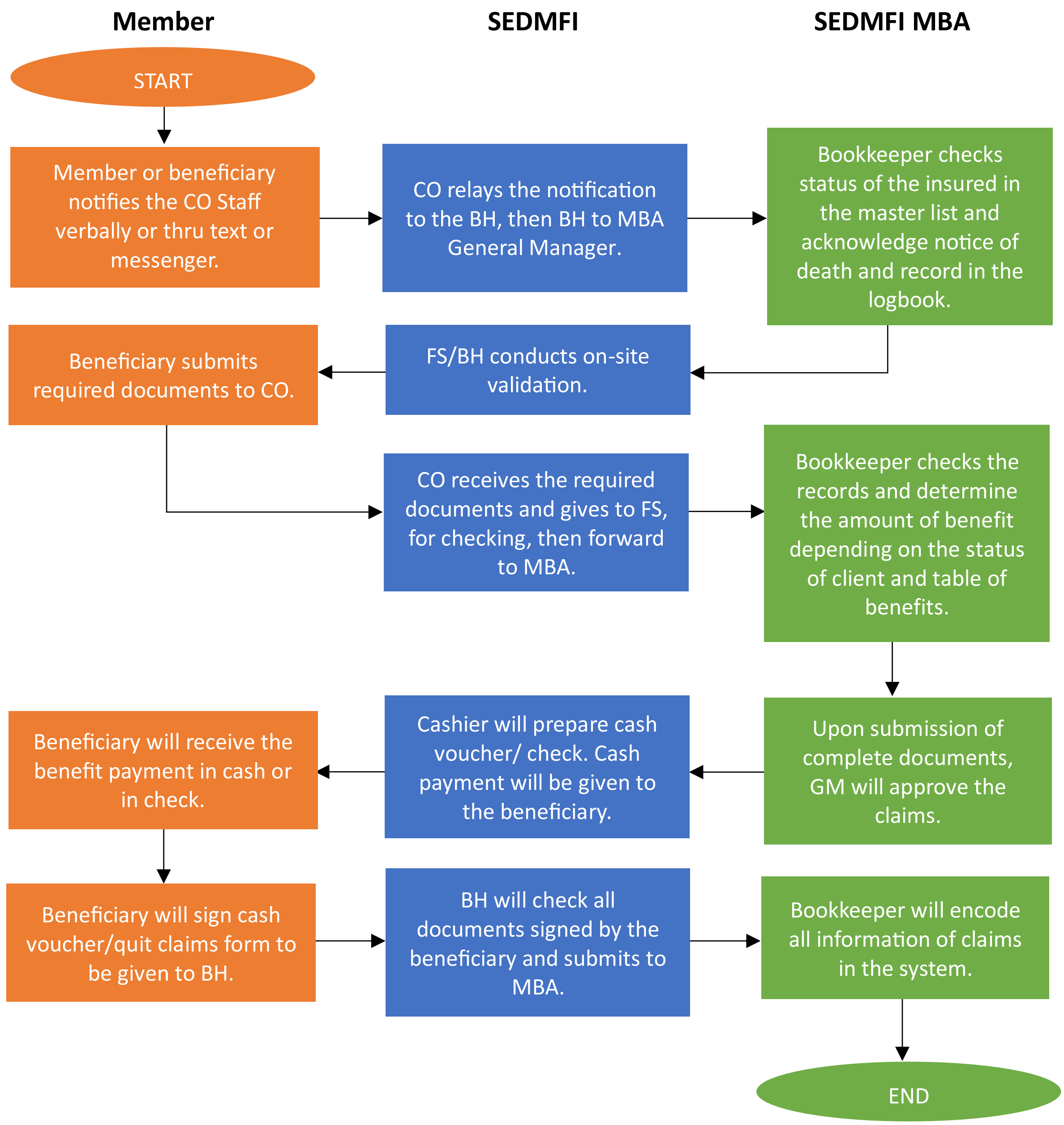
Section 8: Claims, Validation, and Payment

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
Notification	▪ Beneficiaries notify credit officer of death of the insured.	✓ Verbal, text, call, chat		Client/ Center Officer
	▪ Credit officer relay to the BH. ▪ BH to MBA General Manager.	✓ Verbal or any means of communication (temporarily)/ written notification will follow		CO/FS BH
	▪ Check status of the insured in the master list.		Bookkeeper	Bookkeeper
	▪ Acknowledge notice of death and record in the logbook.	✓ Notification letter		
Validation of death	▪ Conduct of on-site validation.	✓ Notice of claims/list of requirements: - validation report		FS/BH
Filing of claim	▪ Beneficiary submits required documents to Credit Officer.	✓ Validation report form/picture of the deceased/death certificate (center certification will do while death certificate is still not yet available) ✓ Notice of claim ✓ For accidental death: police report Note: barangay certificate will be accepted in lieu of the police report		
	▪ Check required documents.		General Manager	FS

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
		on a meritorious cases only to be determined by the committee; ✓ But "ACCIDENT" as cause of death must be indicated in the death certificate.		
Computation of claims due & payable	▪ Check the records of the client and determine the amount of claims depending on the status of client and on the "table of claims".	✓ Clients' ledger/ records	Bookkeeper	
	▪ 50% initial release, if no death certificate but with picture of the deceased within 24 hours.	✓ Same documents as required during the filing	General Manager	BH
Approval of claims	▪ Review the completeness of the required documents.	✓ Same documents as required during the filing ✓ journal voucher	Bookkeeper/ GM	
	▪ All documents checked by CO, FS/BH and submit to MBA for approval.	✓ Same documents as required during the filing	GM	CO/FS/BH
Payment of claims	▪ Preparation of cash voucher/check	✓ Approved death claims application with complete documents attached		Bookkeeper/ Cashier

Key Steps	Procedure/ Policy/Frequency	Forms, Documents & Materials	Responsible	
			MBA	MFI
	▪ Cash payment of the death claims to the beneficiary; secure signature beneficiary in the cash voucher and quit claims	✓ Same as above ✓ Quit claims forms ✓ Valid ID of the beneficiary		Cashier
	▪ Submission of documents (signed by the beneficiary) to MBA office	✓ Cash voucher/quit claim form		BH
Recording of claims	▪ Encode all information of claims in the system	✓ Voucher and other required documents	Bookkeeper	Bookkeeper

Flowchart of claims, validation and payment



Section 9: Accounting

Accounting generates financial transactions data that management can use to exercise effective and efficient operations control as well as plan corrective and/or strategic action. Accounting ensures that comprehensive and accurate records are maintained, timely preparation and distribution of reports, usefulness of reports to management and BOT, and compliance with regulatory requirements.

Based on contribution, premium collection and payment of claims/withdrawals transactions, the MFI partner submit summary of remittance report to the MBA including the following documents:

a. Summary of monthly collection
b. Claims withdrawal supporting documents
c. Supporting receipts of expenses incurred
d. Application / Update Forms

The MBA accounting officer consolidates all collections and transactions and make appropriate recording in the books of the MBA. In addition, the MBA Accounting officer makes the financial reports for the MBA General Manager, the Board of trustees, MiMAP (RIMANSI), Insurance Commission and other important stakeholders.

SEDMFI MBA's accounting practices shall adhere with the new accounting standards prescribed by the Insurance Commission (IC Circular Letter 33-2006) under the current accounting practices and the Philippine Financial Reporting Standards.

The illustration shows the accounting process of the SEDMFI MBA

1. Journalize transactions	**2. Post to the ledger accounts**	**3. Prepare a trial balance**
6. Prepare financial statements	**5. Prepare an adjusted trial balance**	**4. Make end of period adjustments**
7. Journalize and post closing entries	**8. Prepare an after closing trial balance**	**9. Prepare reversing entries (optional)**

Section 9.1. Books of Accounts

The Books of Accounts include the Cash Receipts Book, Cash Disbursement Book, General Journal, General Ledger and Subsidiary Ledger.

SEDMFI MBA will also set up two separate books: the General Fund Books and the Mutual Benefit Fund Books.

9.1.1 The **General Fund Books** include cash in bank for general fund, membership fees and allocation from premium contribution for administrative and operating expenses.

9.1.2 The **Mutual benefit Fund Books** include the cash in bank for basic benefit fund, guaranty fund, premium contribution net of operating expense provision, underwriting expenses and reserves.

The **Journal Entries** shall provide the following information:

- Membership Enrollment
- Collection of Member's Contribution
- Reserves
- Benefit payments and Accrual
- Expenses other than benefit claim
- Contribution received in advance
- Assignment of Fund Balance

Section 9.2 Claims and Loss Register

The Claims and Loss Register records all claims paid, pending and denied. The minimum required information includes:

- Date claims notice is received/filed
- Claim number
- Policy number
- Name of insured
- Date of loss
- Amount of claim
- Amount paid
- Amount recovered/recoverable from insurer
- Amount of deduction/nature of deduction

Other information could include type of claim (disability, death, accidental), relation to member (if not member), payment, reference, etc. Claims registry & monitoring slip is maintained for this purpose.

Section 9.3 Financial Reports

SEDMFI MBA shall prepare financial reports for reference of its members, board of trustees, management and employees, partners and the government supervisory and regulatory authorities. The following are financial reports regularly prepared and submitted on time by the MBA (as of September 2024):

9.3.1 Insurance Commission (IC)

Report/ Compliance	Frequency	Date of Submission
License Renewal	Every three years	Starts every October 1
Governance Training	Annual	6 months after the election
Minutes of the meeting, biographical data of BOT	Annual	30 days after the conduct of General Assembly
Negative list of officers and employees	Quarterly	15th day of the month following the end of every quarter
Names and contact details of AMLA Compliance Officer and Alternate Compliance Officer		Not alter than 30 days from the appointment
Investment Made and Sold or Disposed	Quarterly	20th of the month following the end of every quarter
Related party transactions	Quarterly	20th of the month following the end of every quarter
EQRSFS	Quarterly	20th of the month following the end of every quarter
Related party transactions	Annual	30th of January
Money Laundering and Terrorism Financing Prevention Program	Every 2 years	
AMLC/CTF Questionnaire	Annual	60 days after the end of each calendar year
Annual Corporate Governance Report (ACGR)	Annual	30th of May
Annual Statement Report	Annual	30th of April
Five percent increase in Guaranty Fund	Annual	

Report/ Compliance	Frequency	Date of Submission
Loan to partner institution of only 10% of the total admitted assets		
Supervision Fee	Annual	On or before March 1
SEGURO	Annual	End of September

9.3.2 Securities and Exchange Commission (SEC)

Report/ Compliance	Frequency	Date of Submission
SEC General Information Sheet	Annual	Within thirty (30) calendar days after the date of Annual General Assembly (3rd of April)
Audited Financial Statement	Annual	Within 120 calendar days after the end of the fiscal year, as indicated in the Financial Statements

9.3.3 Bureau of Internal Revenue (BIR)

Report/ Compliance	Frequency	Date of Submission
1601-C (Remittance Return of Income Taxes Withheld on Compensation)	Monthly	On or before the 10th day of the following month
1601-EQ (Remittance Return of Creditable Income Taxes Withheld (Expanded)	Quarterly	On or before 30th day of the month following the end of every quarter
0619-E (Remittance Form for Creditable Income Taxes Withheld (Expanded)	Monthly	On or before 10th day of the following month
1604-E (Information Return of Creditable Income Taxes Withheld (Expanded)/ Income Payments Exempt from Withholding Tax)	Annual	On or before January 31
1604-C (Information Return of Income Taxes Withheld on Compensation)	Annual	On or before January 31
1604-F (Information Return of Income Payments Subjected to Final Withholding taxes)	Annual	On or before January 31
1905 (application for registration information update-books of accounts)	Once	Upon application to BIR

Report/ Compliance	Frequency	Date of Submission
1702Q (quarterly income tax return)	Quarterly	Within 60 days following the end of every quarter
1702 (Annul Income Tax Return)	Annual	Every April 15
	Annual	Should be signed by the staff on or before Jan. 31 and submit 1 copy to BIR on or before February 28
0605 (Payment Form)	Annual	On or before January 31

9.3.4 National Privacy Commission (NPC)

Report/ Compliance	Frequency	Date of Submission
Registration of Data Privacy Officer (DPO)	Annually	On or before the registration expires
Data Privacy Notice in Website		
Security Incident Reports (ASIR)	Annually	

9.3.5 MiMAP (RIMANSI)

Report/ Compliance	Frequency	Date of Submission
Actuarial Valuation	Annually	Every March 1
Sectional Data	Quarterly	30th of the month following the end of every quarter
Interim Operations Highlights, Balance Sheet, and Income Statement	Quarterly	50 days after the end of every quarter

Section 10: Financial Management

Financial Management aims to maximize the return on funds of SEDMFI MBA through the management of sources and uses of funds subject to the budgets that ensure reserve requirements and operational efficiency and effectiveness.

Section 10.1 Sources of Funds

The sources of funds for SEDMFI MBA include those related to member mobilization such as the premium and contributions collected on a weekly and or annual basis. Other sources can be derived from favorable experience to take into account from investments, savings from mortality, and savings from expenses.

Section 10.2 Fund Management

Section 14 of the Implementing rules and regulations under fund management, SEDMFI MBA will disaggregate the contribution from the member and administer them into five (5) separate and distinct funds namely: Benefit Fund, Equity Value Fund, Guaranty Fund, General Expenses Fund, and Investment Income Fund.

- **Benefit Fund**
  The Benefit Account shall not exceed Thirty Per Centum (30%) of the contribution. It shall cover all the contractual benefits like death or disability or hospitalization.

- **Equity Value Account**
  The Equity Value Account representing fifty per centum (50%) of the contribution shall support the Equity Value or termination value and any other promised accrued interest earnings on the Equity Value.

- **Guaranty Fund**
  The Guaranty Fund Account comprising Five Per Centum (5%) of the contribution shall ensure the timely and proper payment of annual contribution to the Guaranty Fund Account as mandated by the Insurance Commission. If the Guaranty Fund has been fully complied with as required by law, the allocation for the guaranty fund shall be utilized to increase the member's benefits or reduce the contribution or may be lumped under the General Expense Account.

- **General Expense Fund**
  The General Expense Account shall not exceed Fifteen Per Centum (15%) of the contribution. It shall finance the general and operating expenses in administering this Implementing Rules and Regulations.

- **Investment Income Fund**
  The Investment Income Account shall consist of all interest income or capital gains net of investment expenses derived from prudent account management of excess of contributions over disbursements. SEDMFI MBA shall develop an investment plan guided by the standards for managing and investing fiduciary funds and adhering to the principles of prudent man's rule.

The Investment Income Account may be distributed primarily to the Equity Value Account and the General Expense Account. However, the allocation must first satisfy the minimum interest that must be credited to the Equity Value Account before any allocation to the General Expense Account may be made.

Section 10.3 Fund Monitoring

SEDMFI MBA monitors its performance based on SEGURO[2] (as required by the IC as stated under IC-CL-No.2023-20) and SEGURADO performance indicators. The enhanced performance indicators and standards for microinsurance is the basis for evaluating and monitoring the performance of the MBA. These are benchmarks in assessing and evaluating the operations of SEDMFI MBA. The following are the SEGURO Performance Indicators as required by the IC:

SEGURO Performance Indicators	
Solvency and Stability	Solvency, Liquidity and Leverage Ratios
Efficiency	Operating Expense, Incurred Claims and On-Time Claims Settlement Ratios
Governance	ASEAN Corporate Governance Scorecard (ACGS) Standard, Additional Governance Questions
Understanding of the Product by the Insured	Member Retention and Claims Rejection Ratios
Rate of Growth	Rate of Growth of Microinsurance Business
Outreach	Growth in Outreach

The board of trustees formulates the policies, guidelines and programs to carry out the objectives of SEDMFI MBA. It shall communicate the rules and regulations for the effective exercise of powers and function of management. Upon recommendation of management, the BOT shall adopt and approve annual budget of receipts and expenditures for the effective management, operation and administration of SEDMFI MBA. The board will then invest the funds of SEDMFI MBA directly or indirectly in accordance with Insurance Code. The Board will approve and adopt guidelines affecting investments, insurance coverage, settlement of claims, disposition of assets, etc.

The Compliance Officer and the Finance Officer will be responsible in monitoring the indicators and preparing the report for timely submission to the IC. For a more efficient monitoring, report shall be updated quarterly to ensure that the MBA is on track in meeting its goals. The General Manager will serve as the oversight and shall check and balance the SEGURO Report.

[2] For a more detailed discussion of the SEGURO performance indicators for microinsurance, refer to the Insurance Commission circular: CL2016-63 Annex 1.

CHAPTER 6: Management

SEDMFI MBA management ensures effective and efficient mobilization of a full fledge microinsurance MBA to achieve strategic goals while meeting performance standards. It is important that SEDMFI MBA monitors planned vs actual results in terms of member mobilization, collections, claims processing, financial management including sources and uses of funds and MIS as well as the SEGURADO indicators.

Close collaboration and synergy between SEDMFI and SEDMFI MBA is important in the management process. Both institutions will implement a management contract once before the start of the operations. The Management contract defines the responsibilities of SEDMFI and SEDMFI MBA in the operations cycle, define the service fee and the MBA authorizing the MFI to be the collecting agent.

SEDMFI MBA general manger ensures that the following planning, monitoring, and evaluation and compliance checklist are met:

Section 1: Planning

- Strategic business plan
- Member mobilization strategy
- Projected financial statements
- Sources and uses of funds
- Operations plan and manual
- Staffing and capacity building
- Risk management plan
- Monitoring and evaluation plan

Section 2: Monitoring and performance evaluation

- Variances in financial statements
- Variances in planned policies, practices, and procedures
- SEGURO (IC) and SEGURADO (MiMAP) indicators

Section 3: Financial Report (refer to the list in Section 5.3 of this Manual.

CHAPTER 7: Good Governance

Good governance provides for the participation and empowerment of SEDMFI MBA members in accordance with its Vision-Mission-Goals, its articles of incorporation and by-laws, while meeting regulatory and certified performance standards.

It is important that the MBA management monitors its SEGURADO/SEGURO indicators and extent of member participation in ownership and governance.

SEDMFI MBA Board guides the association in fulfilling its organization's mission and protects the MBA's asset overtime. Its roles and functions are elaborated in the MBA's Constitution and By-Laws attached as Annex B.

Section 7.1. Board of Trustees

The BOT of SEDMFI MBA is composed of seven (7) members namely: five (5) trustees that will be elected by active members of SEDMFI MBA and two (2) independent Trustees that will be appointed by the BOT of SEDMFI MBA.

The elected BOT will serve immediately following their election until their successors shall have been duly elected and qualified. No member shall serve as member for more than two (2) consecutive terms.

The BOT will meet regularly once every three (3) months at the main office of SEDMFI MBA unless otherwise previously agreed upon by the members of the BOT. Special or Emergency meetings of the BOT may be called by the president or the secretary upon request of the majority members of the Board with at least three (3) days of notice.

Section 7.2. Board of Advisors

The Board of Advisors shall be determined by the Board of Trustees of the association by appointment and based on required policy-area competencies.

The Board of Advisors shall provide advice/guidance to the Board of Trustees and shall be invited to all meetings of the latter. However, they shall not be allowed to vote. They shall hold the position for one year and shall be confirmed by the Board of Trustees on annual basis. They may resign from their post or may no longer be confirmed by the Board of Trustees upon its discretion.

Section 7.3. Independent Board Members

SEDMFI MBA board develops recruitment profile of desired skills and characteristics for independent trustee/s which will include age, educational attainment, experience, leadership, communication, financial skills, and commitment among others. The primary role of the independent trustee is to provide advice to the BOT in crucial issues and assist the BOT to achieve a consensus on important issues and other matters.

The MBA selects and appoints an independent trustee. The selection of the independent board adheres with IC CL 31-2005 which provide for independent director to be “a person other than an officer or employee of the association, its parent or subsidiaries, or any other individual having relationship with the association, which could interfere with their exercise of independent judgement in carrying out their responsibilities.”

Section 7.4 Good Governance Training and Report

All SEDMFI MBA board and officers will have to undergo Good Governance and Anti-Money Laundering Training. Moreover, the board annually accomplishes the corporate governance report prescribed by the Insurance Commission (IC) to evaluate level of observance of the different principles of good governance and corporate social responsibility.

The Annual Corporate Governance Report (ACGR) Form shall be used as a tool to disclose ICRCs compliance/noncompliance with the recommendations provided under the code of corporate Governance for lCRCs, which follows the "comply or explain" approach. lf in cases where the MBA cannot comply with the Code, it must identify any areas of non-compliance, explain the reasons for non-compliance, and provide action plan to address non-compliant areas.

The ACGR shall contain the descriptions and explanations written in plain language and in a clear, complete, objective and precise manner, so that shareholders and other stakeholders can assess the company's governance framework.

Refer to the IC circular 2022-42 for the Board’s guidance and compliance in the submission of the ACGR and applicable penalties for late submission.

Section 7.5 Anti-Money Laundering

SEDMFI MBA shall formulate and establish control measures and procedures against anti-money laundering (AML) and financing of terrorism. It shall develop a separate AML manual as prescribed under Insurance Commission Circular Letter No. 32-2006.

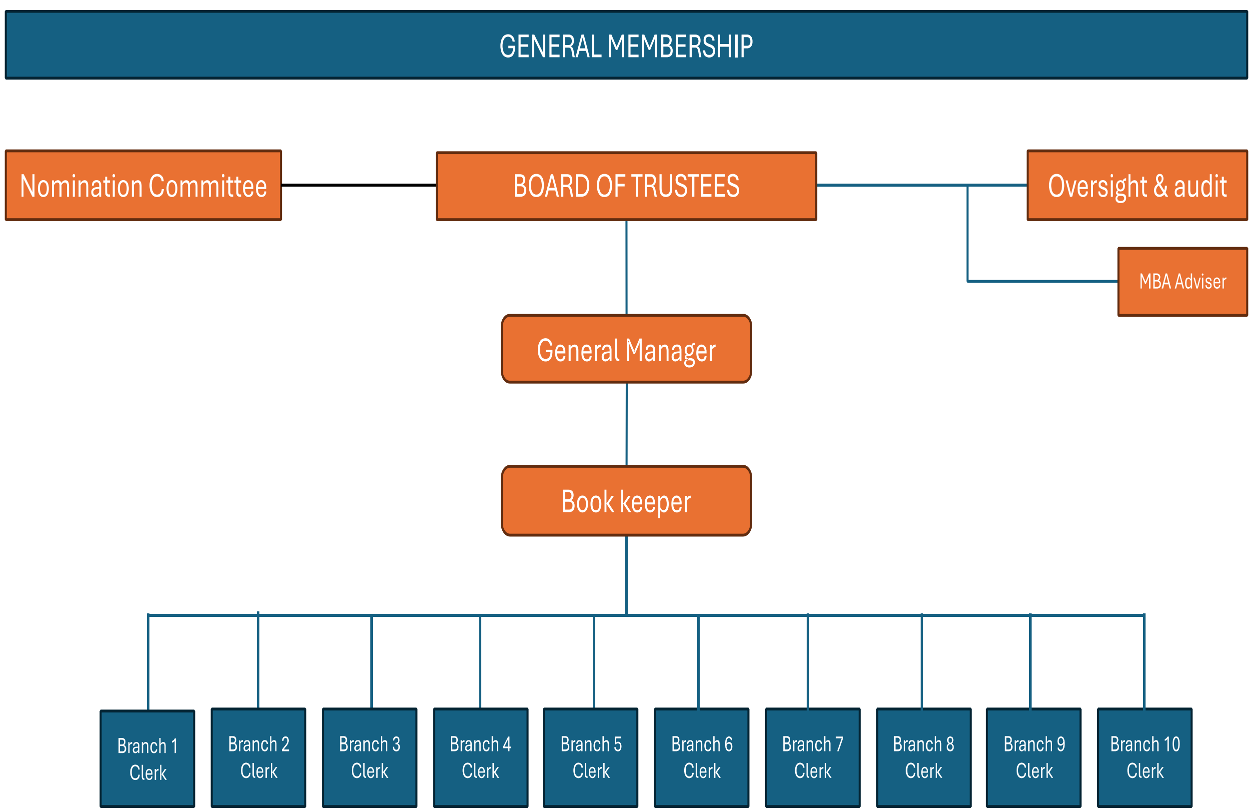
Section 7.6 Meetings

SEDMFI MBA board meets regularly to ensure oversight performance targets based on formulated strategies and policies.

In addition, it conducts annual membership meeting every **3rd day of April** to update the members of the affairs of the association and elect new officers based on the provisions of its Constitution and By-Laws. Refer to the SEDMFI MBA By-Laws for a detailed explanation on the conduct of regular or special meetings of the stockholders or members.

CHAPTER 8: Organizational Structure

SEDMFI MUTUAL BENEFIT ASSOCIATION INC.
ORGANIZATIONAL CHART



CHAPTER 9: Personnel Duties and Responsibilities

Section 1. General Manager

The General Manager shall be in-charge of the day-to-day operations of SEDMFI Mutual Benefit Inc. and has among others the following roles and responsibilities:

1. Determines the corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
2. Communicates and implements the corporation's vision, mission, values and overall strategy and shall promote any organization or stakeholder change in relation to the same;
3. Oversees the operations of the corporation and manages human and financial resources in accordance with the MBA's strategic plan;
4. Has a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;
5. Directs, evaluates and guides the work of the key officers of the corporation;
6. Manage the corporation's resources prudently and ensures a proper balance of the same;
7. Provides the Board with timely information and interfaces between the Board and the employees;
8. Ensures that all mandatory reports required from the MBA shall be submitted on time;
9. Builds the corporate culture and motivates the employees of the corporation; and
10. Serves as the link between internal operations and external stakeholders.

Section 2. Compliance officer

The Compliance officer shall be in charge of the compliance function of SEDMFI Mutual Benefit Inc. and has among others the following roles and responsibilities:

1. Ensures proper onboarding of new director/trustee (i.e., orientation on the company's business, charter, articles of incorporation and bylaws, among others);
2. Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors/trustees with the relevant laws, code of corporate governance, rules and regulations and all government issuances of regulatory agencies;
3. Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
4. Ensures the integrity and accuracy of all documentary submissions to regulators;
5. Appears before the IC when summoned in relation to compliance with the code of corporate governance;

6. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
7. Identifies possible areas of compliance issues and works towards the resolution of the same;
8. Ensures the attendance of board members and key officers to relevant trainings; and
9. Performs such other duties and responsibilities as may be provided by the Board of Trustees and regulators.

Annexes

A. Implementing Rules and Regulations of the BLIP
B. By-laws
C. MBA Forms
D. 4Accounting Chart of Accounts

Annex A Implementing Rules and Regulations of the Basic Life Insurance Plan (IRR)

SEDMFI MBA

SEDMFI MUTUAL BENEFIT ASSOCIATION INC.
(SEDMFI MBA)
SEDMFI Bldg., 00780 M. Ortiz St., Washington (Pob.), Surigao City (Capital), Surigao del Norte, Region XIII (Caraga) 8400
Tel. No.: 086-310-3100/086-826-0069 TIN: 617-760-030-00000
Email: sedmfimba@gmail.com/sedfi85@yahoo.com

IMPLEMENTING RULES AND REGULATIONS OF THE BASIC LIFE INSURANCE PLAN (BLIP)

ENTIRE CONTRACT

SEDMFI MBA issues this Implementing Rules and Regulations (IRR) in consideration of the member's application and the receipt of his/her initial contribution. This IRR, its application, certificate of insurance coverage constitutes the entire contract.

Only the Chairman of the Board of Trustees, the President, or officers duly authorized in writing by the Board of Trustees have the authority to modify this contract, and any such modification must be in writing and duly signed by the authorized officer.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
INSURANCE COMMISSION
MANILA
A P P R O V E D
UNDER THE PROVISION OF SECTION 232 OF P.D. NO. 612 OTHERWISE KNOWN AS "THE INSURANCE CODE" AS AMENDED BY R.A. NO. 10607
20 AUG 2024
DATE
REYNALDO A. REGALADO
INSURANCE COMMISSIONER

INSURING CLAUSE

SEDMFI MBA, subject to the provisions of this Implementing Rules and Regulation, shall pay the benefits under the Basic Life Insurance Plan (BLIP), in accordance with the following provisions:

Section 1. BENEFITS

1.1 Natural or Non-Accidental Death Benefit

1.1.1 Natural or Non-Accidental Death is defined as loss of life due to natural causes, sickness, or non-accidental causes.

1.1.2 Upon death of the member-insured due to natural or non-accidental causes, SEDMFI MBA shall pay his/her designated beneficiary/ies an insurance benefit amount in accordance with the Table of Benefits in Annex 1 (page 15).

1.1.3 Upon death of the member-insured's legal dependents due to natural or non-accidental causes, SEDMFI MBA shall pay the member-insured an insurance benefit amount in accordance with the Table of Benefits in Annex 1 (page 15).

1.1.4 It is understood that upon death of the member-insured, his/her Certificate of Insurance Coverage is automatically terminated.

1.2 Accidental Death Benefit

1.2.1 Accidental death is defined as loss of life resulting directly, independently and exclusively of all other causes, of bodily injury effected solely by external, violent and accidental means, where, except in the case of drowning or if internal injury revealed by an autopsy (if it is not forbidden by law), there is evidence of a visible contusion or wound on the exterior of the body occurring within one hundred eighty (180) days from date of such injury.

1.2.2 Upon accidental death of the member-insured or his/her legal dependents, SEDMFI MBA shall pay an accidental death benefit amount in accordance with the Table of Benefits in Annex 1 (page 15).

1.2.3 The following causes of death shall not accrue an accidental death benefit, but the death benefit provided in Section 1.1.2 shall still be payable.

1.2.3.1 Bodily or mental infirmity or disease of any kind;

1.2.3.2 Self-destruction or self-inflicted injuries, or any attempted suicide regardless of the person's state of mind at the time the incident occurs;

1.2.3.3 Murder or provoked assault;

1.2.3.4 Driving any vehicle under the influence of alcohol; driving without a driver's license; the driver committed a traffic violation; the driver is a minor or while racing on wheels;

1.2.3.5 Any injuries received while on police duty in any armed forces organization or civilian defense or local police forces;

1.2.3.6 Flying, other than while travelling as a fare-paying passenger on a licensed aircraft;

1.2.3.7 While traveling in any form of sea water and underwater transportation, except as a fare paying passenger in any registered water transportation, or while engaging in any underwater operation but not limited to scuba diving;

1.2.3.8 While traveling in any form of unregistered land transportation;

1.2.3.9 In the commission or attempted commission of felony;

1.2.3.10 Drug addiction, alcoholism, sexually transmitted diseases and HIV if diagnosed within five years from effective date of coverage;

1.2.3.11 Participation in any dangerous sports or activities;

1.2.3.12 Acts of God or Natural Calamities;

1.2.3.13 Any brawl, riot, civil commotion, war, terrorism, invasion, act of foreign enemy or warlike operations (whether declared or undeclared);

1.2.3.14 Any loss as a result of medical malpractice; and

1.2.3.15 Ingested poison, gas or fumes voluntary or involuntary taken.

1.3 Total and Permanent Disability Benefit

1.3.1 Total and Permanent Disability (TPD) shall mean disability caused by bodily injury or disease which prevents the member-insured from engaging in any gainful activity and must continue uninterruptedly for at least six (6) months except in the case of disability with dismemberment where the disability is immediate and permanent.

1.3.2 There are two types of TPD coverage:

1.3.2.1 Disability with dismemberment – The loss of both arms, or of both legs, or of one arm and one leg, or of both eyes, shall be immediately considered as total and permanently disability with dismemberment. Loss of both arms or of both legs shall mean dismemberment by amputation of the entire hand or foot; with respect to eyes, entire and irrecoverable loss of sight.

1.3.2.2 Disability without dismemberment – The complete inability to engage in any gainful employment and being bedridden due to sickness or accident without dismemberment shall be considered as total and permanent disability without dismemberment, provided the disability persists continuously for at least six (6) months, subject to confirmation of a licensed physician.

1.3.3 Upon total and permanent disability of the member-insured or his/her legal spouse/common-law partner, SEDMFI MBA shall pay the member-insured an insurance benefit amount in accordance with the Table of Benefits in Annex 1 (page 15).

1.3.4 For cases of total and permanent disability without dismemberment, the member-insured must continue to pay his/her contribution dues after filing a claim, until his/her total and permanent disability has been confirmed by a licensed physician. Upon confirmation of the total and permanent disability, the total contribution due collected from him/her after filing the total and permanent disability claim shall be refunded.

1.3.5 It is understood that upon full payment of the member-insured's total and permanent disability benefit, his/her Certificate of Insurance Coverage is automatically terminated, and no other benefits are payable.

Section 2. ELIGIBILITY FOR INSURANCE COVERAGE

2.1 Applicants for insurance coverage must be active members of SEDMFI or other organized groups defined in the Articles of Incorporation of SEDMFI.

2.2 Applicants must at least be eighteen (18) years old but not more than sixty (60) years old.

2.3 Only those applicants who accomplished the prescribed application form shall be eligible for membership, provided that the first contribution is paid.

2.4 In case of multiple overlapping applications for insurance coverage, only the first application shall be considered valid. Upon discovery of multiple insurance coverage of one person, the additional certificate/s of insurance coverage shall be automatically cancelled and the contributions for these overlapping certificates shall be refunded without interest. In case of multiple claims for a single event by one member-insured, benefits will be paid only once as defined and due under the first certificate.

2.5 Member-insured, not more than sixty-five (65) years old, rolling over from the prior insurance program shall have their length of membership therein count towards meeting the requirement for full benefits as shown in the Table of Benefits. However, in the case of member's equity, all member-insured, including those rolling over from the prior insurance program, shall start with no Equity Value whatsoever.

Section 3. LEGAL DEPENDENTS

3.1 If a member-insured is married, his/her legal dependents are his/her:

3.1.1 Legal spouse at least eighteen (18) but not more than sixty-five (65) years old;

3.1.2 Four (4) single, biological, or legally adopted children, at least two (2) weeks old but not more than twenty-one (21) years old, or biological or legally adopted children over twenty-one (21) years old, single, with congenital disability, incapacitated to work, and chiefly dependent on support. Eligible children to be listed as legal dependents should be in accordance with birth order (eldest to youngest).

3.2 If a member-insured is unmarried but has a common-law partner, his/her legal dependents are his/her:

3.2.1 Common-law partner at least eighteen (18) but not more than sixty-five (65) years old, provided that they have been living together as husband and wife for at least five (5) years without any legal impediments to enter into marriage;

3.2.2 Four (4) single, biological, or legally adopted children, at least two (2) weeks old but not more than twenty-one (21) years old, or biological or legally adopted children over twenty-one (21) years old, single, with congenital disability, incapacitated to work, and chiefly dependent on support. Eligible children to be listed as legal dependents should be in accordance with birth order (eldest to youngest).

3.3 If a member-insured is single without children, his/her legal dependents are his/her biological parents not more than sixty-five (65) years old.

3.4 If a member-insured is single with children, his/her legal dependents are his/her four (4) single, biological, or legally adopted children, at least two (2) weeks old but not more than twenty-one (21) years old, or biological or legally adopted children over twenty-one (21) years old, single, with congenital disability, incapacitated to work, and chiefly dependent on support. Eligible children to be listed as legal dependents should be in accordance with birth order (eldest to youngest).

Section 4. LIEN

4.1 BLIP insurance coverage shall be issued without need for prior medical underwriting of the member-insured or his/her legal dependents. To account for substandard risks, a lien on the benefits payable shall be applied, subject to the specific period of risk exposure.

4.2 For natural or non-accidental death or total and permanent disability occurring before the insurance coverage reaches six (6) months, a reduced benefit amount shall be payable in accordance with the Table of Benefits in Annex 1 (page 15).

Section 5. EQUITY VALUE

5.1 Member-insured shall be entitled to an Equity Value equivalent to at least FIFTY PER CENTUM (50%) of his/her total gross contributions paid, interest shall be credited to the Equity Value annually at a rate to be determined by the SEDMFI MBA Board of Trustees but in no case less than the prevailing savings rate of the top three (3) commercial banks.

5.2 This Equity Value, inclusive of interest thereon, is payable upon termination of the member-insured's membership from SEDMFI MBA including death and total and permanent disability.

5.3 Upon reaching the termination age of sixty-five (65) years old, the member-insured shall be entitled to the payment of the Equity Value plus interest.

Section 6. EFFECTIVITY OF INSURANCE COVERAGE

6.1 A Certificate of Insurance Coverage containing the date of effectivity of membership, a summary of benefits, and excerpts of the Implementing Rules and Regulations of SEDMFI MBA's Basic Life Insurance Plan shall be issued to every member-insured of SEDMFI MBA upon approval of the application for membership.

6.2 Membership in SEDMFI MBA shall take effect upon payment of the first contribution and membership fee, and approval of the application for membership by the Board of Trustees or the officials designated by the Board.

Section 7. SUICIDE

7.1 SEDMFI MBA shall be liable if the member-insured or his/her legal dependent commits suicide after one (1) year from the effective date of the Certificate of Insurance Coverage or date of last reinstatement. Suicide committed in the state of insanity will be compensable regardless of the date of commission.

7.2 Where suicide is not compensable, SEDMFI MBA's liability shall be limited to the return of all contributions paid by the said member-insured without interest.

Section 8. TERMINATION OF INSURANCE COVERAGE

8.1 The insurance coverage shall automatically terminate under the following conditions, whichever comes first:

8.1.1 Upon death or TPD of the member-insured;

8.1.2 Upon resignation of the member-insured from SEDMFI MBA;

8.1.3 Upon attainment of age sixty-five (65) of the member-insured;

8.1.4 Upon expiration of the grace period if no payment is received by then;

8.1.5 Upon termination of membership with cause by SEDMFI MBA.

8.2 The legal dependent's insurance coverage terminates upon the termination of the member-insured's insurance coverage under the Basic Life Insurance Plan.

8.3 Termination of coverage shall be without prejudice to any claim arising prior to such termination.

Section 9. INCONTESTABILITY

9.1 Except for non-payment of contributions or any other grounds recognized by law and jurisprudence, SEDMFI MBA cannot contest the Certificate of Insurance Coverage after it has been in-force for one (1) year from the effective date or date of last reinstatement.

Section 10. MISSTATEMENT

10.1 Any willful misstatement of age in the application, that would render a person eligible for insurance coverage when he/she would otherwise be ineligible, shall be a sufficient cause for the cancellation of one's insurance coverage in SEDMFI MBA's BLIP at any time such misstatement is known. In such cases, SEDMFI MBA's liability shall only be limited to the refund of all contributions paid by the said applicant, without interest.

Section 11. CONTRIBUTION

11.1 The member-insured shall be charged thirty pesos (Php30.00) per week or one thousand four hundred pesos (Php1,400) per year as contribution for insurance coverage. Payment of this contribution shall entitle the member-insured for an insurance coverage under BLIP.

11.2 The member-insured shall be charged a one-time two hundred fifty pesos (Php250.00) application/membership fee to cover the expenses incurred in processing the application. This fee is not refundable.

11.3 The contributions may be adjusted by the Board of Trustees, as may be necessary to maintain the funds of SEDMFI MBA, at a level adequate to meet its benefit obligations or commitments under this Implementing Rules and Regulations. Any adjustments in the contributions shall be supported by an annual review and subject to prior approval by the Insurance Commission.

11.4 Contributions and membership fee may be paid by direct remittance to SEDMFI MBA Office or designated collection centers in cash and are considered paid on the date of receipt of SEDMFI MBA office or designated collection center.

11.5 Payments of the weekly or annual contributions made and executed not in accordance with this Implementing Rules and Regulations shall not be accepted and if inadvertently accepted shall be considered null and void and will be refunded without interest.

Section 12. GRACE PERIOD

12.1 Any member-insured who fails to pay his/her weekly or annual contribution shall be given a grace period of forty-five (45) days from the due date to pay the contribution due.

12.2 In case of death or TPD of the member-insured or his/her legal dependent/s during the grace period, the balance of the contribution in arrears shall automatically be deducted from the benefits payable.

12.3 If after the forty-five (45) days period, no contribution has been received by SEDMFI MBA, the insurance coverage shall lapse and in the event of death or TPD of the member-insured or his/her legal dependent/s, no benefit will accrue to the member-insured or his/her legal dependent/s other than the member-insured's accumulated Equity Value plus interest.

Section 13. REINSTATEMENT

13.1 Lapsed member-insured may apply for reinstatement, provided that they are in good health, as certified by a licensed physician. The reinstatement of insurance coverage shall take effect upon approval of the application and payment of the contributions in arrears, at an interest rate of 5% per annum. In this case, the length of membership shall be continued from the date it has lapsed but shall be subject to provision on incontestability in Section 9.1 (page 7).

13.2 If the lapsed member-insured cannot afford to pay all the contributions in arrears, he/she may pay only one (1) weekly or annual contribution to reactivate his/her membership and insurance coverage. In this case, the application shall be considered a new application and shall be subject to the provisions on lien in Section 4.2 (page 6) and incontestability in Section 9.1 (page 7).

13.3 Application for reinstatement can only be performed within a period of three (3) years from the date the policy lapsed, provided that the Certificate of Insurance Coverage has not been surrendered for its Member's Equity Value. Otherwise, the membership is cancelled.

Section 14. FUND MANAGEMENT

14.1 SEDMFI MBA shall disaggregate the contribution from the member-insured and administer them into five (5) separate and distinct funds:

14.1.1 **Benefit Fund -** The Benefit Fund shall not exceed THIRTY PER CENTUM (30%) of the contribution. It shall cover all the contractual benefits like death or disability.

14.1.2 **Equity Value Fund -** The Equity Value Fund representing FIFTY PER CENTUM (50%) of the contribution shall support the Equity Value or termination value and any other promised accrued interest earnings on the Equity Value.

14.1.3 **Guaranty Fund** - The Guaranty Fund comprising FIVE PER CENTUM (5%) of the contribution shall ensure the timely and proper payment of annual contribution to the Guaranty Fund as mandated by the Insurance Commission. If the Guaranty Fund has been fully complied with as required by law, the allocation for the guaranty fund shall be utilized to increase the member's benefits or reduce the contribution or may be lumped under the General Expense Fund.

14.1.4 **General Expense Fund -** The General Expense Fund shall not exceed FIFTEEN PER CENTUM (15%) of the contribution, it shall finance the general and operating expenses in administering this Implementing Rules and Regulations.

14.1.5 **Investment Income Fund -** The Investment Income Fund shall consist of all interest income or capital gains net of investment expenses derived from prudent fund management of excess of contributions over disbursements. SEDMFI MBA shall develop an investment plan guided by the standards for managing and investing fiduciary funds and adhering to the principles of prudent man's rule.

14.2 The Investment Income fund may be distributed to the Equity Value Fund and the General Expense Fund. However, the allocation must first satisfy the minimum interest that must be credited to the Equity Value Fund before any allocation to the General Expense Fund may be made.

Section 15. ADMINISTRATION

15.1 SEDMFI MBA shall adopt a prudent cash management program to invest profitably all cash in excess of current disbursements.

15.2 SEDMFI MBA shall set up each year sufficient reserves for the payment of claims and other obligations in accordance with actuarial procedures approved by the Insurance Commission and per the recommended calculations and procedures specified by the Consulting Actuary. If the reserves become impaired, the Board of Trustees shall require all member-insured to pay SEDMFI MBA the amount of the member-insured's equitable proportion of such deficiency as ascertained by the Board of Trustees. If the payment is not made, it shall stand as an indebtedness against the member-insured and draw interest not to exceed five per centum (5%) per annum compounded annually.

15.3 SEDMFI MBA shall adopt a complete statistical program to gather and analyze all information related to this Implementing Rules and Regulations. The information should be collated and submitted annually to the consulting actuary for his/her analysis and evaluation, so he/she can provide sound advice to the Board on matters pertaining to the solvency of the Fund.

Section 16. BENEFICIARIES

16.1 Only the immediate family may be named and designated as beneficiary/ies.

16.2 Immediate family refers to the member-insured's:

16.2.1 Legal spouse or common-law partner
16.2.2 Legitimate, illegitimate, or legally adopted child/ren
16.2.3 Parents
16.2.4 Siblings
16.2.5 Grandparents/Grandchildren

16.3 In the absence of any immediate family member, the member-insured may designate any person who has close association or family-like relationship with the member, subject to approval of SEDMFI MBA.

16.4 Named and designated beneficiary/ies that are outside the requirements of this section shall not be considered valid.

16.5 In case of death of the member-insured and no beneficiary has been designated or his/her designated beneficiaries predeceased the member-insured, the benefits shall be awarded to the legal heirs according to existing laws.

16.6 The right to change the beneficiaries is reserved to every member-insured of SEDMFI MBA, who may, at any time, designate a new beneficiary/ies. Such request shall be in writing, signed by the member-insured and submitted to SEDMFI MBA office or designated collection centers.

Section 17. NOTICE AND PROOF OF CLAIMS

17.1 When a member-insured or his/her legal dependent dies or gets disabled, the member-insured or the beneficiary, whichever is applicable, shall notify the MBA Coordinator, stating the following details:

17.1.1 full name and address of the deceased or disabled;
17.1.2 the cause of death or total and permanent disability;
17.1.3 the date of death or total and permanent disability; and
17.1.4 the address and full name(s) of the beneficiary/ies.

17.2 The claim for benefits should be filed within six (6) months after death or total and permanent disability with any SEDMFI MBA office.

17.3 Competent evidence of identity of beneficiary includes the following but is not limited to:

17.3.1 SSS ID
17.3.2 UMID
17.3.3 National ID
17.3.4 Passport
17.3.5 GSIS ID
17.3.6 Driver's License
17.3.7 COMELEC Voter's ID/Certificate
17.3.8 Postal ID
17.3.9 BIR TIN
17.3.10 Senior Citizen ID

17.3.11 4Ps ID

17.4 Cedula or CTC is not acceptable as competent evidence of identity.

17.5 If the claimant cannot produce any of the evidence of identity enumerated above, a barangay certification and SEDMFI MBA center resolution to the effect that he/she is the beneficiary or legal dependent of the member-insured concerned would be sufficient.

17.6 Failure to give notice and proof, as required, will not invalidate nor diminish the claim if it is shown not to have been reasonably possible to give such notice or proof and that such was given as soon as was reasonably possible.

Section 18. CLAIMS SETTLEMENT

18.1 Any claim under the BLIP shall be settled within ten (10) working days from date of receipt of complete documents required to validate the claim, which includes proof of death or total and permanent disability.

18.2 For total and permanent disability without dismemberment, the claim shall be settled within ten (10) working days upon submission of complete documents which includes proof of total and permanent disability as prescribed by a licensed physician which may be subject to the six (6) months observation period as described under the total and permanent disability benefit.

Section 19. BENEFITS EXAMINATION COMMITTEE

19.1 A Benefits Examination Committee (BEC) composed of five (5) members shall be the body to recommend the payment of benefit claims. No action of the Committee shall be valid unless it is a decision of the majority. A majority constitutes at least three (3) members of the BEC. Whatever the decision that the BEC may have made, the SEDMFI MBA claims staff must validate the notice of death or total and permanent disability form, where applicable.

19.2 All the necessary forms and documents should be submitted to SEDMFI MBA office together with the recommendation of the BEC and SEDMFI MBA claims staff for proper action. The BEC shall likewise recommend the release of benefits and furthermore cause the release of the benefits to the beneficiaries upon approval. In case of indecision, the result of the evaluation of cases and recommendation must be submitted to SEDMFI MBA Head Office for the decision of the SEDMFI MBA President. However, if the SEDMFI MBA President cannot make a decision, the case shall be referred to the Board of Trustees for final decision.

Section 20. MAXIMUM BENEFIT AND CONTRIBUTION

20.1 The maximum amount of guaranteed benefits shall not be more than one thousand (1,000) times the current daily minimum wage rate for non-agricultural workers in Metro Manila.

20.2 The maximum amount of contribution computed on a daily basis shall not exceed seven and a half percent (7.5%) of the current daily minimum wage rate for non-agricultural workers in Metro Manila.

Section 21. WAIVER OF ARTICLE 1250 OF THE CIVIL CODE

21.1 It is hereby declared and agreed that the provision of Article 1250 of the Civil Code of the Philippines which reads:

> "In case of extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of establishment of the obligation shall be the basis of payment…"

shall not apply in determining the extent of the liability under the provisions of the Certificate of Insurance of Coverage.

Section 22. PENAL PROVISION

22.1 Any member of SEDMFI MBA, who through malfeasance, misfeasance, or non-feasance allows a spurious claim to be paid, including the claimant, will be punished accordingly to whatever penalty the Board of Trustees may so decide and the amount of indemnity paid must be refunded to SEDMFI MBA.

Section 23. DISPUTE RESOLUTION

23.1 All disputes related to BLIP shall be settled initially through alternative dispute resolution mechanism.

Section 24. LIMITATION OF COMPLAINTS

24.1 Any complaint or grievance on the plan must be filed with the proper authorities within six (6) years from the time of rejection or denial of the claim. The venue for the complaints and grievances on the plan must not be limited to the place of issue of the contract.

Section 25. AMENDMENTS TO THIS IMPLEMENTING RULES AND REGULATIONS

25.1 Any amendment/s made to this Implementing Rules and Regulations shall be subject to approval by the Insurance Commission.

Section 26. AVAILABILITY OF THIS IMPLEMENTING RULES AND REGULATIONS

26.1 This Implementing Rules and Regulations embodies the terms and conditions of the benefits described above. A copy of the Implementing Rules and Regulations shall be kept in the main office of SEDMFI MBA and shall be made available to the member-insured for inspection during SEDMFI MBA's regular office hours.

IMPORTANT NOTICE

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to insurance and has supervision over mutual benefit association and intermediaries. It is ready at all times to assist the general public in matters pertaining to insurance. For any inquiries or complaints, please contact the Public Assistance and Mediation Division (PAMD) of the Insurance Commission at 1071 United Nations Avenue, Manila with the telephone number (02) 8523-8461 local 103 or 127, mobile numbers (0917) 116-0007 and (0999) 993-0637, and with email address publicassistance@insurance.gov.ph. The official website of the Insurance Commission is https://www.insurance.gov.ph.address publicassistance@insurance.gov.ph. The official website of the Insurance Commission is https://www.insurance.gov.ph.

Annex 1. Table of Benefits

SEDMFI MBA BASIC LIFE INSURANCE PLAN TABLE OF BENEFITS					
Length of Continuous Insurance Coverage	**Contingent Event**	**Member**	**Dependents**		
			Spouse or Common-Law Partner	**Parents**	**Children**
Less than three (3) months	Natural or Non-Accidental Death	10,000	5,000	5,000	2,000
	Accidental Death	100,000	50,000	50,000	20,000
	TPD	10,000	5,000	5,000	2,000
Three (3) months to less than six (6) months	Natural or Non-Accidental Death	25,000	12,000	12,000	5,000
	Accidental Death	100,000	50,000	50,000	20,000
	TPD	25,000	12,000	12,000	5,000
Six (6) months or more	Natural or Non-Accidental Death	50,000	25,000	25,000	10,000
	Accidental Death	100,000	50,000	50,000	20,000
	TPD	50,000	25,000	25,000	10,000

Annex B By-Laws of SEDMFI MBA

BY-LAWS
OF
SEDMFI Mutual Benefit Association Inc.

I. THE TIME, PLACE AND MANNER OF CALLING AND CONDUCTING REGULAR OR SPECIAL MEETINGS OF THE DIRECTORS OR TRUSTEES.

a) Regular meetings of the board of directors or trustees or trustees of the corporation shall be held monthly unless the by-laws provide otherwise.

b) Special meetings of the board of directors or trustees may be held at any time upon the call of the president or as provided in the by-laws.

c) Meetings of directors or trustees of corporations may be held anywhere in or outside of the Philippines, unless the by-laws provide otherwise. Notice of regular or special meetings stating the date, time and place of the meeting must be sent to every director or trustee at least two (2) days prior to the scheduled meeting, unless a longer time is provided in the by-laws. A director or trustee may waive this requirement, either expressly or impliedly.

d) Directors or trustees who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate. Directors or trustees cannot attend or vote by proxy at board meetings.

II. THE TIME AND MANNER OF CALLING AND CONDUCTING REGULAR OR SPECIAL MEETINGS OF THE STOCKHOLDERS OR MEMBERS.

a) Regular or annual meetings of stockholders or members shall be held annually on **3rd Wednesday of April**.

b) Written notice of regular meetings shall be sent to all stockholders of record or members at least twenty-one (21) days prior to the meeting, unless a different period is required in the by-laws, law, or regulation: Provided, further, That written notice of regular meetings may be sent to all stockholders of record or members through electronic mail or such other manner as the Commission shall allow under its guidelines.

c) Special meetings of Stockholders or members shall be held at any time deemed necessary or as provided in the by-laws: Provided, however, That at least one (1) week written notice shall be sent to all Stockholders or members, unless a different period is provided in the by-laws, law or regulation.

d) Written notice of special meetings shall be sent to all stockholders or

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members at least one week prior to the meeting.

e) Stockholders or members' meetings, whether regular or special, shall be held in the city or municipality where the principal office of the corporation is located, Provided, That any city or municipality in Metro Manila, Metro Cebu, Metro Davao, and other Metropolitan areas shall, for purposes of this section, be considered a city or municipality.

III. THE REQUIRED QUORUM IN MEETINGS OF STOCKHOLDERS OR MEMBERS

The required quorum in meetings of Stockholders or members shall consist of the stockholder/s representing a majority of the outstanding capital stock or a majority of the members in the case of non-stock corporations.

IV. THE FORM FOR PROXIES OF STOCKHOLDERS OR MEMBERS AND THE MANNER OF VOTING THEM

Stockholders or members may vote in person or by proxy in all meetings of Stockholders or members. Proxies shall be in writing, signed and filed, by the stockholder or member, in any form authorized in the by-laws and received by the corporate secretary within a reasonable time before the scheduled meeting. Unless otherwise provided in the proxy form, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

V. THE QUALIFICATIONS, DUTIES, TERM AND COMPENSATION OF DIRECTORS OR TRUSTEES

a) A person shall be disqualified from being a director, trustee or officer of any corporation if, within five (5) years prior to the election or appointment as such, the person was:

(a) Convicted by final judgment:

(1) Of an offense punishable by imprisonment for a period exceeding six (6) years;

(2) For violating this Code; and

(3) For violating Republic Act No. 8799, otherwise known as "The Securities Regulation Code";

(b) Found administratively liable for any offense involving fraudulent acts; and

(c) By a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) above.

Directors shall be elected for a term of one (1) year from among the holders of stocks registered in the corporation's books, while trustees shall be elected for a term not exceeding three (3) years from among the members of the corporation. Each director and trustee shall hold office until the successor is elected and qualified. A director who ceases to own at least one (1) share of stock or a trustee who ceases to be a member of the corporation shall cease to be such.

b) The corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation be controlled and held by the board of directors or trustees to be elected from among the holders of stocks, who shall hold office for one (1) year and until their successors are elected and qualified.

c) The directors or trustees shall not receive any compensation, as such directors or trustees, except for reasonable per diems. Any compensation may be granted to directors or trustees by the vote of the stockholders representing at least a majority of the outstanding capital stock or by majority of the members at a regular or special meeting, In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year.

VI. THE MANNER OF ELECTION OR APPOINTMENT, QUALIFICATION AND THE TERM OF OFFICE OF ALL OFFICERS OTHER THAN DIRECTORS OR TRUSTEES

Immediately after their election, the directors or trustees of a corporation must formally organize by the election of a PRESIDENT, who shall be a director or member, a TREASURER who must be a resident, a SECRETARY who shall be a citizen and resident of the Philippines, and such other officers as may be provided in the by-laws. Two (2) or more positions may be held concurrently by the same officer, however no one shall act as PRESIDENT and SECRETARY or as PRESIDENT and TREASURER at the same time. The officers of the corporation shall hold office for one (1) year and until the successors are elected and qualified. The officers shall manage the corporation and perform such duties as may be provided in the bylaws and/or as resolved by the board of directors or trustees.

VII. FISCAL YEAR

The fiscal year of the corporation shall begin on **January 1** and shall end **December 31** of each year.

VIII. SEAL

The corporate seal shall be determined by the Board of directors or trustees.

IX. MISCELLANEOUS PROVISIONS:

Matters not covered by the provisions of these by-laws shall be governed by the provisions of the Revised Corporation Code of the Philippines.

IN WITNESS WHEREOF, we, the undersigned incorporators present at said meeting and voting thereat in favor of the adoption of said by-laws, have hereunto subscribed our names this SEP 2 3 2022 day of ___________, 20_______ in the City/Municipality CITY OF SURIGAO Province of SDN, Republic of the Philippines.

Name	TIN	Signature
GINA M FARMA	132-801-147-000	
EMMA C ONGAYO	920-059-380-000	
VIRGINIA Y SALIBAY	917-003-693-000	
IMELDA C WINES	132-801-130-000	
CELYNITA A DIGAO	939-310-457-000	
PERLA I QUEZADA	400-862-189-000	
ROMELA S MACEDA	928-223-911-000	
LORNA P DECOY	442-405-661-000	
ROSEMARIE L CALANG	775-587-205-000	

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ATTY. PAULINO T. CHUA
NOTARY PUBLIC
SURIGAO DEL NORTE AND SURIGAO CITY
VALID UNTIL DECEMBER 31, 2022
EXTENDED PER B.M. NO. 3795
NOTARIAL SERIAL NO. 2U2-03E
PTR NO. 6076909 1-05-22 SC
IBP NO. 124241 2-03-22 PC
ROLL NO.34706

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