



Microinsurance MBA
Association of the Philippines Inc.

2016 ANNUAL REPORT



PAVING THE
way for
12.24.48



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PAVING THE
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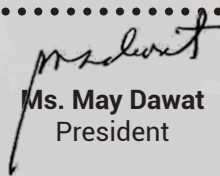
There are more reasons to celebrate 2016. This includes significant policies and strategies that were initiated by the Board of Trustees. Strategically, the Board pushed for the establishment and build-up of the Association's endowment fund. New partnerships and networks were also formed to support capacity building activities. More so, a Code of Conduct has been carved to guide all of us in decision making and activities, and behaviour of employees, volunteers and Board members, that puts member's interests first.

RIMANSI's milestones over the past twelve years such as the creation of endowment fund is a clear manifestation that the Association is here to stay for a very long time. These milestones have helped the Association gain financial stability and reduce dependency from external funding. Continuing these milestones will take a lot of work and time, but

in the meantime, we thank the Canadian Cooperative Association for continuing to support microinsurance research and development work. We welcome as well new international funding partners, Citi Foundation and the International Cooperative and Mutual Insurance Federation, for supporting the continuing capacity building work of Mi-MBAs in areas of organizational, market and product development, training and investment management. In the local front, we thank the Peace and Equity Foundation and the CARD Mutually Reinforcing Institutions for specifically funding our quest for developing a framework for own risk and solvency assessment of Mi-MBAs. Truly, RIMANSI's twelve years of legacy wouldn't be possible without these development work and passion-driven institutions.

We are, and we will be bigger and stronger as we reach our ultimate goal – 12*24*48!

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Ms. May Dawat
President



2016 at a Glance: **A REPORT FROM THE EXECUTIVE DIRECTOR**

Good year to pave the way for our shared mission of 12*24*48!

As we aim higher to hit the mark, we need to prepare and manage growth by looking at our internal capacity, operating systems, risks and unfinished businesses.

In 2016, aside from our regular programs, new projects that are geared towards capacity building and research and development were conducted primarily to support our strategies that were mapped out in a decade.

Looking at the governance, management, operations and financial management capacity, Citi Foundation has supported us in developing and implementing training courses on good governance, strategic management and financial management. In the same project, new products are being developed to address concerns on aging members, health financial assistance and long-term endowment to deepen our outreach. Moreover, we started to explore a pooled investment mechanism to increase our investment yields to at least equivalent to the inflation rate, from our current performance of roughly 2%.

As we aim for a more comprehensive microinsurance coverage to millions of our members especially during disasters, we have started the study and development of a Sari-Sari Store Insurance that can help our retailer of basic commodities bounce back faster from the effect of calamities. In the medium term, we would want to explore Sari-Sari Store Owners as distributors of a range of microinsurance products to enhance access in hard to reach areas. We thank the Government of Canada thru the Canadian Cooperative Association for supporting this endeavour.

We are happy to announce as well that the International Cooperative and Mutual Insurance Federation (ICMIF) has selected the Philippines as one of the growth centers for inclusive mutual microinsurance and already launched a 5-5-5 Development Strategy. The strategy targets to insure 5 million new households in 5 countries in the next 5 years. ICMIF and its members will support the Philippines primarily in the enhancement of the capacities of Mi-MBAs that will facilitate the development of new Mi-MBA providers and at the same time help existing Mi-MBAs expand their outreach. Recently, Folksam of Sweden, one of ICMIF

members has committed support in performance assessment, strategic planning and market development for Mi-MBAs. In the local front, we got early supporters for 5-5-5. The Peace & Equity Foundation and CARD Mutually Reinforcing Institutions granted backing for developing Mi-MBA enterprise risk management framework and development of own risk and solvency assessment tool.

I would say the best is yet to come for the Mi-MBA sector in the Philippines as we have increased our leadership in the number of lives covered by microinsurance at 61% in 2016, based on the report of the Insurance Commission. Our combined membership has grown by 30% from 3.48 million in 2015 to 4.54 million in 2016. This means a total of 16.58 million is now covered by Mi-MBA microinsurance. Our contributions and premiums almost breach the 3-billion mark at P2.96 billion and have reserved P1.20 billion in refundable equity value to members. We paid P787 million in claims benefits, which translates into 89 households everyday provided of lump-sum financial assistance. This


helped the households avoid resorting to loans or selling their properties or even asking for donations during their financial crisis periods because they are able to receive their microinsurance benefits at the right time.

We welcome to the Association our new associate members Serviamus MBA and Pag-asa ng Pinoy MBA. That makes us 19 in the Mi-MBA network, and counting. We welcome, as well, the UnionBank of the Philippines as our Trustee of the Mutual Security Fund, created primarily to back liabilities of Mi-MBAs.

To communicate better the work that we all do, we have re-launched the e-newsletter and the Facebook account of RIMANSI. Please check out, like and follow our FB account www.facebook.com/RIMANSI.

The next pages will surely feed you with the important happenings and milestones of RIMANSI especially this 2016. So, hurry and turn on to the next page!

All the best for 2017! Onwards to 12*24*48!



Mr. Jun Jay E. Perez
Executive Director

Vision

A network of professionally-managed Mutual Benefit Associations (owned and managed by the members) that provide affordable, comprehensive, quality microinsurance products and services to millions of poor people in Asia and the Pacific.

Mission

We are a resource center that develops and offers risk management solutions to member-owned microinsurers, especially Mutual Benefit Associations, strengthening their capacity to provide risk protection services to the poor on a sustainable basis.

We advocate for policy environment conducive to microinsurance development.

Over-All Business Goals

1. Assist partner MFIs establish client-owned insurance programs and MBAs that serve poor households.
2. Ensure that MFIs and Mi-MBAs become members of the RIMANSI network through collaborative activities such as:
 - Designing and formulating appropriate microinsurance products for the poor;
 - Promoting and monitoring assistance and sharing of resources, technology and information among stakeholders; and
 - Building the financial infrastructure for microinsurance through research, education, and policy advocacy.
3. Become a self-reliant and sustainable service provider.

PHILIPPINE NETWORK OF MICROINSURANCE MBAS



Katilingbanong Kaangayan
para sa Kasegurohan ug
Kalaambuan MBA



KFI Center for Community
Development Foundation,
Inc. MBA



Peoples Bank of Caraga
MBA



Agricultural and Rural
Development for
Catanduanes, Inc. MBA



Kazama Grameen, Inc.
MBA



Quidan Pag-inupdanay
MBA



Alalay sa Kaunlaran, Inc.
MBA



Kasagana-Ka MBA



Simbag sa Emerhensya
asin Dagdag Paseguro
MBA



Center for Agriculture &
Rural Development MBA



National Confederation of
Cooperatives MBA



Serviamus MBA



Cooperative Alliance for
Responsive Endeavor MBA



Nueva Segovia Consortium
of Cooperatives MBA



Sto. Rosario Credit and
Development Cooperative
MBA



Center for Community
Transformation MBA



Pagasa ng Pinoy MBA



Paglaum MBA



Tulay sa Pag-unlad MBA

Code of conduct for **Mi-MBAs**

1. We have the member's interest above all else.
2. We commit to pay claims within 1-3-5 days from the time of claim's notice.
3. We foster policies and processes that promote open communication, transparency and arms-length transactions in our dealing with partner-implementers.
4. We hold ourselves accountable as stewards of the Association's resources; therefore, we commit ourselves to the highest ethical and professional standards in our dealings.
5. Board membership is a volunteer position; hence, we perform services willingly without pay.
6. We shall explore ways to engage our members to participate in the ownership, authority and business results of the Association.
7. We are proud to be regulated, so we will work with our regulators to advance growth, quality service, and sustainability agenda.
8. We honor the member's right to choose an affiliation based on informed decision.
9. We advance products and services without regards of any religious or political standpoint.
10. We shall promote mutuality.

2016 Highlights:

PAVING THE ROAD THROUGH SHARED EFFORTS AND CAPACITY BUILDING

PARTNERSHIPS AND LINKAGES
ONE DIRECTION
ONE VOICE
MUTUAL PROTECTION
POOLED RISK
NETWORK ACTIVITIES



PARTNERSHIPS AND LINKAGES

CCA AND SARI-SARI STORES

The Global Affairs Canada (GAC) through Canadian Co-operative Association (CCA) funded the PREMIUM Project called Bagong Araw Philippines: Rebuilding through Microinsurance and Women's Micro-enterprises which aims to improve the sustainability of livelihoods of microentrepreneurs, specifically sari-sari stores that were destroyed by Typhoon Haiyan (Yolanda) through business management training, product diversification, business continuity planning, microfinancing and microinsurance.

It is being implemented by CCA in collaboration with three (3) Filipino organizations: Center for Agriculture and Rural Development (CARD) Inc., Micro Ventures Foundation (MVF) or Hapinoy, and Microinsurance MBA Association of the Philippines, Inc. (MiMAP) or RIMANSI, forming part of Philippine Partners Coordinating Committee (PPCC). CARD provides loan to sari-sari store owners (SSSOs) and is the lead coordinator in the Philippines, MVF provides training to SSSOs, while RIMANSI takes the lead in development of store microinsurance product and financial literacy education.

In line with the development of microinsurance product for stores, RIMANSI created a Product Design and Development Team (PDDT) composed of representatives from CARD Pioneer Microinsurance, Inc. (CPMI), CARD MRI Insurance Agency (CaMIA), CARD Mutual Benefit Association (CARD MBA), CARD Inc., and Hapinoy to brainstorm in designing the product based on the results of the market research.



Conduct of Market Research and Key Informant Interviews (KIIs) to develop suitable microinsurance product for SSSOs

RIMANSI spearheaded the market research that facilitated the design of an affordable and accessible microinsurance product for sari-sari stores. The study was conducted during the 2nd quarter of 2016. Key Informant Interviews with SSSOs were done to get direct information and better understanding on how important their store is to their lives. From these interviews, RIMANSI was able to come up with recommendations to the PDDT on the results of the market research.

Highlights of the Market Research:



84% of the stores are attached to the storeowners' house



Typhoon (43%), fire (20%) and flood (18%) are the top three calamities feared by SSSOs



Store inventory (39%) and store structure (33%) are the properties that storeowners want to insure



The lowest benefit that the SSSOs find interesting is **P10,000**



The highest premium acceptable to SSSOs is **P500 - 1,000** annually

Recommendations of the Study:

Product: Basic Non-Life Calamity Insurance

Coverage: Structure of house and/or attached SSS affected by the calamity, limited to typhoon, fire, flood

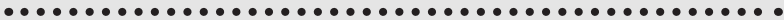
Add-ons: inventory due to fire, business interruption due to calamities and accident/ funeral options

Premium: Php500 annually with the benefit amount of Php10,000



Gender and Development (GAD)

A Gender and Development mainstreaming workshop was organized by RIMANSI in April at Soleste Suites, Quezon City which aimed to define the Project's GAD mainstreaming strategy, agree on guidelines for mainstreaming GAD, and identify initial indicators to track gender equality results. Specifically, the workshop defined the gender issues or gaps in access and control of resources and benefits; and identified actions to address issues to be considered as gender responsive.



5-5-5 mutual microinsurance strategy and ICMIF

In 2015, the International Cooperative and Mutual Insurance Federation (ICMIF) initiated a landscape study to assess the current state of microinsurance and its proliferation in the country. The said project took a giant leap in 2016 during the first half of the year in which the country diagnostic report was finalized. Subsequent country strategy proposals focusing on capacity-building activities were also conceptualized.

This initiative is under the shared development strategy of ICMIF 5-5-5 aimed on developing mutual microinsurance in five countries, reaching out to five million uninsured low-income households, equating to 25 million individuals in total. The strategy is a five-year project based in five emerging market countries and aims to provide five million households with insurance cover with the ultimate objective to build resilience in poor communities. Philippines through RIMANSI was among the chosen five countries to take part in the strategy along with India, Kenya, Sri Lanka and Colombia.





CITI Foundation and Microinsurers' Capacities

Citi Foundation co-established the project on Building Microinsurers' Capacities for Greater Financial Inclusion. As a project, it intends to help Mi-MBAs achieve and sustain membership growth through capacity building interventions such as widening array of available products through assistance in development of new products, enhancing skills through governance and management trainings and strategic planning, and sustaining growth through increasing investment opportunities by piloting pooled investments for Mi-MBAs. The project essentially expects to hone Mi-MBA Board of Trustees, Management and senior staff into better leaders in order to support and manage the organization.

Indeed, 2016 was a productive year for this project. Specifically, in its main components:

Product Development Component

Under the product development component, a call for proposal was made to Mi-MBAs in August wherein four (4) Mi-MBAs were selected to be funded for either existing product enhancement or new product development, namely:

1. Enhancement of Basic Life Insurance Plan (BLIP)

Kasagana-Ka MBA – Basic Life Insurance Plan enhancement through lessening required hospital hours eligibility for the Motor Vehicular Accident Hospitalization (MVAH) benefit and additional two children-dependent.

2. Development of microinsurance product for senior members

Cooperative Alliance for Responsive Endeavour (CARE) MBA and Alalay sa Kaunlaran, Inc. (ASKI) MBA is now on its way of providing coverage for its senior members exiting BLIP through the development of its Golden Life Insurance Plan (GLIP). The product aims to provide death coverage from the member's exit in BLIP until age 100.

3. Pilot of SEDP Retiro Plan

Simbag sa Emerhensya asin Dagdag Paseguro (SEDP) MBA commandeered the grant for product development thru its proposed SEDP Retiro Plan for its senior members. The product aims to provide annual anticipated endowments to members who will be availing of the plan starting from age 70, along with death benefit.

Signifying commitment in providing appropriate and responsive products to its member, a Memorandum of Agreement (MOA) signing was held last October 21 in New Horizon Hotel, Mandaluyong City with the four MBA recipients of product development grant.

Investment Component

RIMANSI decided to explore investment opportunities for its member Mi-MBAs to increase investment yields from the current performance of roughly 2%.

Eleven key informant interviews with MBA managers and finance staff were conducted to better apprehend the investment needs and practices of MBAs. Moreover, to guide the investment activities of the project, terms of reference for the interim Investment Committee was drafted, as well as the investment pool business plan.

PEF AND THE ERM FRAMEWORK & ORSA TOOL

The Peace and Equity Foundation (PEF) and CARD MRI supported the development of Enterprise Risk Management (ERM) Framework and Own Risk and Solvency Assessment (ORSA) tool for Mi-MBAs.

The ERM framework provides the overall risk governance for the Mi-MBAs. This includes risk policies, responsibilities, accountabilities, processes and mechanisms. The ORSA tool will serve as an instrument that will be used to identify the potential risks of the organization.

Both output has been developed and finalized this year. Reinforcing the relevance of ERM and ORSA tool, a learning session with Mi-MBAs to present a practical approach as well as international approach on ERM and ORSA was conducted last September in Makati City.

During the 2016 Management Forum, ERM orientation and Mi-MBA Risk Assessment was held last November in Legazpi. Other related activities and training shall be held in 2017.

ONE DIRECTION

In promoting greater financial inclusion and reducing poverty through microinsurance, Mi-MBA members share a common mission to provide risk protection to 12 million members by year 2024 covering 48 million lives.

NEXT IN LINE

In 2016, we were able to facilitate issuance of SEC registration and IC license to operate to several new Mi-MBAs.

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**CENTER FOR COMMUNITY TRANSFORMATION
MUTUAL BENEFIT ASSOCIATION (CCT MBA)**

CCTMBA was issued its Certificate of Incorporation from the Securities and Exchange Commission (SEC) last October 6 followed by the release of its license to operate from the Insurance Commission on November 18.

Prior to the issuance of its license, product consultation was held on June 16 to finalize product design, followed by a business planning workshop conducted last June 20 focusing on CCT MBA's initial operations plan, participated by CCT group of ministries.

The Microseer technology was also presented to CCT as part of MiMAP's efforts in advancing MIS of both members and affiliate MBAs.

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**NUEVA SEGOVIA CONSORTIUM OF
COOPERATIVES MUTUAL BENEFIT ASSOCIATION
(NSCC MBA), INC.**

NSCC MBA was finally issued its SEC Certificate of Incorporation last May 20. Release of license to operate from the Insurance Commission is on its way following the submission of final requirements.



NEW MICROINSURANCE MBA ASSOCIATION OF THE PHILIPPINES MEMBERS

We have also welcomed to the Association operating Mi-MBAs that share the same mission and appreciate the business model that RIMANSI promotes.

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SERVIAMUS MUTUAL BENEFIT ASSOCIATION (SERVIAMUS MBA)

Serviamus MBA is the microinsurance arm of Serviamus Foundation, Inc. (SFI), a Diocesan service-oriented institution which seeks to uplift and strengthen the socio-economic condition of the poor households in Mindanao. It offers life insurance with daily hospital income benefit for its 13,327 members. Its area of operations includes Iligan City, and the provinces of Lanao del Norte, Zamboanga del Sur, and Misamis Oriental.

Serviamus MBA became part of the roster of Mi-MBAs in RIMANSI as Associate member last June 2.

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PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION, INC. (PPMBAI)

PPMBAI is a microinsurance wing created for borrowers of PagASA Philippines Lending Company, Inc. and PagASA ng Masang Pinoy Foundation, Inc. It offers Basic Life Insurance Plan with Retirement Savings Fund and Credit Life Insurance Plan. It covers 196, 344 members all over the Philippines. PPMBAI became part of the roster of Mi-MBAs in RIMANSI as Associate member last September 27.

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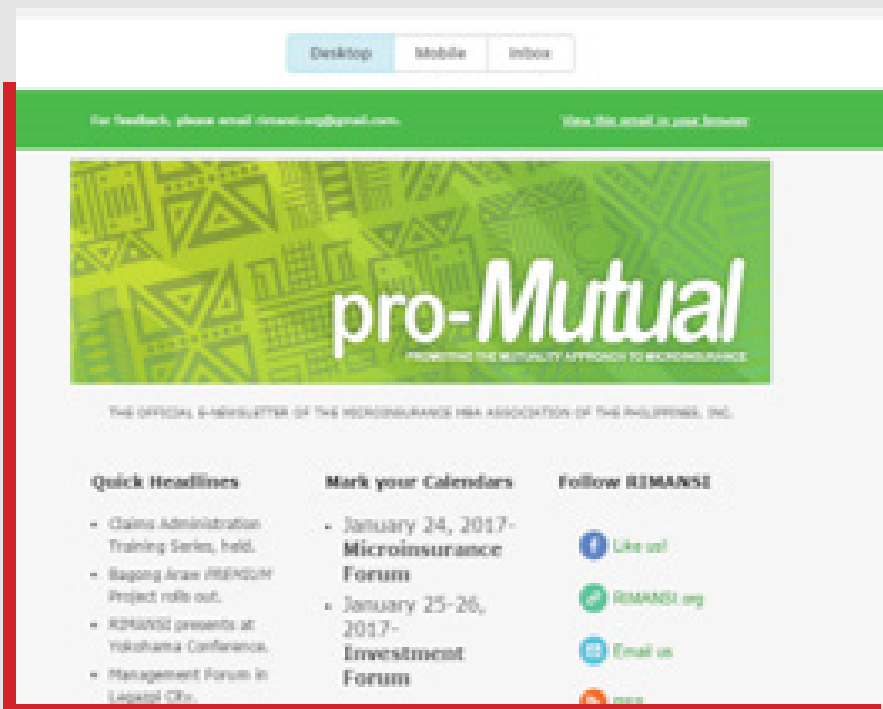
SOUTHEAST ASIA

In Cambodia, RIMANSI continued to provide business development support services to partner MEADA especially in product experience review and development of new product to improve outreach and accessibility to its stakeholders.

ONE VOICE

The Association advances a united policy and advocacy agenda for mutual microinsurance growth and sustainability founded on the values of listening, recognizing, respecting, proposing, doing, involving, and blending.

We have enabled discussions with regulatory authorities, especially our partnership with the Insurance Commission during policy formulation. Through our regular dialogues with IC, we help in enabling a conducive policy environment and opening of more opportunities for Mi-MBAs.

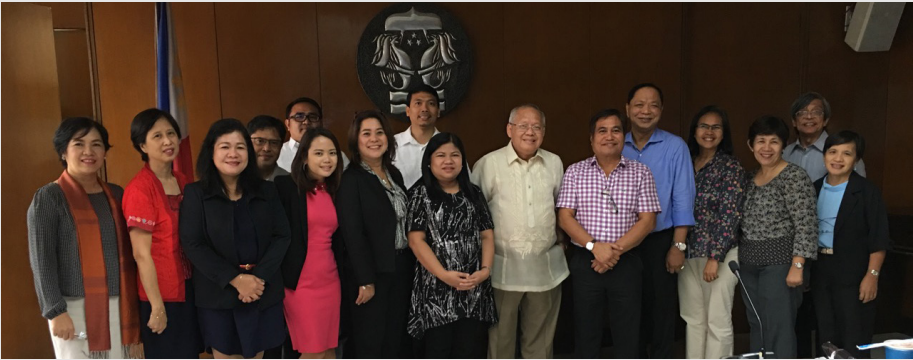


ONE VOICE ON ECHOING ASSOCIATION'S ADVOCACY AND ACTIVITIES

Pro-Mutual, RIMANSI's e-newsletter, was launched in 2016 to capture the Association's activities. News clips are being distributed through the use of email technology and are also being posted in the website.

ONE VOICE ON SHARING Mi-MBA BUSINESS MODEL

To further the cause of promoting the concept of mutuality and its implications to greater financial inclusion through microinsurance, RIMANSI participated in several conferences and study visits organized by local and international institutions such as the Agricultural Credit and Policy Council, Microfinance Council of the Philippines, Intergovernmental Authority on Development, International Forum for Sustainable Asia Pacific, National Bank of Ethiopia, and Asia and Oceania Association to introduce the Mi-MBA model.



ONE VOICE ON Mi-MBA POLICY AGENDA

Meeting with the Insurance Commission

A policy dialogue meeting with IC was held to tackle issues on 1) equity value floating in the liability portion of the balance sheet of the Mi-MBAs; (2) Mi-MBA's investment in its partner MFI / Cooperative; and (3) crafting of bill of rights of policyholders and members to promote and safeguard the interest and welfare of the insured members.

In response to the aforementioned issues, the IC has approved and issued the following policy:

1. Treatment of Floating Equity Value

Transfer equity value reserves to unassigned surplus of the fund balance for (1) resigned members before the Amended Insurance Code with less than three years of membership, for (2) deceased members for membership certificates that do not return equity value in case of death, and lastly (3) transfer assigned surplus of the fund balance for delinquent members beyond the prescribed three (3) years

reinstatement period provided that the MBA has initiated at least two actions to locate and inform the delinquent member of his/her equity value. Further, the MBA should maintain corresponding schedule in case any of them will make a claim in the future.

2. IC Circular Letter 2016-33 on Loans to Partner Microfinance Institutions (MFIs)

All MBAs are allowed to grant loans to partner MFIs given that it shall not exceed 10% of the total admitted assets or 20% of the members' equity / paid-up capital of the partner MFI, whichever is lesser. The loan shall be subject to prior approval of IC provided that the following conditions are satisfied: (1) MFI shall have a PESO rating of very satisfactory performance; (2) loan shall be secured by a qualified security; (3) loan shall be approved by the Board of Trustees and duly supported by a notarized loan agreement, and (4) request for approval shall be accompanied by a risk management plan drawn up jointly by the MBA and MFI in relation to the administration of the loan.



3. Bill of Rights of Policyholders and Members
Policyholders and members have the right to clear and accurate information and informed decision, right to receive a written notice of termination of coverage, right to alternative dispute resolution channels, and lastly right of members to participate in the governance, authority and business results of the Association.

ONE VOICE IN THE MICROINSURANCE INDUSTRY, MICROINSURANCE PROMOTERS AND MICROINSURANCE SUPPORTERS

RIMANSI proactively represented its members in several technical working groups to continue the ongoing process of improving the microinsurance sector in the country. The Association continued its engagement in DOF-IC convened meeting regarding distribution channels and consumer protection, microhealth, and enhanced performance indicators. The Technical Working Group (TWG) have finalized three regulatory frameworks for the year, leading to the issuance of the following circulars by IC:

1. Circular Letter 2016-22: Regulation of the provision of health microinsurance (MicroHealth) products and services
2. Circular Letter 2016-63: Enhanced Performance Indicators and Standard for Microinsurance 2016
3. Circular Letter 2016-64: Adoption and Implementation of microinsurance distribution channels regulatory framework

RIMANSI was also involved in microfinance-microinsurance cluster of the Zero Extreme Poverty (ZEP) TWG.

SHARED PROGRAMS AND SERVICES

The mutuality principle enables resources to be leveraged across the Association's Mi-MBA members to lower costs, standardize processes and promote scalability.

Research and development in terms of new products and programs incur cost that may be recovered in a longer term. RIMANSI facilitated development of products and services having in mind tried and tested policies, as well as context-specific to Mi-MBAs.

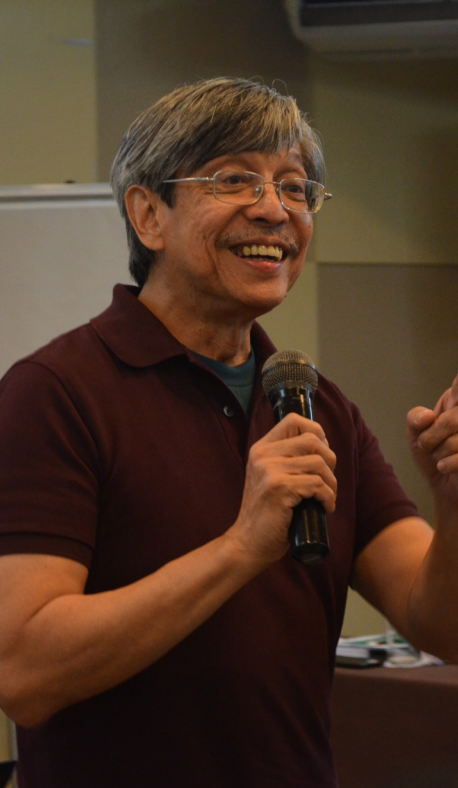
Credit Life, Golden Life and Hospitalization Insurance in the Pipeline

The Association continues to lobby the approval of Golden Life Insurance Plan of ASKI MBA, Credit Life Insurance Plan of KGI MBA and Paglaum MBA, and Hospitalization Assistance Pampamilya Insurance Plan of PBC MBA. Moreover, product development assistance to selected MBAs for SEDP Retiro Plan, CARE MBA Golden Life Insurance Plan, and enhancement of Kasagana-Ka MBA Basic Life Insurance Plan is provided by the Association through the support of Citi Foundation.

Management Information System Updates

Microseer software implementation and distribution was intensified in 2016. PBC already deployed the said software as part of the memorandum of agreement signed with the Association while encoding of data in several of their branches are still on-going. Other members, namely KGI MBA and QPI MBA are also undertaking Microseer-related activities such as membership data encoding and application configuration.

The Association also developed a website for NATCCO MBA which was turned over this year.



CAPACITY DEVELOPMENT AND LEARNING SESSIONS

RIMANSI conducted and developed new trainings, workshops and seminars for member Mi-MBAs Board, management and staff as a continuing commitment to equip and professionalize the workforce.

Microinsurance Forum and Exhibit

In celebration of the Microinsurance Month, MiMAP in collaboration with the Insurance Commission organized a Microinsurance Forum on January 25 with the theme, "Expanding Microinsurance Outreach through Alternative Distribution Channels". The forum gathered around 110 participants from the key stakeholders of the microinsurance country and was graced by the Insurance Commissioner. Resource persons from the Insurance Commission, ICMIF, and RIMANSI members which have expanded membership outreach outside of the conventional model (mother institution) provided learning inputs about dealing and partnering with potential members and organizations.

Governance and AMLA Workshop for Microinsurance MBAs

Two Governance and AMLA Workshops (GAW) were conducted last May and October 2016, in partnership with the Insurance Commission attended by new members of the Board of Trustees and senior staff of Mi-MBAs. The GAW focused on the discussion of corporate governance, SEGURO indicators, Anti-Money Laundering Act, Performance indicators, ASEAN Corporate Governance Scorecard and Credit Information



Act. Resource speakers include representatives from Insurance Commission, Institute of Corporate Directors (ICD) and Credit Information Corporation.

Claims Administration Training Series

The Association also conducted a four-legged series of Claims Administration Trainings in NCR, Laguna, Cebu and Davao in 2016. The training series aimed to sharpen the knowledge and skills of provincial managers, claims officers and other personnel assigned in different provincial offices on life microinsurance and the processing of claims for beneficiaries. RIMANSI developed this new training in cooperation with CARD MBA which was later opened for other members of the Association.

Lakbay Aral

Lakbay Aral is an exposure visit to different historic spots, CARD units or offices, selected CARD members and partner institutions that is offered by CARD MRI Development Institute (CMDI) to its members, especially center chiefs and coordinators. RIMANSI became part of this program to familiarize the participants about the organization and microinsurance. In 2016, 12 groups of Lakbay Aral participants visited and were given an orientation about RIMANSI.

Mi-MBA Management Forum 2016 in Legazpi City

This year's Management Forum revolved on the theme "Managing Enterprise Risks". The Management Forum, attended by 65 individuals, was co-organized by SEDP MBA at Legazpi City in Albay, being the second MBA to host the annual management forum. The forum highlighted the importance of establishing and maintaining a cohesive and harmonious relationship between MBAs and their partner MFI as an effective approach of minimizing risks in their enterprises.





LEARNING SESSIONS

Short learning opportunities based on pressing topic of concern is conducted to reinforce capacity building of Mi-MBAs.



ACGS Workshop

During the Association's 2016 General Assembly, a learning session was organized in partnership with ICD entitled "ASEAN Corporate Governance Scorecard Workshop: How did the MBAs perform?" to instill value of corporate governance among Mi-MBAs. The 13 participating Mi-MBAs were familiarized on the concept of the scorecard, how are they evaluated and what areas to improve on.

Workshop for new annual statement report format

Concurrent with the ACGS workshop, a workshop for the new annual statement reporting format was organized to orient the MBAs on how to complete the report in relation to the new format. John Wipf, Independent Insurance Professional and member of the Technical Working Group on MBA Standard Chart of Accounts, held a walkthrough of the whole annual statement. He elaborated on the correlation of the new annual statement worksheets. This was organized by MiMAP and was attended by majority of its members.

To further assist the MBAs, an actuary guided - annual statement workshop was organized by RIMANSI on April 18.



Midyear and Annual Secretariat Planning

MiMAP Secretariat conducted its midyear and annual planning on August 31 to September 1 and November 14 to 15, respectively, which aimed to manage the resources and to strengthen the camaraderie among the Secretariat.

MUTUAL PROTECTION

The Association provides the mechanism for mutual protection through performance and compliance management support services so that no one is left behind.

Performance and Compliance Management Services

100% of the members under the program were able to renew operating licenses, complete valuation reserves, submit annual statement reports to Insurance Commission, and update respective guaranty fund requirements.

Ongoing product experience reviews are being performed to five Mi-MBAs, and on-site needs assessment and performance monitoring were extended to four Mi-MBAs. MBA Board Governance session was provided to SEDP MBA.

Financial and Risk Review Committee (FRRC)

Established in 2015, the FRRC is thoroughly monitoring and providing recommendation on the performance of member Mi-MBAs from the computed SEGURADO ratio. Some of the recommendations of the FRRC include creating a risk register per Mi-MBA, and reviewing cash flow position of Mi-MBAs to identify the sources and uses of funds that will in turn determine if any of the liquid assets of the Mi-MBA is at risk.

POOLED RISK

Programs that enhance mutuality among Mi-MBAs in line with insurance concept that spreads the risk among a large number of contributors.

Mutual Security Fund

The Association mobilized to put up and place Php2 million from the participating Mi-MBAs as of 2016. An investment policy for the trustee agreement was also agreed and signed with UnionBank as the selected Trustee bank.

Catastrophe Excess of Loss Reinsurance

The renewal of the life catastrophe excess of loss reinsurance treaty between the group of 14 Mi-MBAs and National Reinsurance Corporation of the Philippines (NatRe) was once again facilitated by RIMANSI. The treaty is from April 2016 until March 2017 wherein death of members and dependents were incorporated in the covered events. Reinsurance will be triggered in excess of thirty (30) lives and in excess of Php1 million per event. The reinsurer will also pay up to Php20 million for two events in a year.

As a result of the strategic alignment between RIMANSI Group of Institutions, it was agreed that RMSI will be handling the next steps in exploration of group credit life reinsurance and the subsequent facilitation of reinsurance agreements.

NETWORK ACTIVITIES

Annual General Meeting and Board Meeting

RIMANSI conducted four (4) regular quarterly Board meetings and one (1) Annual General Meeting in 2016.

The Road Ahead

2017 will be geared on expanding membership and outreach by building on new distribution channels in reaching the still unreached sector with the same segment entrepreneurial poor and low-income households:

In addition to the regular programs, RIMANSI will pursue the following key objectives for 2017 aligned with the key thrusts:

**ONE DIRECTION | ONE VOICE | SHARED
PROGRAMS AND SERVICES | POOLED RISK |
MUTUAL PROTECTION | ORGANIZATIONAL AND
NETWORK-LEVEL ACTIVITIES**

One Direction. Aligned with the 5-year capacity building program across the Philippines towards increasing membership and improving member-retention, the Secretariat aims to support growth strategy of Mi-MBAs that will develop new distribution channels within the same segment of poor and low-income households.

One Voice. In echoing the advocacy of the Association, RIMANSI will work on regularizing release of quarterly newsletter thru Pro-Mutual, posting of news clips on the website, and building up social media presence thru the official Facebook page updates.

Shared Programs and Services. Building on the existing programs and services, RIMANSI aims to work on upgrading Microseer to an online-based software, activating consultancy pool for faster and efficient access to practitioners and professionals in providing capacity building activities and technical assistance for the member Mi-MBAs.

Pooled Risk. Aligned with the mutual security fund, mobilize other Mi-MBAs qualified to join the MSF.



Mutual Protection. Building up the performance monitoring mechanism, RIMANSI will regularly convene the FRRC and closely monitor corrective actions with Mi-MBAs. Service Package 2 contract engagements with members and partners will be reviewed and signed.

Organizational and Network-Level Activities. Recognizing the relevance of partnerships, RIMANSI will develop new resource mobilization proposals aligned with the strategic plan and intensify activities that will build up the endowment fund. A new Peach Tree accounting software will be used along with the updating of chart of accounts. MiMAP's organizational charter will also be developed, and policy dialogue with the Insurance Commissioner will be regularized.

NUMBERS *that matter*

2016 Sectoral Data

4.53 M
MEMBERS*

16.58 M
NO. OF LIVES
COVERED*

PHP2.96 B
CONTRIBUTIONS
AND PREMIUMS

PHP1.2 B
REFUNDABLE
EQUITY VALUE

PHP12.66 B
ASSETS
(PESOS)*

36,305
NUMBER OF
CLAIMS PAID

PHP659.93 M
AMOUNT OF
CLAIMS PAID

PHP446.86 M
GUARANTY FUND*

**cumulative*

The background of the left half of the page is a vibrant green color with a complex, repeating geometric pattern of overlapping triangles and lines, creating a textured, crystalline effect. A vertical white line separates this green area from the light gray area on the right.

THE PEOPLE BEHIND RIMANSI

BOARD OF TRUSTEES



Dr. Jaime Aristotle B. Alip,
Chairman Emeritus



Ms. May S. Dawat,
President



Mr. Rolando B. Victoria,
Vice President



Ms. Silvida R. Antiquera,
Secretary



Ms. Emeteria F. Quijano,
Treasurer



Mr. Camilo G. Casals,
Independent Trustee



Mr. Roberto A. Dalit,
Trustee



Atty. Ibarra A. Malonzo,
Trustee



Ms. Pelagia C. Mendones,
Trustee



Ms. Abundia C. Manabes,
Trustee



Ms. Eulalia A. Villanueva,
Trustee



Mr. Ernesto C. Galenzoga,
Advisory Board



Dr. Epifanio A. Maniebo,
Advisory Board

MANAGEMENT TEAM



Jun Jay E. Perez
Executive Director

Rachelle N. Rivas
Programs Officer

Lee P. Malapad
Training and Consultancy Manager

Robert C. Aspe, Jr.
MIS Officer

Ma. Lorrielyn M. Capacite
Finance and Admin Officer

Karen Mae A. Briones
Citi Project Officer

Allelie Ruth N. Mojica
PREMIUM Project Officer

John Miko R. Ofalsa
*Communications and Research
Assistant*

Palmera E. Sugide
Programs Assistant

Gideon Bani O. de Jesus
Actuarial Staff

The image features a dark green background with a subtle geometric pattern of overlapping triangles and lines. A solid white vertical bar runs along the left edge. The text 'FINANCIAL STATEMENTS' is centered in the upper half of the page in a bold, white, sans-serif font.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Microinsurance MBA Association of the Philippines, Inc.
Unit 1014, Medical Plaza Ortigas Building
San Miguel Avenue, Ortigas Center
Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Microinsurance MBA Association of the Philippines, Inc., (the Association) which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of activities, statements of changes in fund balance and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs).

SYCIP GORRES VELAYO & CO.

Bernalette L. Ramos

Bernalette L. Ramos
Partner

CPA Certificate No. 0091096

SEC Accreditation No. 0926-AR-2 (Group A),
June 16, 2016, valid until June 16, 2019

Tax Identification No. 178-486-666

BIR Accreditation No. 08-001998-81-2015,
May 12, 2015, valid until May 11, 2018

PTR No. 5908748, January 3, 2017, Makati City

March 7, 2017



STATEMENT OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱18,739,789	₱9,798,978
Receivables (Note 6)	641,756	878,811
Prepaid expense	7,192	32,754
Total Current Assets	19,388,737	10,710,543
Noncurrent Assets		
Investment in trust fund (Note 7)	1,992,154	-
Investment in an associate (Note 8)	1,583,774	1,563,180
Available-for-sale (AFS) financial asset (Note 9)	1,367,300	1,297,175
Property and equipment - net (Note 10)	2,258,053	2,421,625
Total Noncurrent Assets	7,201,281	5,281,980
	₱26,590,018	₱15,992,523
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts and other payables (Note 11)	₱3,658,803	₱2,808,684
Mutual security fund (Note 7)	1,992,154	241,701
Funds held-in-trust (Note 12)	7,570,341	1,000,000
Total Current Liabilities	13,221,298	4,050,385
Fund Balance		
Capital contribution (Note 13)	2,300,000	2,075,000
Temporarily restricted fund	1,041,409	1,041,409
General fund	10,027,311	8,825,729
Total Fund Balance	13,368,720	11,942,138
	₱26,590,018	₱15,992,523

See accompanying Notes to Financial Statements

STATEMENT OF ACTIVITIES

	General Fund	Te Restri
REVENUE		
Grants and other receipts (Note 14)	₱8,107,667	
Interest income (Note 5)	212,927	
Foreign exchange gain	98,969	
Equity in net income of an associate (Note 8)	20,594	
Decrease in mutual security fund (Note 7)	7,846	
Other income (Note 14)	337,650	
	8,785,653	
PROGRAM COSTS		
Trainings	1,851,550	
Professional fees	1,072,196	
Salaries and wages	1,143,361	
Policy, research and forums	619,083	
Representation and meetings	444,615	
Transportation	159,759	
Communication	145,364	
Staff development	171,461	
Project expenses	-	
System costs	57,058	
	5,664,447	
OPERATING AND OTHER EXPENSES		
Operations support (Note 16)	1,869,197	
Loss on dilution of investment in an associate (Note 8)	-	
Trust fund loss (Note 7)	7,846	
	1,877,043	
EXCESS OF REVENUE OVER EXPENSES BEFORE PROVISION FOR FINAL TAX		
	1,244,163	
Provision for final tax (Note 17)	(42,581)	
EXCESS OF REVENUE OVER EXPENSES	₱1,201,582	

See accompanying Notes to Financial Statements.

Years Ended December 31

2016	2015			
	Temporarily Restricted Fund	Total	General Fund	Temporarily Restricted Fund
₱3,655,505	₱11,763,172	₱5,927,774	₱3,109,476	₱9,037,250
–	212,927	143,152	–	143,152
–	98,969	105,064	–	105,064
–	20,594	444,338	–	444,338
–	7,846	–	–	–
–	337,650	88,036	–	88,036
3,655,505	12,441,158	6,708,364	3,109,476	9,817,840
575,847	2,427,397	1,664,588	712,702	2,377,290
1,213,217	2,285,413	1,151,725	73,299	1,225,024
877,263	2,020,624	618,804	470,096	1,088,900
–	619,083	484,717	74,900	559,617
60,458	505,073	403,334	13,726	417,060
297,128	456,887	43,512	1,256	44,768
40,191	185,555	119,769	29,783	149,552
–	171,461	87,310	58,363	145,673
–	–	–	1,067,289	1,067,289
–	57,058	37,622	25,600	63,222
3,064,104	8,728,551	4,611,381	2,527,014	7,138,395
591,401	2,460,598	1,653,198	385,540	2,038,738
–	–	32,636	–	32,636
–	7,846	–	–	–
591,401	2,468,444	1,685,834	385,540	2,071,374
–	1,244,163	411,149	196,922	608,071
–	(42,581)	(27,120)	–	(27,120)
₱–	₱1,201,582	₱384,029	₱196,922	₱580,951

STATEMENTS OF CHANGES IN FUND BALANCE

	Capital Contribution (Note 13)	General Fund	Restricted Fund	Total
At January 1, 2016	P2,075,000	P8,825,729	P1,041,409	P11,942,138
Excess of revenue over expenses	-	1,201,582	-	1,201,582
Additional capital contribution	225,000	-	-	225,000
At December 31, 2016	P2,300,000	P10,027,311	P1,041,409	P13,368,720
At January 1, 2015	P1,650,000	P8,441,700	P844,487	P10,936,187
Excess of revenue over expenses	-	384,029	196,922	580,951
Additional capital contribution	425,000	-	-	425,000
At December 31, 2015	P2,075,000	P8,825,729	P1,041,409	P11,942,138

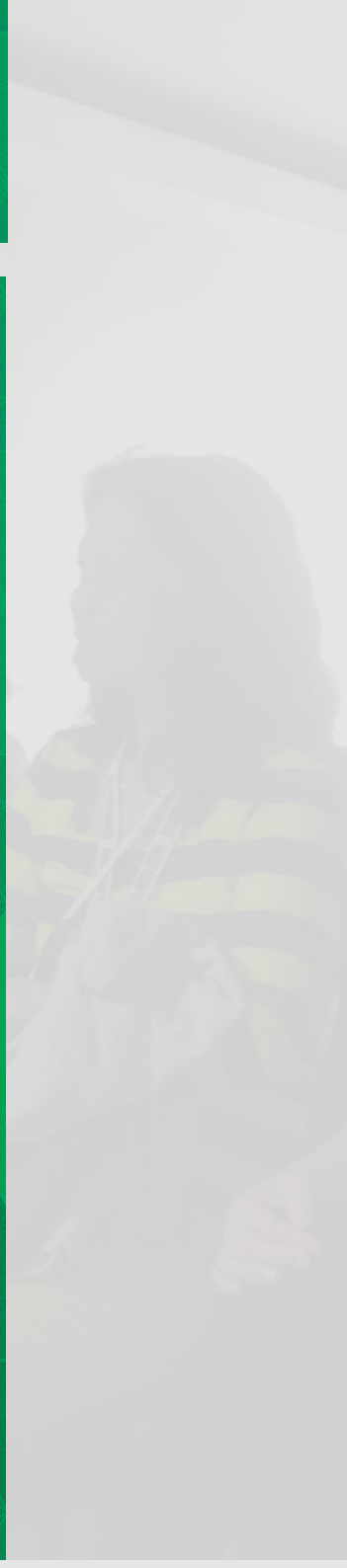
See accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses before final taxes	₱1,244,163	₱608,071
Adjustments for:		
Provisions for losses (Notes 6, 11 and 16)	538,050	547,094
Depreciation and amortization (Notes 10 and 16)	186,376	302,606
Loss on dilution of investment in an associate (Note 8)	–	32,636
Trust fund loss (Note 7)	7,846	–
Decrease in mutual security fund (Note 7)	(7,846)	–
Equity in net income of an associate (Note 8)	(20,594)	(444,338)
Foreign exchange gain	(98,969)	(105,064)
Interest income (Note 5)	(212,927)	(143,152)
Excess of revenue over expenses before changes in working capital	1,636,099	797,853
Decrease (increase) in:		
Receivables	191,169	1,013,845
Deposit	–	65,017
Prepaid expense	25,562	(32,754)
Increase (decrease) in:		
Accounts and other payables	357,584	(443,928)
Mutual security fund	1,758,299	241,701
Funds held-in-trust	6,570,341	1,000,000
Cash generated from operations	10,539,054	2,641,734
Interest received	213,298	143,157
Final taxes paid	(42,581)	(27,120)
Net cash flows provided by operating activities	10,709,771	2,757,771
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment in trust fund (Note 7)	(2,000,000)	–
Available for sale financial asset (Note 9)	–	(1,201,917)
Property and equipment (Note 10)	(22,804)	(87,537)
Cash flows used in investing activities	(2,022,804)	(1,289,454)
CASH FLOWS FROM FINANCING ACTIVITY		
Additional capital contribution (Note 13)	225,000	425,000
EFFECT OF EXCHANGE RATE CHANGES ON CASH	28,844	9,807
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,940,811	1,903,124
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,798,978	7,895,854
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱18,739,789	₱9,798,978

See accompanying Notes to Financial Statements.

PHOTOS



GOVERNANCE AND AMLA WORKSHOPS





MANAGEMENT FORUM 2016



AOA STUDY VISIT

MIDYEAR AND ANNUAL SECRETARIAT PLANNING



CLAIMS ADMINISTRATION TRAINING SERIES





LAKBAY-ARAL






LIST OF ACRONYMS

ACGS	ASEAN Corporate Governance Scorecard
AOA	Asia and Oceania Association
BLIP	Basic Life Insurance Plan
CaMIA	CARD MRI Insurance Agency
CARD	Center for Agriculture and Rural Development Inc.
CARD MBA	CARD Mutual Benefit Association
CARD MRI	CARD Mutually Reinforcing Institutions
CARE MBA	Cooperative Alliance for Responsive Endeavour Mutual Benefit Association
CCA	Canadian Cooperative Association
CCT MBA	Center for Community Transformation Mutual Benefit Association
CMDI	CARD-MRI Development Institute Inc.
CPMI	CARD Pioneer Microinsurance Inc.
DOF	Department of Finance
ERM	Enterprise Risk Management
FRRC	Financial and Risk Review Committee
GAC	Global Affairs Canada
GAD	Gender and Development
GAW	Governance and AMLA Workshop
GLIP	Golden Life Insurance Plan
IC	Insurance Commission
ICD	Institute of Corporate Directors
ICMIF	International Co-operative and Mutual Insurance Federation
IGAD	Intergovernmental Authority on Development
KGI MBA	KAZAMA Grameen Inc. Mutual Benefit Association
KII	Key Informant Interview
MBA	Mutual Benefit Association
Mi-MBA	Microinsurance Mutual Benefit Association
MIS	Management Information System
MFI	Microfinance Institution
MSF	Mutual Security Fund
MVAH	Motor Vehicular Accident Hospitalization
MVF	Microventures Foundation
NatRe	National Reinsurance Corporation of the Philippines
NATCCO MBA	National Confederation of Cooperatives Mutual Benefit Association
NSSC MBA	Nueva Segovia Consortium of Cooperatives Mutual

	Benefit Association
ORSA	Own Risk and Solvency Assessment
PBC MBA	People's Bank of Caraga Mutual Benefit Association
PDDT	Product Design and Development Team
PEF	Peace and Equity Foundation
PET	Performance Evaluation Tool
PPCC	Philippine Partners Coordinating Committee
PPMBAI	PagASA ng Pinoy Mutual Benefit Association Inc.
PREMIUM	Bagong Araw Philippines: Rebuilding through Microinsurance and Women's Microenterprises
QPI MBA	Quidan Pag-inupdanay Mutual Benefit Association
SEC	Securities and Exchange Commission
SEDP MBA	Simbag sa Emerhensya asin Dagdag Paseguro Mutual Benefit Association
SFI	Serviamus Foundation Inc.
SRPC	Solvency and Risk Protection Committee
SSS	Sari-sari store
SSSO	Sari-sari store owner
TWG	Technical Working Group
ZEP	Zero Extreme Poverty



***The Executive Director
Microinsurance MBA Association
of the Philippines, Inc.***

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