



Microinsurance MBA Association of the Philippines Inc.

(RIMANSI Organization for Asia and the Pacific)

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MiMAP (RIMANSI) Focus Note #6

MEMBERS IN TOP GOVERNANCE

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Background

Majority of microinsurance mutual benefit associations (Mi-MBAs) comprising the members of the Microinsurance MBA Association of the Philippines, Inc. (MiMAP) were established to provide social protection to low-income clients of microfinance institutions (MFIs). While these clients were mainly attracted to avail of micro-business loans from MFIs to earn more and improve the standard of living of their families, they received much more than what they had hoped for; they too have become MBA members. As members, they have gained access to a wide range of microinsurance products and services for themselves and their families. They are also eligible to take on top leadership as Board of Trustees (BOT) of the MBA. For those who have become Trustees, the playing field has broadened from managing their micro businesses and family resources to that of directing and providing oversight to the resources of their respective MBAs with assets in multi-million pesos.

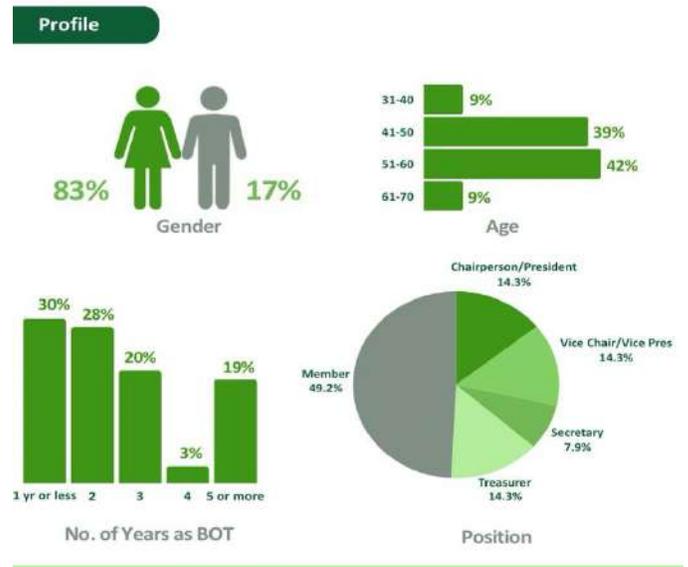
This Focus Note features member participation in MBA leadership as member-BOT. An online survey was conducted to capture the insights and experiences of current Trustees. This was followed-up by qualitative research involving key informants from five MBAs – represented by three Trustees, a Board Adviser and a Membership Promotions Officer, who were interviewed to share additional information to shed clarity and deepen insights on relevant topics.

Attributes of Current Member-BOT

Sixty-four (64) member-BOT participated in the survey from 14 participating Mi-MBAs operating all over the country.

The average age of a member-BOT is 51 years old. Females, at 83%, outnumber men. A third are relatively new in the board with a tenure of 1 year or less, with the

rest having 2 years (28%), and 3 or more years (42%) of leadership. Slightly more than half occupy the top four positions – President, Vice President, Secretary and Treasurer. Of the 14 participating Mi-MBAs, 9 have member-BOTs holding the highest positions of President and Vice President.



Participate, Communicate and Serve

Financial stewardship or monitoring financial performance (81%) of the MBA is recognized as the main responsibility of the BOT. Other two responsibilities in the top 3 list are policy making (72%) and strategic direction setting (62%). “One must monitor and analyze the financial performance and develop a strategic plan aligned to the vision and mission of the MBA.”

Member-BOT find it important to attend and actively participate in regular board meetings. “At the meetings, we can represent and advocate for the interests of the members.” The median number of BOT meetings is 6

times a year, although the number of meetings with the highest frequency response is 4 to indicate quarterly meetings. Of the 64 respondents, 64% have attended all regular board meetings in 2023; a minority of 18 respondents have missed at least one meeting.

In addition to the regular board meetings, there are also board committee meetings that keep the member-BOT engaged. The most common committees that they participate in are Governance, Risk Management, and Audit. Nearly 50% of the member-representatives hold one committee membership, 38% handle 2 or more committees, while 14% new member-BOT, have yet to have a committee membership assignment. Other committees in place, in one or more MBAs, where they are involved are HR and Membership, Nomination and Election, Finance, Investment, Management Information System, Policy Review, Product Review and Development, and Related Party Transactions.



To facilitate transition and keep the focus on the vision, some MBAs have Board of Advisers comprised of former BOT Presidents and MBA General Managers, among others. After a BOT meeting, the Advisers may conduct a debrief session with the new member-representatives to provide guidance, for example on how to read and understand the management reports just presented.

Advance Members’ Interests

Member-BOT ensure that the voice and interests of members, spread across geographic areas, are considered in decisions taken up by the board. “This is such a big responsibility that I must diligently perform.” The culture that upholds members’ interests and protection is seen as key to having stronger and more responsive MBAs. “The presence of members in the

board, who actively contribute their ideas, suggestions and experiences, enable the MBA to better identify ways to improve its products and services.”

As champions also of the MBA to members, “we take advantage of opportunities to actively promote the value of microinsurance to members and their communities. From an increased appreciation of microinsurance by the target group of members, we help expand the membership of the MBA.” For instance, many MBAs have opened-up membership to non-MFI clients and complemented the initiative with easy access to services using online platforms.



Among the members’ interests commonly championed in 2023 is product marketing (25%). Member-BOT find it important for marketing messages to be made more appealing to members who would rather buy food than microinsurance, given their limited financial resources. They also recognize the important role of MBA Coordinators, who represent the MBA in the communities, in microinsurance promotions and member care. Member-BOT shared of having supported the continuing and more engaging capacity building activities for MBA Coordinators such as *Lakbay Aral* (Exposure Visits, usually to other MBAs), and enhanced incentive scheme.

Other member interests widely pursued include broader products and services such as extension of non-financial benefits to members (25%), and provision of social services (10%) – educational support to poor students, tree planting, and health programs to communities. “It is important for communities to receive and experience the services and benefits of our MBA. For example, in times of natural calamities, we give out food packs not only to affected members but also to other affected families in the community.”

A quarter of member-BOT respondents (25%) did not take up a specific cause to advocate. A respondent cited that ‘members are satisfied with the array of products

and services already’ in the MBA, some cited their status of being ‘newly elected’ as the reason, while others simply answered, ‘none’.

Develop Local Leaders

“Leadership training starts at membership— for most, this happens upon entry in the MFI. Upon receipt of a loan, a client -borrower is already called to exercise self-management skills with the resources on hand. The first mark of a good leader is to be a good client with 100% repayment rate and 100% attendance to microfinance -related meetings. When we see these qualities in a member, s/he can be a candidate for center leader or MBA Coordinator and ultimately a BOT.” Having come from the ranks of the members, they know very well the situation confronting members and can thus better communicate, relate and provide support to them.

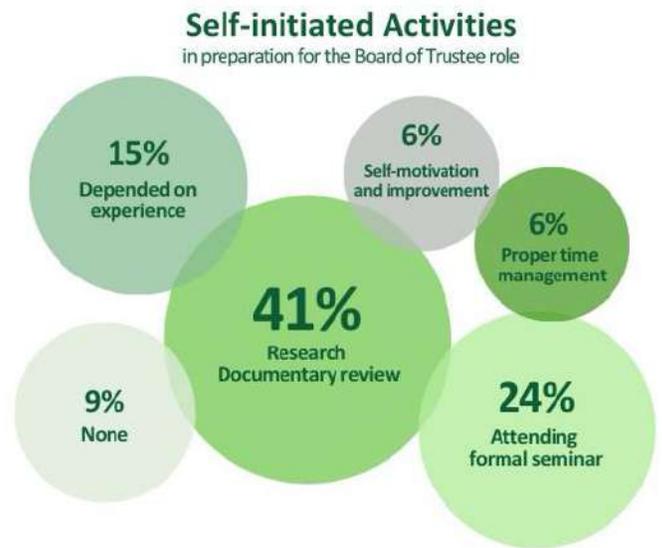
Leadership development continues at the MBA mainly through the MBA Coordinators. They are provided a specific set of responsibilities, outputs, processes, and timeline and their performances are regularly evaluated based on these concrete targets and accomplishments. “How we are able to develop community leaders in practice is what’s unique with our structure. We are proud of this. Our leadership development thrust goes beyond financial transactions and relationship to one that brings about holistically transformed leaders equipped with knowledge and management skills steeped in good values.” Indeed, work-related training are complemented by values formation activities such as annual retreat.

At least 85% of member-BOT respondents have attended the mandated training such as governance, Anti-Money Laundering Act (AMLA), and board orientation. MiMAP (RIMANSI) conducts a 3-day Good Governance and AMLA Workshop to all new board members of its member MBAs; this course is offered twice a year. “This course is a big help in preparing us to monitor performance and ensure that the MBA is compliant to regulations.”

For existing member-BOT, MBAs have provided continuing leadership development activities in 2023 such as formal training, participation in industry conferences and seminars, dialogue sessions between BOT and members, and board visits to MBA projects.

Member-BOT also took up self-initiated activities to prepare them for the big responsibility. Many did their own research to be familiarized on MBA operations including products and services, board governance, and insurance industry matters (41%). “To calm my nerves, I studied the document containing board responsibilities. When I am unsure of some matters, I ask questions to get clarity and build my understanding.” Several member-BOT cited the seminars they have attended, such as problem solving, when they were Center Chiefs in the MFI, to have contributed to their knowledge and skills (24%); others felt confident that their experiences as MBA Coordinator and/or Center Chief for many years have equipped them to ably represent the members (15%). This confidence draws on their familiarity to coordinate with management on activities and concerns of members, and to conduct center visit to get updates on members’ concerns and experiences.

Interestingly, several member-BOT not only prepared themselves but also their families and businesses (6%). The preparation involved orienting family members on the importance and work of the BOT to get their support to run the business when the member-BOT have to attend board meetings and other MBA activities.



In terms of individual qualities called for in leadership, majority cite and draw on the attitude and behavior they have nurtured through the years (56%). Among these behavioral qualities include: servanthood (*‘may puso sa masa’* or have the heart for the masses), passionate and dedicated, has integrity and honest dealings,

collaborative and a good listener, patient, responsible, and hardworking. "When I was an MBA Coordinator, I accomplished my obligations responsibly and on time. I was prompt to serve members who are in need of support." Work experience as community leader and member also help member-BOT to lead (36%). "I am active in church ministry and organization." Their active involvement in family, business and community have honed their leadership abilities (19%). Only 2% identified their educational attainment as a key qualification to lead.

Strengthen Member Participation in the BOT

Member-BOT registered an average satisfaction score of 8.9 on their BOT participation, where 10 indicates the highest satisfaction score. While the satisfaction level is on the high side, five areas for improvement have been offered to further enhance their participation and satisfaction, as follows: continuous learning, more active and substantive participation in board meetings, stronger board culture, stronger commitment to the MBA, and more support from management.



Continuous learning activities they would like to participate include exposure visits to other MBAs 'especially those that are awarded and recognized in the industry'. As part of a network, they subscribe to the value of learning from each other especially from those who have already met the industry benchmarks and went on to further raise their performance standards. Other ideas for continuous learning include receiving more relevant knowledge about the microinsurance industry such as 'updates on regulatory requirements', and on financial management. "Continue and strengthen the on-going BOT Training and Development Program as well as develop a strong board culture." Suggested ideas to strengthen board culture include smoother flow of communication, stronger cooperation and livelier camaraderie among BOT members that welcome and

respect diversity. "Differences of ideas should be encouraged and considered while coming-up with decisions that the majority upholds." A key element of a strong board culture is when members are inspired and moved by a united purpose, i.e. to serve all members well by giving them nothing but the best in terms of products and service delivery. Solidarity also extends to having a sustained good relationship between the BOT and management of the MBA. "It is also key to have a General Manager who can orchestrate good results from inputs of multiple stakeholders. S/he too should be a leadership model of stewardship, integrity and sacrifice."

Increased participation in board meetings relate to 'all members going out of their way to contribute their ideas by coming prepared, listening actively, and being analytical', and 'to attend all meetings'. "For me, face-to-face meetings is the best way to hold meetings. There are more opportunities to raise questions, get clarification and to better participate in the discussion."

To help the member-BOT increase the quality of their participation, more support from management is being called. Identified areas of support include user-friendly MBA performance monitoring, provision of board materials with enough time for preparation, having clearly defined BOT responsibilities and expectations, and conduct of BOT members' performance evaluation including sharing of evaluation results. "Set-up performance targets and improve the monitoring system so that the BOT can track decisions and action taken."

Conclusion

The nature of Mi-MBAs provides a conducive environment for local leaders to further develop and exercise their abilities. Current member-BOT who have been given this privilege to lead their respective MBAs recognize the important role entrusted them, and with courage, take on the associated responsibilities with dedication and diligence. This cooperation was demonstrated when the online survey for this Focus Note was launched, where nearly 70% of invited respondents accomplished the survey form by the end of Day 1.

With such quality of member-BOT, in tandem with equally responsive MBA management, it looks like Mi-MBAs are in good hands having capable leadership committed to advancing sustainable social protection by and for its members.