

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
VISAYAN SURETY AND INSURANCE CORPORATION

Held at the Conference Room

Unit 1403, 14/F Keppel Center, Samar Loop cor Cardinal Rosales Avenue, Cebu City
on 28 November 2017 at 4:00 P.M.

Present:

AUGUSTO W. GO
KENNETH GO
BALDOMERO ESTENZO
PIO Y. GO
GABRIEL LEYSON

Absent:

CANDICE GOTIANUY
ALBERT TAN

Others Present:

MA. IOLANDA B. ABELLA

1. CALL TO ORDER

The meeting was called to order at 4:10 P.M. by the Chairman, Augusto W. Go. The Corporate Secretary, Atty. Ma. Iolanda B. Abella recorded the minutes of the proceedings.

2. CERTIFICATION OF NOTICE OF QUORUM

The Corporate Secretary certified that all directors were duly notified of the meeting and that a majority of the members of the Board were present in person. The Chairman declared the body duly constituted to transact business.

3. APPROVAL OF MINUTES OF PREVIOUS MEETING

The Chairman requested the members of the board to go over the minutes of the meeting of 29 May 2017 found in their folders. Upon motion by Director Gabriel Leyson duly seconded by Director Baldomero Estenzo, the Minutes of the board meeting on 29 May 2017 were approved, confirmed and ratified.

4. PRESIDENT'S REPORT ON OPERATIONS FOR PERIOD ENDING SEPTEMBER 30, 2017

The President discussed the following:

4.1 Direct Production as of September 2017 at Head Office. Total production of P206,659,339.88 compared to P164,140,650.29 last year or an over-all increase of 26% compared to same period last year. There was also an increase of 1% on Inward Production. The Chairman noted a 15% increase in motor line production.

For Davao Branch, 54% increase from last year's figure was reported.

For Manila Extension Office, production decreased by 8%. The President reported that the reason was the resignation of the branch manager in February and the management was able to find a replacement only in June.

For Cagayan de Oro, 48% increase from last year's figure was reported. The Chairman noted that the personal accident line recorded the highest increase.

For Dumaguete, production decreased by 11%. The President reported that the reason is the motor car line production which decreased as this came primarily from Dumaguete Toyota cars. The President will try to increase business from this source.

The President also presented the production budget for each office site and the overall of P500M premium production for 2018, which is an increase by 137% from prior year.

4.2 Loss Ratio per Product Line. For head office, loss-ratio is 27%. The Chairman asked on the losses for each product line. The President explained the payments for injuries.

For Davao Branch, loss ratio is 26%.

For Manila Extension Office, loss ratio is 36%.

For Cagayan Branch, loss ratio is 83%. The President explained that this was due to motor car line for losses arising from floods. Also, marine insurance claims for bananas exported accounted for the loss so the management is veering away from this business.

For Dumaguete, loss ratio is 34%

Consolidated loss ratio for all branches is 30% which is lower than industry loss ratio of 50%.

4.3 Statement of Income. The President reported on the comprehensive income per branch and on the consolidated figure which showed an increase in premiums earned. After payment of losses, net income is P66,735,017.00 as of 30 September 2017.

The Chairman asked about the details on income and expenses. The President explained the components. The Chairman asked on comparative figures last year. The President informed the body that there is an increase from last year by P13M.

The Chairman asked on expected income to year-end and advised the President to also consider the income from the properties brought in by Aspac and CUNA. The President asked Director Pio Go on expected income from Aspac.

5. OTHER MATTERS

5.1 Acceptance Limits for Marketing Personnel.

The President presented to the Board the proposed fire acceptance limits for the different lines and for the different personnel, directing to the members to the table in their respective folders.

Upon motion duly made and seconded, the Fire Acceptance Limits for Marketing Personnel as proposed by management was approved.

5.2 Insurance Commission Findings on Financial Highlights

The President presented to the Board the results of analysis of the IC. The Chairman asked the President on the details on the figures. The President explained the risk-based capital. The Chairman asked on how the risk is determined and the President explained the application of a formula to determine the risk. The President also explained to deficiency of the net worth pending the infusion of the CUNA and Aspac shares.

The board noted the IC findings.

6. ADJOURNMENT

There being no other matters to discuss, the meeting was thereupon adjourned.


AUGUSTO W. GO
Chairman of the Board


KENNETH GO
Director

[absent]
ALBERT TAN
Director

GABRIEL LEYSON
Director


BALDOMERO ESTENZO
Director

PIO Y. GO
Director

[absent]
CANDICE GOTIANUY
Director

Attested by:


MA. IOLANDA B. ABELLA
Corporate Secretary