

**MINUTES OF THE MEETING
RISK OVERSIGHT COMMITTEE
BETHEL GENERAL INSURANCE AND SURETY CORPORATION
BETHEL GEN CONFERENCE ROOM AT 10:30 A.M. OCTOBER 28, 2024**

PRESENT:

Dr. Efren Laxamana	-	Chairperson
Ms. Dominga Garcia	-	Member
Ms. Lanie Santos	-	Member

ALSO PRESENT:

Mr. Rudy E. Mahinay, Jr.	-	Compliance Officer
Atty. Dyandell G. Mendoza	-	Corporate Secretary
Ms. Vida T. Chiong	-	Independent Director
Mr. Nestor Liwanag	-	Chief Risk Officer
Mr. Vlademir Dizon	-	VP - Claims
Ms. Jemery Gajopo	-	Minute taker

CALL TO ORDER

The Meeting was called to order by the Chairperson of the Corporate Governance Committee at 10:30 A.M. On October 28, 2024 in Bethel Gen Conference Room, all attendees were present in the room except Dr. Laxamana who is attending via Zoom. Ms. Gajopo took the minutes of the meeting.

SERVICE OF NOTICE AND DETERMINATION OF QUORUM

The Corporate Secretary, Atty. Mendoza reported that, in accordance with the provisions of the Corporation Code and the Amended By-Laws of the Company, a written notice of the meeting was served to all members of the Audit Committee on September 12, 2024. All members of the committee are present to validly transact business at the Risk Oversight meeting. There will be two resource persons for the meeting, Mr. Nestor Liwanag, Vice President for Underwriting as Chief Risk Officer and Mr. Vladimir Dizon, Vice President for Claims.

MATTERS ARISING FROM THE PREVIOUS MEETING

Arising from the previous meeting, Ms. Garcia inquired if the Business Continuity Plan was already finalised, the Corporate Secretary answered that it is already completed and will be sent to all members of the Board for review and approval.

Also arising from the previous meeting, Ms. Garcia inquired about the Salvage Recovery Schedule, and Mr. Dizon explained that for accident losses, the necessary salvage is instituted immediately; invitations will be distributed to accredited bidders within the company group; and once the bid is sealed, the Claims Committee and Asset Management Recovery Team will attend the bid opening. Ms. Santos in her capacity as Corporate Treasurer asked Mr. Dizon to furnish her a summary of the bidding report to monitor payments from the winning bidder, Mr. Dizon agreed, he then clarified that the bidding process is as follows: the winning bidder has five days to pay; if no payment is made, the bid is cancelled, and the Committee must decide whether to re-bid or award it to the second highest bidder.

Another query from Ms. Garcia is on the number of claims filed due to the recent typhoons, where Mr. Dizon responded that there have been around 173 incidents, but the total loss is anticipated to be just 30 units; this information is included in his Risk Oversight Matters report.

Ms. Garcia moved for the approval of the minutes of the previous meeting, stating that she has no objections to the minutes, Ms. Santos seconded. There being no other objections, Atty. Mendoza declared that the minutes of the Risk Oversight Committee last April 11, 2024, is thereby approved.

RISK OVERSIGHT MATTERS

RISK APPETITE AND CAPACITY UNTIL JUNE 30, 2025

The Chief Risk Officer reported the Risk Appetite and Capacity, which will remain in effect until June 30, 2025 as a result of the treaty renewal concluded on June 30, 2024.

For Property Insurance, the automatic capacity per risk/project is P [REDACTED], an increase of P [REDACTED] over last year. The risk appetite remains the same, with an emphasis on residential, office, hospital, school, hotel, display rooms, dorms, and condominiums. Since these are proven profitable, the company recently organized a sales incentive or insurance package promotion in which agents receive a higher commission for issuing policies for the said business. To continue his discussion, risks within export processing zones are encouraged because it is required to adhere to safety regulations. "Self-contained risk" is one of the criteria for an acceptable risk, which means it will be unaffected by fire from surrounding buildings.

Contractors All Risk Insurance maintains the same level of capacity at P [REDACTED] based on the Bethel Gen Table of Retention, with dry and wet risks favored for government projects and only dry risks for private projects. One of the conditions for an acceptable risk is that the project should not last more than five years, including the maintenance term.

The next line of business discussed was bonds, with a retention limit of P [REDACTED] compared to last year which limit was only at [REDACTED], the new retention limit is based on [REDACTED] % Bethel Gen net worth of P [REDACTED].

For motorcar, the company has kept the same retention restriction of P [REDACTED]. The restriction for Marine Cargo has been raised from P [REDACTED] per bottom, while Marine Hull remains at P [REDACTED] per vessel. Marina PA, or insurance for passengers onboard a maritime vessel, is covered by a treaty capacity of P [REDACTED] per person or P [REDACTED] known accumulation per vessel.

In the personal accident insurance business, the limit is maintained at P [REDACTED] per person as mandated by the management since this is not covered by a treaty capacity. Likewise, the fidelity guarantee and comprehensive general liability not being covered by treaty capacity, both have a limit of P [REDACTED] based on the Company's retention basis.

The same limit is given to equipment floaters, electronic equipment, MSPR. For errors and omissions, the retention limit is at P [REDACTED] and is only given to agents, brokers and adjusters as a requirement for the renewal of the Certificate of Authority from the Insurance Commission.

Ms. Garcia inquired as to what the company's most written line was, and Mr. Liwanag said that it was property insurance. Further, Ms. Garcia discussed that during the last board meeting, the President, Joselito C. Bantayan, mentioned that bonds should be given attention because the loss ratio is not as much as other lines of business. Mr. Liwanag answered in the affirmative that the objective of the management is to push more on bonds because it has a lower loss ratio. He added that based on the statistics, if the result shows that it is a profitable line, they give sales incentives or higher com

The Chairperson inquired about the justification for the P [REDACTED] limit and whether it is tied to any threshold level, Mr. Liwanag added that management agreed that P [REDACTED] could be easily absorbed by the company without harming its financial condition. The Chairperson went on to inquire how often it changes. Mr. Liwanag responded that it depends on the Company's appetite and adjusts accordingly.

Ms. Santos inquired whether the desirable and undesirable risks were reiterated to the branches. Mr. Liwanag responded that the Company issues underwriting guidelines for policies issued, and that certain policies cannot be issued without the approval of the head office; otherwise, any claim arising from them will be denied.

Ms. Garcia inquired if we have insurance offered to frequent travellers and if the personal accident insurance only includes road accidents. Mr. Liwanag explained that as for frequent travellers, the company only has ordinary reimbursement type insurance and personal accident covers any accidental body injury or death. If we ought to offer comprehensive travel insurance as required by the embassy for securing visas, the insurance company should be accredited by the said country. The reason why we were not able to offer one is because there is a minimum enrollees and have to tie up with a travel agency.

Ms. Garcia suggested that an Officer and Director's liability insurance should be an agenda, Mr. Liwanag stated that there are no approved forms yet from the group and it shall also be approved by the Insurance Commission.

CLAIMS REPORT

Mr. Dizon's report is based on data as of June 2024. He first disclosed outstanding losses, which are currently at P [REDACTED] in gross losses for the second quarter of the year, while paid losses are at P [REDACTED]

In terms of outstanding losses, motor claims comprise [REDACTED] claims. Next, the status of pending claims was discussed, with [REDACTED]% of them being items beyond the company's control and [REDACTED]% previously resolved. Ms. Santos asked where the figures came from, and Mr. Dizon answered that the data presented included claims from the branches.

Ms. Santos inquired as to how the Claims Department handles the volume of claim cases with just 8 employees. She proposed doing a performance appraisal of the Claims Department staff and appointing one employee to follow up on all lacking documents. Ms. Santos also suggested starting an online claim form to make the process of filing claims more convenient. Ms. Garcia stated that the percentage of pending claims due to external circumstances would negatively impact the company's customer service feedback.

With recent typhoons hitting the Philippines, the following claims were reported:

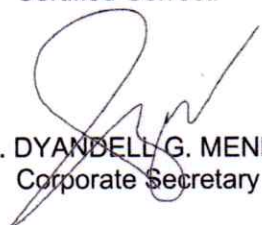
CAT LOSSES 2024 ao 24Oct24							
LOB	CAT	Count	OS	PD	Incurred	RET'N	QS
[REDACTED]							

Mr. Liwanag clarified that the quota share of P [REDACTED] loss of property under CARINA is fully retained by our Company.

ADJOURNMENT

The Chairman moved to adjourn the meeting which was seconded by Ms. Garcia.
The meeting was adjourned at 11:40 am.

Certified Correct:



ATTY. DYANDELL G. MENDOZA
Corporate Secretary