

MINUTES OF THE 32nd ANNUAL REGULAR MEMBERS' MEETING (107th GENERAL MEETING)

**Held on Wednesday, 23 May 2018 at 4:15 P.M.
at the Bulwagang Haribon, Insular Life Corporate Centre,
Insular Life Drive, Filinvest Corporate City,
Alabang, Muntinlupa City, Philippines**

CALL TO ORDER:

Pursuant to the provisions of the Amended By-Laws of the Corporation, Ms. Nina D. Aguas, Executive Chairman of the Board of Trustees, presided over, and called the meeting to order at 4:15 P.M. The Secretary of the Corporation, Atty. Renato S. De Jesus, acted as Secretary of the Meeting.

PROOF OF NOTICE OF MEETING

The Secretary certified that the notice of the time, date, place and purpose of the meeting was published on 25 April, 02 May, 09 May and 16 May 2018 (once in each of four (4) successive weeks immediately prior to this meeting) in THE PHILIPPINE STAR and PILIPINO STAR NGAYON, two (2) newspapers of general circulation in Metro Manila, in accordance with the Corporation Code, the Insurance Code and the Amended By-Laws of the corporation. The Secretary's affidavit to show proof of notice is attached as Annex "A". The newspaper publishers' affidavits of publication of the Notice of the Annual Meeting are also on file in the Office of the Corporate Secretary attesting to the publication of the said notice in two (2) different newspapers of general circulation in the place where the principal office of the corporation is situated. The Notice of the 2018 Annual Regular Members' Meeting was also uploaded in the Corporation's website beginning 25 April 2018. A copy of the Notice of the Meeting with proxy form is attached as Annex "B".

PROOF OF PRESENCE OF QUORUM

The Secretary reported that based on the certification of the Credentials Committee and the Registration Committee, out of the **218,307** members of the Company qualified to vote in the meeting, (i.e., they have an insurance policy with the Company that is in force for at least one (1) year as of thirty (30) days prior to 23 May 2018, or as of 23 April 2018), there were **93,901** members or **43.01%** who were present either in person or by proxy. The Insurance Code requires meetings of members of mutual life insurance companies like Insular Life need five per cent (5%) of the membership to constitute a quorum. Hence, the 32nd Annual Regular Members' Meeting (107th General Meeting) of The Insular Life Assurance Company, Ltd., was duly constituted and opened for the transaction of business.



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INTRODUCTION OF THE CURRENT MEMBERS OF THE BOARD OF TRUSTEES AND SENIOR OFFICERS

Before proceeding with the next item in the agenda, the Executive Chairman of the Board introduced the current members of the Board, including herself, and the Senior Officers of the Company.

They are:

<u>TRUSTEES</u>	<u>DESIGNATION</u>
Ms. Nina D. Aguas	Executive Chairman of the Board of Trustees; Executive Trustee;
Mr. Luis C. la Ó	Vice-Chairman of the Board of Trustees; Vice-Chairman of the Executive Committee; Independent Trustee;
Ms. Mona Lisa B. Dela Cruz	Chairman of the Executive Committee, President and Chief Executive Officer and concurrent President of Insular Investment Corporation (IIC), an Insular Life subsidiary; Executive Trustee;
Mr. Luis Y. Benitez	Chairman of the Audit and Risk Management Committee, Independent Trustee;
Mr. Gil B. Genio	Independent Trustee;
Ms. Marietta C. Gorrez	Non-Executive Trustee;
Atty. Francisco Ed. Lim	Independent Trustee;
Mr. Nico Jose S. Nolleto	Independent Trustee; and
Mr. Justo A. Ortiz	Non-Executive Trustee.

Other Senior Officers of the Company:

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| • Mr. Omar T. Cruz | Senior Executive Vice President and Chief Bancassurance Officer; |
| • Mr. Raoul Antonio E. Littaua | Senior Executive Vice President and Chief Agency Distribution Officer; and |
| • Ms. Ma Edita C. Elicaño | Executive Vice President, Chief Actuary and Head of Administrative Operations Group. |

The following Presidents of Insular Life's two (2) subsidiaries also attended:

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| • Ms. Ma. Noemi G. Azura | President and Chief Executive Officer, Insular Health Care, Inc., and |
| • Ms. Tricci Rose Sadian | President of Home Credit Mutual Building and Loan Association, Inc. |



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The Executive Chairman also informed that former Trustees, Mr. Jesus Alfonso G. Hofileña and Mr. Delfin L. Lazaro have retired as trustees of the Corporation effective 23 November 2017 and 01 January 2018, respectively. Likewise, Mr. Kevin R. Lynch, former President of Home Credit Mutual Building and Loan Association, Inc., and Mr. Roberto Z. Arroyo, former President of Insular Health Care, Inc., have retired as well.

VOTING RULES AND PROCEDURES

The Executive Chairman requested the Secretary to explain the rules governing voting during the meeting.

The Secretary explained that, as provided in the Company's amended By-Laws, every member of record who owns an individual life, health or accident insurance policy contract or a master policy contract of any group insurance policy which is in force for at least one (1) year as of 23 April 2018, or thirty (30) days prior to the 2018 Annual Regular Members' Meeting is entitled to one (1) vote.

The voting for each agenda item had been done by poll through electronic casting of ballots. On the other hand, the voting on motions during the meeting was done by voice ("*viva voce*"). This process has been observed by representatives from Sycip, Gorres, Velayo and Company. These explanations on voting were also indicated in the Notice of the Meeting, as published in the newspapers and in the Company website.

All of the proposed resolutions taken up and for consideration by the Members were shown in the screen set-up in front of the stage. A summary of the results of the votes on each item in the Agenda (i.e., "In Favor", "Not in Favor or Abstention") was posted one (1) working day after the meeting, or on 24 May 2018, as part of good corporate governance practices of the Company.

READING AND APPROVAL OF MINUTES OF THE PREVIOUS MEETING

The Executive Chairman proceeded to take up the next item in the agenda which is the reading and approval of the minutes of the 2017 Annual Regular Members' Meeting held on 24 May 2017. A copy of the said minutes was included in the materials that were provided to the members and has been uploaded in the Company's website since 25 May 2017 for easy reference of the members.

Ms. Jhezl Nas suggested to dispense with the reading of the said minutes and moved for its approval and adoption by the members, with the corresponding resolution shown in the screen. This was seconded by Ms. Jessica Macanas. The Executive Chairman asked if there were any objections, and there being none, the motion was carried and the members approved the minutes of the 2017 Annual Regular Members' Meeting and adopted the following resolution as shown in the screen:



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RESOLVED, that the reading of the Minutes of the 31st Annual Regular Members' Meeting (106th General Meeting) of this corporation, The Insular Life Assurance Company, Ltd., held on 24 May 2017 be dispensed with and that the said minutes be as they hereby are approved.

Votes in Favor	Not in Favor	Abstentions
93,890	1	10

ANNUAL REPORT TO THE POLICYHOLDERS

The Executive Chairman informed the body that the next item in the agenda is the Annual Report to Policyholders covering the Company's performance for 2017 which was shown through an audio-visual presentation. The presentation is a consolidation of messages from the Executive Chairman of the Board and the President and Chief Executive Officer, which are available in the 2017 Annual Report.

Copies of these messages as they appeared in the 2017 Annual Report are included below:

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Making InLife a Force for Good:

Q and A with Nina D. Aguas, Executive Chairman of the Board

For someone who heads a 107-year-old institution, Insular Life Executive Chairman Nina D. Aguas defies stereotypes. She has a distinct and youthful sound — from the cadence of her walk to the way she talks — and her infectious smile is making everyone sit up and ask: "What's Insular Life been up to lately?"

Nina has already built a three-decade career in international and local banking, but she still could not help but brim with excitement, particularly when it comes to the company's new battle cry, Inlife for Good.

In this interview, Nina shares her views on how Insular Life strives to remain relevant in a country where majority of the population still have limited or no access to financial services.

How did you come up with Inlife for Good?

Giving birth to Inlife for Good was very personal to me. I've had a storied career working for financial institutions here and abroad. But I've always known that my heart is where the home is and kept a quiet wish to be part of a great local institution — an institution that does good, builds communities and cities, and elevates lives. So, it's by design as well as divine grace that I'm here at Insular Life.

*For 107 years now, Insular Life has built a reputation as a company that has made delivering good its primary purpose. We create a positive impact to the lives of our policyholders, our communities, and our country. Thus, the term "**Inlife for Good**" came to be.*



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"Inlife" is short for Insular Life. If we were to have a broader view of the world and sustain the legacy we leave behind, we should go beyond being "insular," which means narrow-minded, parochial, and shortsighted. It has been over a hundred years since the Company was established in 1910. Back then, being named "Insular" was a source of great national pride, as this connoted being "island born" or born in the Philippines.

If we have to stay relevant to the next generation, particularly to the millennials, we should be "in" — to be current and always in the know of what's happening around us. Adding "For Good" to Inlife gives us a higher purpose to serve.

How will Inlife for Good enable the company to stay relevant?

Evolving changes in technology, demography, as well as consumer needs and expectations are disrupting many businesses, including insurance. In this constantly changing world, Inlife for Good will serve as our true north — a fixed point that will help us stay true to what we are and what want to be as a company.

Digitalization can help us fulfill our stakeholders' needs faster and improve customer experience at every touch point — whether they choose to deal with our agents or through bancassurance. We can facilitate two-way conversations, use data to understand them better and find out their needs, and offer products and services that meet those needs.

But to me, digitalization is not really a strategy; it's an enabler. We want Inlife to be at the forefront of digitalization. Our ambition is to be the first fully digitally connected insurance company five years from today.

How do you plan to meet this ambition?

In the last two years, our organization has undergone dramatic transformation. In 2016, we said that the innovation we make is all about making it easy for the policyholder, not because it will be easy for us to do.

In 2017, we stepped up our efforts in many ways you can imagine. Our financial performance still ranks as among the best in the industry. We expect 2018 to be our best year ever, as we inch closer to be the No. 3 by 2022 in terms of gross premium revenues while moving to No. 1 on other financial measures where we currently rank as second or third.

In addition to financial stability, Inlife is also gaining attention for innovation. We are thankful for the awards and recognition we earned from prestigious organizations here and abroad. In 2017, we earned the "Trusted Brand Gold Award" from Reader's Digest and was recognized as the "Best Domestic Life Insurance Company in the Philippines" in the Insurance Asia Awards 2017 held in Singapore.

The same regional award-giving body also awarded InLife for Digital Insurance Initiative of the Year Award for our Automated Underwriting System (AUS), a first in the local industry. Clearly, the AUS is a worthwhile investment we have made that has already starting to bear fruits. It gave us the technological edge we needed to seal the bancassurance partnership with Union Bank of the Philippines in 2016. To this day, we are proud to say Inlife is the only insurance company in the country that can process and deliver a policy decision in just 30 minutes when others take three to four days to process alone. As of end-2017, AUS users already accounted for 48 percent of our sales force. Our target by the end of 2018 is 100 percent adoption.

On the physical infrastructure side, we finished the renovation of the Insular Life Building in Makati City in 2017. This historic building is an icon reimaged as it has stood the test of time



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for the past 50 years. It also embodies our environmental responsibility as the building has a Silver LEED (Leadership in Energy and Environmental Design) certification, which means its construction methods and materials, coupled with energy-efficient building equipment, make it a sustainable building. We have also opened the Inlife Learning Center on the mezzanine floor where our agents can hold cozy meetings and attend career opportunity talks and sessions for potential agency recruits in our Wi-Fi and Internet-enabled training rooms.

We have faced many challenges in 2017, particularly in the second half, due to competitive pressures. But we remain more courageous, bolder, and stronger as a result. However, we realized that we could only stay this way as an institution, determined to forge forward, if we look after the people who take care of our policyholders. This is why we broadened the definition of a “customer” — not only to refer to our policyholders, but also to every member of the Inlife family.

Studies show the Philippines is entering a “sweet spot” as its young population enters the workforce and starts contributing to the economy. How does InLife plan to reap its share of this demographic dividend?

Millennials currently comprise about half of Inlifers. We find that they work as hard, if not harder, than other generations, and are optimistic about their career paths. They also know their priorities when it comes to money, people, and purpose. So harnessing their youthful energy is both interesting and exciting for a 107-year institution like Inlife.

We are also increasingly seeing millennials comprising our customer base. We really find them a different breed: quite opportunistic, more financially savvy, and data-driven when it comes to making decisions. They have the luxury of having information at their fingertips, so they can benchmark and compare various investment options. While this new market segment presents vast opportunities for us, it also poses a certain challenge. We have to learn from the young to stay relevant. We have to use technology, too, to meet their demand for speedy service as they have the penchant for instant gratification. Thus, we have come up with campaigns like #Adulting and investment-linked products like the First Million Fund that cater to the growing millennial market.

How do you plan to make Inlife a greater force for good in society?

We have always been on the lookout for ways to help improve the lives of Filipinos. Beyond business profitability, Inlife has to cast a wider net to reach out to the uninsured and unserved. If there is an insurance company in the Philippines that embraces this philosophy, it is Inlife. And there is no more opportune time to reach out to our countrymen than now. Digital technology enables us to find innovative ways to create meaningful and sustainable impact.

In 2017, Inlife forged a partnership with the International Finance Corporation (IFC) of the World Bank to educate and offer risk-mitigating solutions for women in the country. A 2015 report released by the IFC, entitled “She for Shield: Insure Women to Better Protect All,” showed that women represent an untapped \$1.7-trillion opportunity, mostly in emerging markets. It has since been exploring partnerships with insurance companies in various countries to raise the uptake of insurance by women.

We are privileged to join IFC in this cause to help women become self-reliant and financially independent. Inlife became the first insurance company in Asia to partner with IFC on this program, which we branded as “Empowering the Filipino Heroines.”

We believe this program will bring Inlife to a higher level of significance as we empower Filipinas for good through insurance. Not only will this strengthen our brand’s positioning and



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revenue diversity, it will also raise women's financial literacy and health awareness. More importantly, the potential to create a positive ripple effect in society is vast. When you insure mothers and working women, they will effectively look out for the welfare of their family so more people benefit.

How do you ensure that Inlife's gains will be sustained for good?

We remain bullish and hopeful that the Philippine economy will sustain its growth momentum and Inlife will continue to ride on this trajectory. Competition in the insurance industry is going to be more intense as stronger economic growth creates wider opportunities.

At Inlife, we always look for ways to expand our reach and going digital is one way to go. Technology will enable us to be more agile, more accurate, and more engaging. However, we know that we are an insurance company: face-to-face human interaction is still the best way to serve our customers better. This means the quality of our human capital — the Inlifers — will continue to be our key differentiator in the industry.

Building Inlife as an institution of enduring greatness, defined by its mission of delivering good, continues to be my hope for this Company.

*As they say, it takes a village to become a company like no other. For this, I must thank many people — our Inlifers, who root for our success in every step of the way; our smart and committed Board of Trustees, who provide wisdom, guidance and support; and our dear policyholders, who help us learn and open our minds to constant learning and relearning. No matter the challenge, they bless us all with the grit, passion, compassion and class to brave it all. This makes me prouder to serve **Inlife for Good**.*

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InLife and in Business: Q&A with President & CEO Mona Lisa B. Dela Cruz

Thanks to a strong Philippine economy, a growing middle class, and a demographic “sweet spot” wherein the country starts to benefit from the earning capacity of its young population, Insular Life (InLife) continues to reap the benefits of being a strong player in the local insurance industry.

In this interview, President & Chief Executive Officer Mona Lisa B. dela Cruz talks about how the Company is navigating the changing landscape and pushing for inclusiveness in a country where only a little more than half of the population has some form of life insurance.

How would you describe the performance of InLife against that of the local insurance industry in 2017?

The Philippine insurance industry had a banner year in 2017, which can be attributed to a much-improved business environment, relatively lower inflation, and higher economic growth, which stood at 6.7 percent in GDP.

Based on the unaudited quarterly statistical report as of December 31, 2017, submitted by all local life insurers and released by the Insurance Commission (IC) in March 2018:

- *Total premiums reached ₱202.5 billion, up 11 percent from 2016 when the industry had a flat performance;*
- *Total assets grew 18 percent to ₱1.26 trillion; and*



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- Net worth increased by 19.4 percent to ₱202.5 billion from their 2016 levels.
- Other indicators also pointed toward positive growth, as cited by the Insurance Commission in their latest data:
- Insurance density (premiums over population) grew by almost 5 percent at ₱1,930 per person;
 - Insurance penetration (premiums over the country's gross domestic product) went up from 1.27 percent to 1.28 percent; and
 - Life insurance coverage provided by private insurers rose from 46.22 percent to 52.07 percent, out of an estimated population of 104.9 million Filipinos.

The local insurance industry's robust performance also reflects the feverish competition among players, including Inlife.

Based on the same unaudited quarterly figures from the IC, Inlife managed to secure its industry rankings. The Company ranked No. 2 in net worth, No. 3 in net income and in admitted assets, and No. 7 in premium income. As we are coming from a record-breaking performance in 2016 in terms of revenues, net income, assets, and net worth, so, naturally, 2017 will be a consolidation.

Based on our audited financial statements as of December 31, 2017, our consolidated net income nonetheless breached the ₱5-billion mark for the first time at, ₱5.03 billion, growing 2 percent from ₱4.9 billion in 2016. Consolidated revenues, however, declined by 21 percent to ₱19.7 billion from ₱24.9 billion a year ago. Consolidated total assets grew 5 percent to ₱135.9 billion from ₱130.0 billion year on year. Consolidated members' equity or net worth increased 12 percent at ₱36.5 billion from ₱32.7 billion.

The Parent Company generated net income of ₱4 billion, up by 9 percent from ₱3.7 billion in 2016. Parent Company's assets increased by 5 percent, from ₱133.2 billion in 2016 to ₱140 billion in 2017. We had a net worth of ₱41.0 billion, which was a 13 percent improvement from the 2016 level of ₱36.4 billion. Total business-in-force stood at ₱280.5 billion, with 337,200 policies. This represented a 5 percent growth from the previous year's ₱267.3 billion, with 334,996 policies in force.

On the premium production side, we ended up with a 9-percent drop in new business premiums, which stood at ₱7.1 billion in 2017 versus ₱7.8 billion in 2016. Total premiums were down by 5 percent from a year ago to ₱11.8 billion.

What were the major initiatives of the Company in 2017?

We recognize that the financial services industry is now at a tipping point: either disrupt or get disrupted. A lot of firms are encroaching into the financial arena, not just enticing new customers, but also raising customer expectations for customized and targeted experiences. While it has a 107-year head start to build a solid reputation and a track record of stability, InLife has to change the way it does business and serve its stakeholders, too. Not only must we learn to adapt, we also must learn to "unlearn" our traditional notions of competing.

This is why innovation and technology had a big impact on the Company's initiatives in 2017, as financial technology (fintech) and insurance technology (insurtech) took center stage. These two factors significantly influenced what we did in 2017 and what we wanted to do in the next five years to remain competitive in the marketplace.



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With digital technology, there are now greater opportunities to enhance customer experience and sales distribution. This prompted us to embark on these digital transformation initiatives in 2017:

- *We have digitized some of our processes with the use of Robotic Process Automation (RPA). RPA allows faster deployment of programs to automate repetitive and resource-intensive processes. Automation of these repetitive, mundane tasks is critical for enterprises to gain higher efficiency, lower costs and ensure better user experience. Our investment in RPA has already paid for itself with our deployment of robots that will perform repetitive testing of software & generation of scheduled reports.*
- *Our Customer Portal is now sporting an enhanced look and better interface. It was recently upgraded as mobile first design to be compliant with user experience design best practices. This supports our aim to increase client engagement. We have also added first-in-the-market online straight-through processing for functionalities that ramp up service convenience. Withdrawal of Variable Unit-Linked (VUL) funds can now be done by policyholders online without leaving their homes, with funds credited directly to their nominated bank account. Other transactions such as fund switch and premium redirection for VUL policies can also be done online. Inlife is the first life insurance company offering fully automated services from application to benefit fulfillment.*
- *In 2017, we launched our e-commerce platform. Our first online product, Prime Care, provides funds for medical treatment of dread diseases. Also, we completed the successful pilot of an e-commerce product sold via our corporate website and serviced through our online customer portal. We are looking at further building up this online distribution channel.*

In addition to these exciting initiatives, Inlife remains the only insurance company in the country that offers a fully automated, end-to-end sales process which includes automated underwriting. Policyholders can fill out forms, choose their desired product, undergo underwriting and receive decisions on applications, all online, in just 30 minutes. This fully-automated sales process will also give revised quotations in case the applicant is found to be substandard.

What new products did you launch in 2017 and how do these reflect the changing customer demands?

*Consistent with our thrust to provide Filipinos with a better financial future, we launched a new VUL fund called **Peso Global Equity Fund** to allow local investors to diversify into global markets using Philippine pesos. At this point when funds are flowing into developed markets, it is timely to provide our clients with options to diversify internationally. Peso Global Equity Fund provides access to international equities that can take our investors' investment to the next level. Global Equity fund was made available to existing Wealth Secure and VRA products, subject to minimum placements.*

*I also mentioned earlier that **Prime Care**, apart from being the first product we launched through e-commerce, is itself a product of Inlife's innovation. It is a unique product because it not only offers a lump sum amount upon diagnosis of a critical illness, but also provides a monthly allowance for treatment for three years. It also covers 35 types of critical illnesses.*

*We also launched **Wealth Assure** on a Guaranteed Issue Offer (GIO) basis, which means applications are accepted and approved instantly. Because it is GIO, there is no need for long health or medical questions, and applications are accepted regardless of one's state of health.*



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*For the first time since we forged a bancassurance partnership with UnionBank of the Philippines in 2017, we also launched two guaranteed issue products exclusively offered by Union for Life for UnionBank clients. These products are: **InLife Security**, a guaranteed issue offer (GIO) product that provides lifetime insurance coverage and living benefits from the policyholder's participation in Inlife's various VUL funds; and the **InLife Prominence**, a GIO, single-pay VUL product that gives clients access to a diverse portfolio of high-yielding assets while providing life insurance protection.*

We remain mindful of emerging trends that involve greater use of online platforms and social media to sell our products. The IC recently released new guidelines covering e-commerce, including the use of mobile apps to distribute insurance products. With regulations now in place, we hope to take advantage of emerging technology and introduce other innovations in our product pipeline and sales and distribution channels to heighten product awareness, improve efficiency in delivery, and ultimately, cast a wider net when it comes to insuring as many Filipinos. Our local market is also getting younger, as more young Filipinos enter the workforce and gain purchasing power to buy insurance and invest. These millennials design their life plans — their career path, marriage, etcetera — more deliberately and so we also take these into consideration when we design the products we offer.

What internal initiatives did you roll out in 2017 to prepare your organization for the evolving landscape?

We continue to improve on our systems and processes, not just to gear up for the changing business environment, but more so to provide an even better customer experience. A lot of these initiatives have to do with automation as well as relationship building.

For our bancassurance partnership with UnionBank, we have recruited, trained, and licensed 86 financial advisors and 329 business and relationship managers in 2017. We set up the policy issue system, customer servicing system, and monitoring systems customized to the unique requirements of bancassurance. This year, we are keen on continuously improving on our bancassurance support capabilities.

In our continuous effort to improve productivity, we looked at ways to further strengthen our relationship with our agency force. We have built this relationship over many years anchored on mutual trust. InLife continues to regard our high-performing agent partners as one of the key pillars of our resilience as a company, amid the onslaught of competition and war for talent, not just within our industry.

The other key pillar is our own people at Inlife. To cope with the challenging operating environment and build our capability for more growth, we also deepened our talent bench and hired key talents in 2017, including an Agency Distribution Head, a Chief Strategy Officer, a Chief Innovation Officer, a Chief Information Security Officer, as well as a new Human Resource Division (HRD) Head.

We also started digitizing employee experience using the Human Resource Information System (HRIS) for data entry, tracking, and information needs of our HRD, payroll, management, and accounting functions within the Company. We also put in place tools that will enable our senior officers to know how they measure job performance and for our employees to be aware of how they are being evaluated. With technology, real-time performance assessment will now be possible so everyone will be on their toes and push work productivity. We are also digitizing the other people processes such as training management, talent acquisition, succession planning, and



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compensation planning. These tools will enable the organization to integrate the people processes from “womb to tomb”.

In terms of physical infrastructure, a major milestone for us in 2017 was the unveiling of the extensively renovated Insular Life Building along Ayala Avenue, Makati City. The re-imagined iconic building now showcases modernized facilities and equipment, a state-of-the-art boardroom, a grand ballroom that can host events for up to 300 people, an updated façade, and a five-level parking building. Insular Life Makati also boasts of its Silver LEED (Leadership in Energy and Environmental Design) certification, which means its construction methods and materials, coupled with energy-efficient building equipment, make it a sustainable building. It uses less water and energy, and reduces greenhouse gas emissions. It is also certified by the Philippine Economic Zone Authority (PEZA), assuring tenants of tax incentives and other commercial benefits.

The building houses our Inlife Learning Center, which features millennial colors and interiors that are a far cry from the 54-year-old building’s former look. The Inlife Learning Center is primarily for the use of our agents for training, private meetings between agents and their clients, and with a lounge at the center. At the entrance is our office for customer service. Except for the mezzanine and the 12th floor that Inlife occupies, the building is available for commercial lease.

How do you plan to make a 107-year-old company like InLife relevant to younger Filipinos?

Millennials are now undeniably a growing market segment for insurance players. There are an estimated 26 million millennials as of 2016, according to the Philippine Statistics Authority, who comprise one-third of the country’s total population. While they spend their salaries to enjoy and experience life in its fullness, market insights we have gathered show that they do not plan to stay in the YOLO (You Only Live Once) phase forever. Eventually, they transition to concern themselves with the more serious parts of life (dubbed as ‘adulthood’), and part of this realization is the need to save for their future.

These insights led us to develop a product called the **First Million Fund**, a VUL insurance offer that calls for parents to jumpstart their investment by putting in an initial premium of at least ₱500,000, which could reach ₱1 million on the eighth policy year. After launching the Fund in 2016, we embarked on a social media campaign on ‘adulthood’ targeted at millennials and their parents.

In addition to coming up with products for the millennial market, we realized that our brand has to evolve as well to keep up with this young mindset. This led us to launch **“Inlife for Good.”** Apart from shortening ‘Insular Life’ into ‘Inlife,’ we also wanted a catchy version that connotes being an insider, trendy, cool and hip, or being ‘in.’ We added “for Good” to reinforce the commitment that we have had in the past 107 years: we serve for a higher purpose for the good of our policyholders, our stakeholders, and our community. And as a company with a 107-year track record, we are here for good.

We think of our company as the ‘flag bearer’ in the Philippine insurance industry. After all, we are the only 100-percent Filipino-owned insurance company among the top life insurance companies. Thus, we always strive to work to be at par with or exceed the multinationals in serving the insurance needs of the Filipino. The greater challenge, however, is really to insure more Filipinos and raise the country’s insurance penetration rate. We believe we have a significant role to play and that is why we are saying InLife is “for good” — working for the good of the Filipino nation.



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More than being relevant to the younger Filipinos, this is the bigger message that we hope to achieve with our rebranding.

What risks and opportunities do you see in 2018 for the Company?

We have a very positive outlook for 2018. Our economy's GDP is expected to grow by 8 percent and national income per capita is seen to reach US\$5,000, bringing the Philippines closer to becoming an upper middle-income country. The life insurance industry is projected to grow by 9 percent.

As one of the industry leaders, Inlife is prepared to capitalize on this growth momentum. In 2018, our bancassurance partnership will become fully operational. We hope to benefit from UnionBank's total network of 300 branches and offices and its over six million clients in 2018. We plan to go full blast with our agency force expansion to reach a bigger segment of the market.

We also continue to build our digital capabilities to modernize our sales and service channels. Our goal is to continually improve servicing digitally and to automate our processes to make them faster and more convenient for our policyholders. Nowadays, online channels have made serving the customer a 24-hour window rather than the traditional 9-to-5 office hours. We are also moving for more and more usage of our automated underwriting system (AUS) and our online policy servicing through our customer portal. We also organize events online and offline to maintain our active engagement with policyholders and our agents.

We have also entered into a partnership with the International Finance Corporation (IFC) of the World Bank to educate and offer risk-mitigating solutions for women in the country. Inlife is IFC's only partner in Asia and we are excited to deliver more products to women and ensure their financial wellness. This program, which we call "Empowering the Filipino Sheroes," is our way of helping the mission on financial inclusion so all Filipino women will gain access to financial instruments and life insurance.

As for the global market environment, while we recognize threats, being in the insurance business for 107 years makes the Company a veteran to all these cyclical challenges. The risks, as well as the opportunities, will always be there. Competition will always be tough, for instance, but that is the reality of the free market and it is good because it only drives us to be better in what we do. In the end, the good we do will all redound to the benefit of the Filipino — and this is why we say, we are "Inlife for good."

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After the presentation, the Executive Chairman opened the floor to questions or comments from the members concerning the report.

Mr. Nestor Lim congratulated the Company for posting positive results in 2017. He also raised a question, related to a question he made during last year's Annual Regular Member's Meeting, on the possibility of accepting advanced premium payments thru credit cards. Trustee and Chief Executive Officer, Ms. Mona Lisa B. Dela Cruz thanked Mr. Lim for his inquiry and informed him that he has that option of paying renewal premiums in advance through Automatic Charging Option (ACO), where renewal premium payments may be scheduled to be charged at a future date in enrolled credit cards. Mr. Lim can just visit any District Office for the necessary processing. Ms. Dela Cruz further explained that policyholders also have other options, i.e., 1) through advanced premium payment through the Company's Premium Deposit



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Funds (PDFs) where cash or checks intended for advanced premium payments of traditional policies are accepted and 2) through the Auto-Debit Account (ADA) facility where enrolled bank accounts may be debited for succeeding premium dues.

Ms. Dela Cruz took the opportunity to inform the body about an emailed inquiry from Policyholder Mr. Gregory Go which the Company received a day before the Meeting. Mr. Go asked for the reason why dividends in the last two years were lower than those of the previous years.

Ms. Dela Cruz explained that dividends are payable only to traditional products and not to Variable Unit-Linked or VUL products. The Company continues to pay dividends to traditional products based on their contributions to profits. In fact, when the interest rates started to go down during the Asian economic crisis in the 1990s, the Company did not immediately lower dividends. When the Company lowered its dividends in the early 2000s, this dividend reduction still did not fully reflect the lower investment income because the Company expected investments earnings to improve. Dividends paid prior to 2016 were actually more than the contribution to profits of the policies. This was confirmed by an independent actuarial study. However, because the low interest rate environment has persisted, in 2016, the Company lowered the dividends to fully reflect the Company's long term outlook on investment income. Since most of the products earning dividends were priced at the higher rates in effect at the time these products were designed, currently, there is no excess income from investment earnings for most policies. Also, in recent years, there have been increased capital and regulatory requirements imposed by regulators. The Company needed therefore to set aside more of our earnings to build up our reserves and surplus. In view of the foregoing, we deemed it prudent to fully reflect actual current contribution to profit of each policy in the dividend payments beginning 2016.

Ms. Lyne Dilag asked for updates on the Company's study on demutualization. Trustee and Vice Chairman of the Board, Mr. Luis C. la Ó, replied that the possibility of a demutualization had been discussed in the last two years. However, last year, the Company decided that remaining a mutual life insurance company is still the best business model for all stakeholders of Insular Life.

Ms. Amy Tamayo inquired if the appointment of females in key positions in the Company and its subsidiaries is intentional. In reply, Executive Chairman Ms. Nina D. Aguas stated that the Company considers only the best candidate for every position regardless of gender.

There being no more questions raised, and upon motion of Ms. Alvira Barias, seconded by Ms. Marian Legaspina, the 2017 Annual Report, inclusive of the Audited 2017 Consolidated Financial Statements, was approved and the following resolution as shown on the screen was adopted:

RESOLVED, that the 2017 Annual Report to the Policyholders, inclusive of the Audited 2017 Consolidated Financial Statements of this corporation, The Insular Life Assurance Company, Ltd., be as they hereby are approved.



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Votes in Favor	Votes Not in Favor	Abstentions
93,894	2	5

RATIFICATION AND APPROVAL OF ALL THE ACTS AND RESOLUTIONS OF THE BOARD OF TRUSTEES AND THE EXECUTIVE COMMITTEE

The Executive Chairman informed the body that the next item in the agenda is the ratification and approval of all the acts and resolutions of the Board of Trustees and the Executive Committee from the date of the last Annual Regular Members' Meeting on 24 May 2017 up to and inclusive of the date prior to this Meeting. She also mentioned that a copy of the record of these acts and resolutions have been made available for examination by any interested member in the Office of the Corporate Secretary and that a summary of these resolutions were likewise made available in the Company Website.

Upon motion of Ms. Chrizene Rodriguez, seconded by Ms. Alvira Barias, the reading of the record of all the acts and resolutions of the Board of Trustees and the Executive Committee from the date of the last Annual Regular Members' Meeting on 24 May 2017 up to and inclusive of the date prior to this Meeting was dispensed with and that the same were ratified with the following resolution (which was shown on the screen) adopted:

RESOLVED, that the reading of all the acts and resolutions of the Executive Committee and those of the Board of Trustees of this corporation, The Insular Life Assurance Company, Ltd., from the date of the last Annual Member's Meeting held on 24 May 2017 up to and inclusive of the date prior to this Annual Members' Meeting be dispensed with and that they be ratified as they hereby are ratified.

Votes in Favor	Votes Not in Favor	Abstentions
93,886	1	14

ELECTION OF THREE (3) TRUSTEES

The Executive Chairman informed the members that the next item is the election of three (3) Trustees to replace those whose terms are expiring. Each Candidate shall be voted by Members individually, and the first three (3) Candidates will be elected. Each newly-elected Trustee shall serve a term of three (3) years or until their successors have been elected and qualified.

The Executive Chairman asked the Secretary if there is still a need to appoint tellers to count the votes cast relative to the election of the Trustees. The Secretary explained that this was no longer necessary. Tellers are appointed for the official tallying of the votes cast for the candidates of the election of the three (3) Trustees as required in the By-Laws. Since there are three (3) nominees and three vacant Trustee positions, the counting of ballots cast for these three (3) candidates is no longer needed.



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With the proper motion, duly seconded, the three (3) nominees may be declared duly elected trustees of the Corporation. These nominees are:

Mr. Luis Y. Benitez as *Independent Trustee*;
Mr. Gil B. Genio as *Independent Trustee*; and
Mr. Justo A. Ortiz as *Non-Executive Trustee*.

The Secretary certified (please see Annex “C”) that the three (3) nominees possess all the qualifications and none of the disqualifications mentioned in Section 4.5 and 4.6 of the Company’s Amended By-Laws and are therefore eligible to be nominated and elected Trustees of the Corporation. Their qualifications are also aligned with the Company’s strategic directions.

With the Secretary’s explanation, the Executive Chairman asked if there is someone who will move for the declaration of the three nominees as duly elected Trustees of the Corporation.

With the motion of Ms. Marian Legaspina seconded by Ms. Marie Hazel Ibarra, the members approved to declare the three nominees as elected Trustees of the corporation and the following resolution was adopted which was shown on the screen:

RESOLVED, to elect the following individuals as Trustees of this corporation, The Insular Life Assurance Company, Ltd., to serve for three (3) years or until their successors have been elected and qualified:

Mr. Luis Y. Benitez as *Independent Trustee*;
Mr. Gil B. Genio as *Independent Trustee*; and
Mr. Justo A. Ortiz as *Non-Executive Trustee*.

Name of Candidates	Votes in Favor	Votes Not in Favor	Abstentions
Luis Y. Benitez	93,889	3	9
Gil B. Genio	93,890	4	7
Justo A. Ortiz	93,883	7	11

APPOINTMENT OF EXTERNAL AUDITOR AND DETERMINATION OF FEES

Upon the request of the Executive Chairman, Mr. Luis Y. Benitez, Independent Trustee and incumbent Chairman of the Audit & Risk Management Committee (ARMC), informed the body that the ARMC has evaluated the performance of the Company’s present external auditor, Sycip, Gorres, Velayo & Co. Inc. (SGV and Co., Inc.), and has found it satisfactory. The ARMC therefore recommended the re-appointment of the same firm as external auditor for 2018, for a fee to be approved by management.

Upon motion of Ms. Jessica Macanas, seconded by Ms. Jhezl Nas, the members approved the reappointment of SGV and Co., Inc., as external auditor of the Company for the year 2018 for a



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fee to be approved by management and adopted the following resolution which was shown on the screen:

RESOLVED, that SGV and Co., Inc., be as it hereby is re-appointed as external auditor of this corporation, The Insular Life Assurance Company, Ltd. for the year 2018 for a fee to be approved by Management.

Votes in Favor	Votes Not in Favor	Abstentions
93,886	1	14

OTHER MATTERS

The Executive Chairman asked if there were any other matters which the body would like to take up.

ADJOURNMENT

There being no other business, upon motion of Ms. Marian Legaspina, the meeting was adjourned at 4:57 pm.

Signed this 23rd day of May, 2018.

RENATO S. DE JESUS
Secretary of the Meeting

APPROVED:

NINA D. AGUAS
Executive Chairman of the 32nd Annual Regular Members' Meeting
(107th General Meeting)



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SECRETARY'S CERTIFICATE

I, RENATO S. DE JESUS, Corporate Secretary of **THE INSULAR LIFE ASSURANCE COMPANY, LTD.**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office located at Level 30, Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City, Philippines,

DO HEREBY CERTIFY:


That Notice of the Annual Regular Meeting of the Members of the Corporation to be held on 23 May 2018 at 4:15 o'clock P.M. at the principal office of the Corporation at Bulwagang Haribon, Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City was published in two (2) newspapers of general circulation in Muntinlupa City on 25 April, 02 May, 09 May and 16 May 2018 (each of four successive weeks immediately prior to such meeting) in accordance with the Amended By-Laws of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of this Corporation at Makati City, on this 23rd day of May 2018 at Muntinlupa City, Philippines.

RENATO S. DE JESUS
Corporate Secretary



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The Insular Life Assurance Company, Ltd.
NOTICE OF THE 2018 ANNUAL REGULAR MEMBERS' MEETING

Notice is hereby given that the 2018 Annual Regular Members' Meeting of The Insular Life Assurance Company, Ltd. will be held on **Wednesday, 23 May 2018 at 4:15 P.M.** at the Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City with the following agenda:

1. Proof of Notice of Meeting;
2. Determination of Quorum;
3. Reading and Approval of the Minutes of the 2017 Annual Regular Members' Meeting held on 24 May 2017;
4. Annual Report to Policyholders;
5. Ratification of all the Acts and Resolutions of the Executive Committee and the Board of Trustees from the date of the last Annual Regular Members' Meeting up to the date of this meeting;
6. Election of three (3) Trustees;
7. Appointment of the External Auditor and Fixing of its Remuneration; and
8. Adjournment.

The Details and Rationale of the Agenda are available on the Company's website.

A record of the acts and resolutions of the Executive Committee and the Board of Trustees are with the Office of the Corporate Secretary and may be examined by any Member interested. A summary of these resolutions is shown in the Company's website. The profiles of the Candidates for election as Trustees are likewise disclosed in the website.

Every qualified Member who owns an insurance policy in force for at least one (1) year as of thirty (30) days prior to 23 May 2018, or as of 23 April 2018, is entitled to vote. Such Member shall be entitled to one (1) vote only at such meeting or any adjournment thereof, regardless of the number of policies or amount of insurance he owns.

The voting procedure for all resolutions shall be by poll or other applicable methods as may be determined by the Chairman of the Meeting. The votes shall be tabulated electronically.

Any Member entitled to vote may be present in person, or represented by proxy. A proxy may be appointed by using the form below, or a copy thereof. The proxy form is also available at our Head Office - Office of the Corporate Secretary, at any of our District Offices or may be downloaded from the Company website (<https://www.insularlife.com.ph/>). No Member's proxy shall be recognized unless a duly signed proxy form has been filed with the Office of the Corporate Secretary or at any of our District Office at least ten (10) working days before the date of the Meeting at which the proxy will attend, or not later than 09 May 2018. The presence of a Member at the Annual Regular Members' Meeting revokes the proxy for such meeting.

To facilitate proper identification, please bring any government-issued identification documents (Passport, Driver's License, SSS/GSIS/BIR IDs or other similar documents).

(SGd.)
Atty. RENATO S. DE JESUS
Corporate Secretary

INSTRUCTIONS: Please accomplish the Proxy Form below and detach and submit it to the Office of the Corporate Secretary at the Insular Life Head Office or to any of our District Offices most convenient to you on or before 09 May 2018.

PROXY

Know All Men By These Presents:

I, the undersigned policyholder and member of The Insular Life Assurance Company, Ltd., do hereby nominate, constitute and appoint (please check one):

☐ Proxy Committee pursuant to Section 3.4.2 of the Company's By-Laws, as amended (with the Executive Committee Chairman, the President and the Corporate Secretary, as members thereof, or in case of concurrence of any two of the foregoing positions in one person, then the Chairman of the Board becomes a member of the Proxy Committee) or anyone of them, if only one be present, or the Board Chairman; or

☐ _____ (Please indicate full name of your designated proxy) as my proxy to vote at the Annual Regular Members' Meeting of the Company on 23 May 2018, and any adjournment thereof, as fully for all intents and purposes as I could lawfully do if present and acting in person. In case of non-attendance of my designated proxy, I authorize and empower the Chairman of the Meeting to fully exercise all rights as my proxy at such meeting.

Signed this _____ day of _____, 2018 at _____

Policy Number/s: _____

Signature over Printed Name of Policyholder/Member



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SECRETARY'S CERTIFICATE

I, RENATO S. DE JESUS, Corporate Secretary of **THE INSULAR LIFE ASSURANCE COMPANY, LTD.**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office located at Level 30, Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City, Philippines,

DO HEREBY CERTIFY:

That the following persons, who were nominated by the Nomination Committee of the Board of Trustees and duly approved by the Board, are qualified to be nominated and elected as members of the Board of Trustees as they possess all the qualifications and none of the disqualifications stated in Section 4.5 and 4.6 of the Corporation's Amended By-Laws and that their qualifications are also aligned with the Company's strategic directions:

Mr. Luis Y. Benitez as *Independent Trustee*;
Mr. Gil B. Genio as *Independent Trustee*; and
Mr. Justo A. Ortiz as *Non-Executive Trustee*

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of this Corporation at Muntinlupa City, on this 23rd day of May 2018 at Muntinlupa City Philippines.

RENATO S. DE JESUS
Corporate Secretary



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