



# STERLING INSURANCE COMPANY INCORPORATED

6th Floor Zeta II Annex Building, 191 Salcedo Street, Legaspi Village 1229 Makati City  
Trunk Lines: 8893-0025 • 8893-0026 • 8892-3794  
VAT Reg. TIN # 001-009-467

## Board of Directors

**ATTY. NORA M. MALUBAY**  
*Chairman*

**MARIA PILAR B. MERCADO**  
*Vice-Chairman/Executive Director*

**ARTURO B. REYES**  
*Member/Executive Director*

**ANGELITO D. DUMAPI**  
*Member/Executive Director*

**Atty. APRIL RAINE B. MORALES**  
*Member/Executive Director*

**JONAD F. PARADO**  
*Member/Executive Director*

**JUDITH R. RUPIDO**  
*Independent Director*

**SONIA M. ROCO**  
*Independent Director*

**Dr. LEMUEL C. GARCES**  
*Independent Director*

## Board Committees

**AUDIT**  
Dr. Lemuel C. Garces (*Chairperson*)  
Judith R. Rupido  
Sonia M. Roco  
Maria Pilar B. Mercado  
Jonad F. Parado

**NOMINATION**  
Arturo B. Reyes (*Chairperson*)  
Angelito D. Dumapi  
Sonia M. Roco

**REMUNERATION**  
Maria Pilar B. Mercado  
(*Chairperson*)  
Jonad F. Parado  
Judith R. Rupido

**RISK-OVERSIGHT**  
Sonia M. Roco (*Chairperson*)  
Dr. Lemuel C. Garces  
Arturo B. Reyes

**RELATED-PARTY TRANSACTIONS**  
Judith R. Rupido (*Chairperson*)  
Sonia M. Roco  
Dr. Lemuel C. Garces  
Atty. April Raine B. Morales  
Jonad F. Parado

**GOVERNANCE**  
Judith R. Rupido (*Chairperson*)  
Sonia M. Roco  
Dr. Lemuel C. Garces  
Arturo B. Reyes  
Angelito D. Dumapi

*Corporate Secretary*  
**Atty. DAVE JOHN T. HERNANDEZ**

*Assistant Corporate Secretary*  
**KAIRENE DIAO**

## MINUTES OF MEETING

**DATE AND TIME** : September 12, 2025 | 10:30AM - 12:00PM

**VENUE** : Conference Room 1, 4th Floor Zeta II Building, Salcedo Street, Legaspi Village, Makati City, Metro Manila

### Present:

### Directors:

1. Chairman Nora M. Malubay
2. Director Maria Pilar B. Mercado
3. Director Arturo B. Reyes
4. Director Angelito D. Dumapi
5. Director Jonad F. Parado
6. Director Atty. April Raine B. Morales (videoconference)
7. Director Dr. Lemuel C. Garces (videoconference)
8. Director Sonia M. Roco (videoconference)
9. Director Judith R. Rupido (videoconference)

### Board Adviser:

1. Mr. Romulo I. Delos Reyes, Jr.

### Resource persons:

1. Mr. Nestor Varela Jr.
2. Ms. Maria Chedita T. Asilum

### Corporate Secretaries:

1. Atty. Dave John T. Hernandez - Corporate Secretary
2. Ms. Kairene Diao - Assistant Corporate Secretary

## CALL TO ORDER

The meeting was called to order at 10:30 a.m. and presided by the Chairman of the Board of Directors, Atty. Nora M. Malubay. After determining the presence of a quorum, the Board proceeded to conduct business.

*" We go further to serve you better "*

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## AGENDA

1. Call to order.
2. Certification of notice and quorum.
3. Reading and approval of the Minutes of the Previous Meeting of the Board of Directors.
4. Chairman's Address.
5. Presentation of the Computerized Accounting System (CAS) and E-Invoicing System (EIS) by Helix Software
6. President's Report.
7. Corporate Secretary's Report.
8. Other matters.

## PROCEEDINGS

After the Agenda was read by the Corporate Secretary, the Board proceeded to take-up business matters per item of the agenda as follows:

### **1. Reading and approval of the Minutes of Meeting on February 18, 2025**

The minutes for the meeting of the Board of Directors on February 18, 2025 was read and approved.

### **2. Presentation of the proposal for Computerized Accounting System (CAS) and E-Invoicing System (EIS) by Helix Software Technologies Corporation**

- a. Dr. Bienvenido Constantino, the Technical Director of Helix Software Technologies Corporation (hereinafter, "Helix"), presented an overview of the requirement, purpose, system, and their proposal for the Computerized Accounting System (CAS) and E-Invoicing System (EIS) to be implemented in Stronghold Insurance Company, Inc., Sterling Insurance Company, Inc., Milestone Guaranty and Assurance Corporation, Bethel General Insurance and Surety Corporation, The Mercantile Insurance Company, Inc. He presented its e-invoicing system framework which consists of two parts—on one hand, on the part of the seller, and on the other hand, on the part of the BIR. He mentioned that compliance with the first part was due on September 11, 2025, while the second part is due in March 2026.
- b. Dr. Constantino highlighted that the Bureau of Internal Revenue (BIR) required the adoption of the CAS and EIS in companies' financial system pursuant to Revenue Regulation (RR) 09-2009, RR 08-2022, RR 07-2024, and RR 11-2024.

- c. Dr. Constantino further explained that the company's existing software will be integrated into Helix's software which will process the BIR requirements for the e-invoicing system.
- d. Upon inquiry by Chairman Malubay, Dr. Constantino clarified that the BIR requires that the company adopt both the CAS and the EIS.
- e. The Board Adviser, Mr. Delos Reyes, Jr., explained that in the industry, it is normal that insurance companies provide the policy and the invoice to the client without payment, and that although the Insurance Code provides that any policy issued is as good as cash, this is not the case in actual practice. For instance, one approach hereof is to give the client a 90-day credit term wherein if the policy remained unpaid within the said period, the insurance company will cancel the policy. In view of this, the Board Adviser inquired as to how the proposed CAS and EIS would respond to such a situation where an invoice was initially issued, but the same would be thereafter cancelled for the assured party's failure to pay the premium due. He further asked whether the invoice would be issued at the time of the issuance of the policy or the time of payment by the client.

In response to this, Dr. Constantino said that the system covers cancellations as well. He explained that in such situations, Helix will provide a cancellable BIR-approved billing invoice to the client upon issuance of the policy, then the invoice would be issued and provided upon actual receipt of payment from the client.

- f. Mr. Delos Reyes raised another concern regarding issuances for Compulsory Third Party Liability (CTPL). He inquired as to whether the insurance provider/agent will be issuing their own invoice or acknowledgment for policies that they issue. Dr. Constantino answered in the affirmative, explaining that the company is only concerned with the issuance of the policy; thus, the company would not shoulder the fees and expenses for the agent's transaction with the client.
- g. Dr. Constantino emphasized that it recognizes the importance of data privacy in implementing its accounting systems, hence, he informed the Board that there would be no data in its test environment, and only the company will have access to the test environment with live data.
- h. Chairman Malubay required Helix to prepare a formal proposal for the entire group. Dr. Constantino mentioned packages that the company should consider in order to avail of discounts, as long as each company is individually registered with the BIR.

### 3. President's Report

Director Reyes presented the following data:

- a. The Company has 376 personnel nationwide.
- b. The Company has a premium production of Php 1.066 billion in the 2<sup>nd</sup> Quarter of the year 2025.
- c. The Company's financial position for the 2<sup>nd</sup> Quarter of the year 2025 based on its assets which is Php 5.252 billion, liabilities amounting to Php 2.389 billion, and net worth of Php 2.863 billion.
- d. The Company's growth projection which showed that compared to its target of Php 2.291 billion for this quarter, the actual premium production only amounted to Php 1.065 billion or a 40% decrease from the actual performance in the 2<sup>nd</sup> Quarter of 2024.
- e. The Company's industry rankings out of 55 non-life insurance companies in terms of assets (27<sup>th</sup>), net worth (34<sup>th</sup>), capital (9<sup>th</sup>), gross premiums written (22<sup>nd</sup>), net premiums written (16<sup>th</sup>), earned premiums (19<sup>th</sup>), and net income (7<sup>th</sup>).

### 4. Corporate Secretary's Report

After the President had completed his presentation, the Corporate Secretary, Atty. Dave John T. Hernandez proceeded to provide the Board of Directors updates on the actions done and being undertaken by the Board *en banc* and its various committees, as follows:

- a. The Board *en banc* issued Resolution No. 2024-107 for the calling of unpaid subscriptions which are made due and demandable on December 31, 2025.
- b. The Board *en banc* issued Resolution No. 2024-106 which provided for the writing off of non-recoverable reinsurance premiums due from ceding companies and claims paid by Sterling Insurance Company, Inc.
- c. The Board *en banc* issued Resolution No. 2024-105 which provided for the removal of certain assets from target companies in the Company's financial books.
- d. The Remuneration and the Governance Committees are currently undertaking the following actions with the assistance of its resource persons:  
1) rationalization of salary structure of branches; 2) formulation of policy on

annual inflationary increase; 3) formulation of performance-based salary increase for branches and regional offices; and 4) finalization of the updated Code of Discipline and Employee Handbook.

- e. The Governance and Related-Party Transactions Committees, with the assistance of its resource persons, are in the process of providing the necessary information to assist the group, spearheaded by Milestone Guaranty and Assurance Corporation, in formulating a uniform policy on related-party transactions.

## **5. Other matters**

- a. The Corporate Secretary presented an upcoming seminar for Board members scheduled on October 3, 2025 and to be conducted by the Center for Global Best Practices, for the purpose of compliance with the Company's scorecard, specifically in complying with the requirement that companies' directors must attend at least one (1) corporate governance training each year.
- b. The Corporate Secretary informed the Board that the Management immediately initiated the following measures in response to the current flood control project controversy, as follows:
  - i. The Office of the EVP/General Manager issued Memorandum dated September 8, 2025 mandating the suspension of business with and processing of claims against the Top 15 contractors involved/specifically mentioned by the President of the Republic of the Philippines.
  - ii. Pursuant to the directives of the EVP/General Manager, the Marketing Department would be sending an email supplementing the list of contractors indicated in the Memorandum dated September 8, 2025, in line with the Memorandum dated September 9, 2025 of the Department of Public Works and Highways (DPWH) suspending the payment of all billings pertaining to projects of nine (9) contractors named therein.

**ADJOURNMENT**

There being no additional matters raised for discussion, the meeting was adjourned at 12:00 p.m.

By: \_\_\_\_\_

**ORIGINAL SIGNED**

**KAIRENE DIAO**  
*Assistant Corporate Secretary*

**ORIGINAL SIGNED**

**Atty. DAVE JOHN T. HERNANDEZ**  
*Corporate Secretary*