



**OFFICE OF THE CORPORATE SECRETARY**

**EXACT COPY OF RES. NO. 126 ADOPTED BY THE GSIS BOARD OF TRUSTEES IN ITS MEETING NO. 21 HELD ON 24 NOVEMBER 2020**

**Approval of the 2019 Dividends for Distribution to GSIS's Unlimited Optional Life Insurance Policyholders in 2020<sup>1</sup>**

**RESOLUTION NO. 126**

WHEREAS, GSIS grants dividends on an annual basis to its qualified Optional Life Insurance policyholders, based on the financial capability of the GSIS Optional Life Insurance Fund, pursuant to Section 25 of Republic Act No. 8291 (GSIS Act of 1997) which states:

“Section 25. Dividends. – An annual dividend may be granted to all members of GSIS whose life insurance is in force for at least one (1) year in accordance with a dividend allocation formula to be determined by the GSIS.”

RESOLVED, to **APPROVE** and **CONFIRM** the dividends for 2019 for distribution to GSIS's Unlimited Optional Life Insurance policyholders in 2020 in accordance with the following guidelines, as proposed by the Senior Vice President for the Actuarial and Risk Management Group in her memorandum dated 3 November 2020:

1. Entitled are policyholders whose optional life insurance coverage has been in force for at least one year as of 31 December 2019.
2. Not entitled are:
  - 2.1 Policies which were terminated due to death, maturity, or surrender in calendar year 2019.
  - 2.2 Policies which lapsed in calendar year 2019.

RESOLVED FURTHER, to **APPROPRIATE** the amount of Eleven Million Pesos (Php11,000,000.00) necessary for this purpose, charged to proper funds.

<sup>1</sup> Classification: Internal Use

CERTIFIED TRUE COPY

  
M.A. RUTH ALMIRA G. VASQUEZ  
Records Officer  
Office of the Corporate Secretary

2 December 2020

A copy of the formulas for the dividend distribution is made an integral part of this Resolution.

CERTIFIED CORRECT:

**ORIGINAL SIGNED**  
**ATTY. LUZ VICTORIA F. REYES-MORANDO**  
Corporate Secretary

CONFIRMED:

**ORIGINAL SIGNED**  
**LUCAS P. BERSAMIN**  
Chairman

**ORIGINAL SIGNED**  
**ROLANDO L. MACASAET**  
Vice Chairman

**ORIGINAL SIGNED**  
**WILFREDO C. MALDIA**  
Trustee

**ORIGINAL SIGNED**  
**JOCELYN DE GUZMAN CABREZA**  
Trustee

**ORIGINAL SIGNED**  
**ALAN R. LUGA**  
Trustee

**ORIGINAL SIGNED**  
**NINA RICCI A. YNARES-CHIONGBIAN**  
Trustee

**ORIGINAL SIGNED**  
**ANTHONY B. SASIN**  
Trustee

**ORIGINAL SIGNED**  
**KAHAR H. MACASAYON**  
Trustee

**ORIGINAL SIGNED**  
**CARLO ANTONIO B. ALMIRANTE**  
Trustee

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**ANNEX- OLIF Dividend formula with the appropriate “a” and “b” factor.**  
**\*As agreed upon during the 9 November 2020 ROC meeting.**

**FORMULAS FOR 2020 OLIF CASH DIVIDEND DISTRIBUTION**

**For UOLI Policies in Force:**

Let:

- $F_x$  = **cash dividend factor for age  $x$  per P 1,000 amount of insurance**  
 $a$  = **gain in investment earnings**  
 $b$  = **gain in mortality**  
 ${}_tV_x$  =  **$t^{\text{th}}$  year terminal reserve**  
 $APL$  = **total automatic premium loan**  
 $q_{x+t-1}$  = **mortality rate at age  $x+t-1$**   
 $q_{x+t-1} * (1,000 - {}_tV_x)$  = **cost of insurance for the year**

**1.1 For Pure Endowment**

$$F_x = 0.0057 * {}_tV_x - 0.0057 * APL$$

**1.2 For All Others**

$$F_x = 0.0057 * {}_tV_x + 0.91 * q_{x+t-1} * (1,000 - {}_tV_x) - 0.0057 * APL$$

Using:

**A. For Optional Additional Life Insurance (O, OG, & Ex-Service)**

- i.) For Regular and Irregular Endowment, Pure Endowment, Whole Life and Limited Pay Life Policies  
*Issued prior to June 1, 1977*  
- Hunter's Mortality Table at 4%
- ii.) For Double Endowment Policies  
*Issued up to April 1, 1963*  
- Hunter's Mortality Table at 4%  
*Issued after April 1, 1963 and prior to June 1, 1977*  
- American Experience Mortality Table at 4%
- iii.) For Ex-Service Policies  
*Issued prior to June 1, 1977*  
- Hunter's Mortality Table at 4%  
*Issued on or after June 1, 1977*  
- 1958 CSO Mortality Table at 4%

**B. For Unlimited Optional Life**

- i.) 1941 CSO Mortality Table at 3.5% for policies with amount of insurance less than P 50,000
- ii.) 1958 CSO Mortality Table at 3.5% for policies with amount of insurance P 50,000 or over.

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