



QUALITY MANAGEMENT SYSTEM MANUAL

LBP (LAND BANK OF THE PHIL.)INSURANCE
BROKERAGE, INC.

Approval Date: 2018



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APPROVAL PAGE

The LIBI Quality Management System Manual has been prepared, reviewed and approved for its accuracy, clarity and alignment with the mission, vision and objectives. Implementation of this Manual is mandatory for all levels.

Approved by:



TOMAS T. DE LEON, JR.
President & CEO

Approved by the Board Meeting through Board Resolution No. 2018-



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MANUAL DISTRIBUTION

This Manual shall be distributed within LIBI and in accordance with the approved distribution list, controlled by the QMR. It shall be the responsibility of the holder to safe keep the copy.

Uncontrolled copy of the Manual maybe issued to outsider agencies/parties for general information duly marked with "uncontrolled copy" at the time of distribution.

An uncontrolled copy of the Manual has no contractual obligation with LIBI. A separate records and sequential numbers shall likewise be maintained for uncontrolled copies issued.



1.0 SCOPE AND APPLICABILITY

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. Quality Management System (LIBI QMS) Manual describes its insurance operations, namely, brokering and claims including all its management and support processes.

The established quality management system is in accordance with the ISO 9001:2015 (Quality Management) framework and pertinent statutory and regulatory requirements governing Insurance Commission (IC). This manual aims to align and improve systems and processes, fulfill all the requirements as mandated and enhance customer satisfaction. However, LIBI is excluded from requirement 8.3 of ISO 9001:2015 because it does not design and develop any new product, and product requirements regulated according to technical specifications established by the client and product quality.

This manual embodies the operational policies, procedures and work instructions that govern the operations of the LIBI.



REFERENCES

References

LIBI was drafted and finalized utilizing the following references:

1. ISO 9001:2015 - Quality Management System – Requirements
2. Annual Reports

Other documents and records used as reference include but not limited to the following:

- a. Risk Assessment Registry
- b. Statutory and Regulatory Requirements
- c. Executive Orders
- d. Special Orders
- e. QMS Manuals
- f. QMS Procedures
- g. Work Instructions
- h. Balanced Score Card – Performance Evaluation Scorecard (PES)
- i. Enterprise Risk Management and other Risk Framework
- j. Performance Agreement Negotiation with the GCG (PAN)
- k. Business Continuity Plan
- l. Job Description
- m. Minutes of Meetings
- n. Masterlist of Forms



Definition of Terms and Acronyms

For the purposes of this manual, the terms and its definition as presented below shall apply:

A/P	Accounts Payable
A/R	Accounts Receivable
aa	Administrative Analyst
ACD	Additional Claim Documents
AFT	Authority for Fund Transfer
AMA1	Account Marketing Analyst
AMA2	Account Marketing Assistant
AML	Anti-Money Laundering
AMS	Account Marketing Specialist
AO1	Account Officer
AO2	Acceptance Offer
AOESL	Advances to Officers and Employees Subsidiary Ledger
AR	Appraisal Report
Assets not part of Collateral	Shall mean properties insured thru LIBI which are not covered by the real estate mortgage or chattel mortgage clause of the pertinent credit transaction.
Audit	Systematic, independent documented process for obtaining audit evidence and evaluating it objectively to determine to which audit criteria are fulfilled
Audit Criteria	Set of policies, procedures, and requirements necessary for the scope of audit
Audit Evidence	Includes records, factual statements; and other verifiable information that is related to the audit criteria being used
Audit Findings	Results of the evaluation of collected audit evidence against audit criteria
Audit Plan	Description of arrangement and activities for the conduct of audit
Audit Scope	Focus, extent of a particular audit
Auditee	Unit being audited
Auditor	Person possessing specified qualification to conduct audit
AWOL	Absence Without Official Leave
BAC	Bids and Awards Committee
BCP	Business Continuity Plan
BOD	Board of Directors
BRS	Bank Reconciliation Statement
BSC	Balanced Scorecard
C/LR	Claims/Letter Report
CA	Credit Advice



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CAM	Cash Advance Memo
CASA	Codified Approving and Signing Authorities
Cash Advance	Amount released to Bank Officers and Employees to cover anticipated expenses in the discharge of their functions
CC	Corporate Check
CCS	Cash Count Sheet
CDS	Cash Deposit Slip
CEO	Chief Executive Officer
Certification	Confirmation of certain characteristics of an object, person, or organization
Certifying Body	Is an organization accredited by a recognized accrediting body for its competence to audit and issue certification conforming that an organization meets the requirements of a standard
CFS	Consolidated Financial Statement
CL	Collection Letter
CLI	Credit Life Insurance
CLP	Collection Process Module
CM	Credit Memoranda
COC	Confirmation of Coverage
COI	Certificate of Insurance
Conformity	Compliance with standards, rules, or laws
Continual Improvement	Activities that LIBI carries out in order to enhance its ability to meet requirements
Correction	Any action that is taken to eliminate non-conformity
Corrective Action	Steps that are taken to eliminate the causes of existing nonconformities on order to prevent recurrence. The corrective action process tries to make sure that existing nonconformities and potentially undesirable situations will not happen again
COS	Confirmation of Sale
CPC	Contingent Profit Commission
CqDS	Check Deposit Slip
CRB	Cash Receipt Book
CS	Canvass Sheet
CWTC	Creditable Withholding Tax Certificate
CY	Calendar Year
DB	Direct Business
DBM-PS	Department of Budget and Management – Procurement Service
DCPR	Daily Cash Position Report
Document	Any source of information relating to Quality Management System to ensure effective planning, operation and analysis
DOLE	Department of Labor and Employment
DRP	Disaster recovery Plan



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DSE	Document Supporting Endorsements
DST	Documentary Stamp
DV	Disbursement Voucher
DVR	Disbursement Voucher Register
Effectiveness	A degree to which a planned effect is achieved
ENP	Endorsement Process
ERM	Enterprise Risk Management
ESL	Employee Salary Loan
ExCom	Executive Committee
FID	Financial Institutions Department
Fidelity and Indemnity Bond	A form of insurance protection that covers policyholders for losses that they incur as a result of fraudulent acts by specified individuals; It usually insures a business for losses caused by the dishonest acts of its employees
FLFRN	Follow Up Letter for Renewal Notice
FMD	Financial Management Department
FS	Financial Statement
FST	Fire Service Tax
FT	Fund Transfer
Fund Transfer	The electronic transfer of money from one demand deposit account to another
GCG	Governance Commission for GOCC
GCG	Governance Commission for GOCCs
GOCC	Government Owned and Controlled Corporation
GS	Government Securities
Handling Fee	Shall mean an amount equal to the percentage as indicated above based on whatever LIBI will derive from the insurance transaction given by the insurer as commission or service fee.
HDMF	Home Development Mutual Fund
HF	Handling Fee
HO	Head Office
HR	Human Resource
IAG	Internal Audit Group
IC	Insurance Commission
ICP	Insurance Coverage Process
ID	Identification Document
IIBS	Integrated Insurance Brokerage System
IIRUP	Inventory & Inspection Report of Unserviceable Property
Indemnity Agreement	Compensation for damages or loss; An exemption from liability for damages; The concept of indemnity is based on a contractual agreement made between two parties, in which one party agrees to pay for potential losses or damages caused by the other party



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Indication	Term used to describe quotations which are not firm
Internal Audit	First party audit where organization audit themselves for internal purpose to declare compliance with the set standards and legal requirements
IP	Insurance Policy
ISO	International Organization for Standardization
it	Information Technology
IT	Information Technology
ITR	Income Tax Return
JV	Journal Voucher
KYC	Know-Your-Customer
LBPB	Land Bank of the Philippines Business
LBP-FAD	Land Bank of the Philippines – Financial Account Department
LC	Lending Center
LGT	Local Government Tax
LIBI	LBP Insurance Brokerage, Inc.
LIBI/LBP /Bank	Land Bank of the Philippines
LIC	Letter of Insurance Coverage
LMLS	Land Bank Mobile Loan Saver
LR1	Letter Request
LR2	Liquidation Report
LS	Lapsing Schedule
LU	Lending Unit
Major Non Conformity	It is the absence or total breakdown of a system to meet the requirements of the ISO 9001 Standards and/or the Quality Management System
Management Review	Conducted to evaluate the suitability, adequacy, and effectiveness of an organization's QMS and ;look for improvement opportunities, assess opportunities to review the policies and objectives, address resource needs, etc.
MANCOM	Management Committee
MANILA BAY SUNSET	Manila Bay Socially Responsible and United in Nurturing and Sustaining the Environment
MAR	Monthly Attendance Report
MBG	Mortgage Banking Group
MC	Manager's Check
Minor Nonconformity	A nonconformity that is not likely to:
ML	Maternity Leave
MTP	Management Training Program



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NC	Notice of Claim
New Business	Shall mean new insurance placement thru LIBI.
Nonconformity	Refers to a failure to comply with requirements. For purposes of this Manual, requirements shall refer to those specified under the QMS
NPC	Notice of Policy Coverage
NPE	Notice of Policy Endorsement
NPR	Notice of Policy Renewal
OB	Official Business
OnColl	Online Collection
OR	Official Receipt
OT	Overtime
OTC	Over-the-Counter
OTISA	Official Travel Instruction Sheet Authorization
PA	Personal Accident
PAN	Performance Agreement Negotiation
PCF	Petty Cash Fund
PCR	Policies for Cancellation Report
PCV	Petty Cash Voucher
PD	Payment Document
PDC	Post-Dated Check
PDCA	Plan, Do, Check, Act
PE	Property Equipment
Performance Measures	Performance dimensions/criteria that contribute to or support the outcome/s that the Bank aims to achieve under the following general categories:
PES	Performance Evaluation System
PFD	Provident Fund Department
PHIC	Philippine Health Insurance Corporation
PHILGEP S	Government-wide and internet-based system which is the primary and definitive source of information for all government procurement
PHP	Philippines Peso
PL	Proposal Letter
pl	Programmed Leave
PO	Purchase Order
Posted Transaction	A transaction inputted by the User in the SL system which was validated, approved and posted by the Supervisor and available for batching
Procedure	Specified way to carry out activities which transforms inputs to outputs
PRR	Policies for Renewal Report
PTWAR	Performance Target Worksheet & Appraisal Report



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PTWAR	Performance Target Worksheet and Appraisal Report
QL	Quotation Letter
QMS	Quality Management System
QPRMI	Quick Pak Records Management, Inc.
RATA	Representation and Transportation Allowance
RC	Record Center
RCD	Regulatory Compliance Department
RCTL	Record Center Turnover Listing
RD	Related Documents
Record	Type of document that provides evidence that activities have been performed and results have been achieved
Renewal	Shall mean existing insurance placed with LIBI and was renewed by the unit.
Resident	Refers to:
RIF	Records Inventory Form
RIQ	Request for Insurance Quotation
RIV	Requisition and Issue Voucher
RN	Renewal Notice
SA	Savings Account
SBO	Statement of Business Operation
SC	Settlement Check
SD	Supporting Document
SDF	Salary Deductions Form
Settlement Risk	Arises upon a simultaneous exchange of value with a counterparty, where verification of payment from the counterparty is not received until after the bank's own payment is already delivered
SL	Subsidiary Ledger
SL	Sick Leave
SO	Settlement Offer
SOA	Statement of Account
SPG	Strategic Planning Group
SPRI	Summary of Processed Requests Per Insurer
SQ	Summary of Quotation
SR	Summary of Requests
SSS	Social Security System
Success Indicator	Performance level yardsticks consisting of performance measures and performance targets
SWOT	Strength, Weakness, Opportunities, Threats
TAT	Turn-around Time
TB	Trial Balance
TBG	Trust Banking Group
TOR	Terms of Reference
TSI	Total Sum Insured



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UCA	Unreceipted Credit Advice
Unit	Shall mean to include all LBP Branches, field officer, Account management Group (AMG) which are contributing to the business undertaking of LIBI by way of insurance placement.
VAT	Value Added Tax
VL	Vacation Leave
VMV	Vision, Mission and Core Values
WS	Withdrawal Slip



4.0 ORGANIZATIONAL PROFILE

4.1 Organizational Description

The LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LIBI) was organized as wholly owned subsidiary of Land Bank of the Philippines (LBP) on October 22, 1981 under Securities and Exchange Commission (SEC) Registration No. 105764. On May 16, 1983, its Articles of Incorporation was amended increasing the number of directors of the Board from 9 to 11. This was further amended on October 17, 1994 increasing the LIBI's authorized capital stock from P20,000,000.00 to P300,000,000.00 and revising its secondary purpose. It was created primarily for the purpose of engaging in the business of general insurance brokerage management and consultancy more particularly as follows:

- To act as insurance broker for life, health, accident, motor car, casualty, surety and fidelity, marine cargo and hull, comprehensive liability insurance and other insurance coverage allied with the incident to the above-mentioned lines, and
- To engage in management and consultancy work on insurance an in this connections, to hold, own, purchase, acquire, underwrite, obtain participation in and manage the business of any corporation, partnership or equity.

LIBI is directly under the ADLS of the LIBI. It is headed by a President and CEO and is composed of three (3) units: Marketing Unit, Accounting Unit and Administrative.

The registered and principal office of business is located at 12th Floor Sycip Law Center, 105 Paseo de Roxas Street, Legaspi Village, Makati City.

INSURANCE DIVISION

It undertakes the core business operations of LIBI which composed of the Marketing, Accounting and Administrative Units. The basic functions of these three (3) Units are as follows:

MARKETING UNIT

- Handles servicing and monitoring of LIBI's clients/borrowers and direct business that includes claims service.
- Documents processing, surveying, billing and releasing of SOA.

ACCOUNTING UNIT

- Handles the monthly transmittal of CLs with aging of receivables to the clients.
- Monitors the A/R-Trade and A/P-Trade accounts through regular reconciliation and coordination with LBP Branches/LCs and HO Units.
- Handles the remittance of paid premium to the Insurance Companies.
- Monitors and reconciles Due to Principal accounts against the insurers' records.
- Handles disbursements, monitors cash in bank, expense and liabilities.



ORGANIZATIONAL PROFILE

- Prepares and monitors annual budget, projections/ forecasts.
- Ensures accurate and timely payment of local and national taxes and filing fees to local and national government.
- Maintains the LIBI's system of accounts and keeps books and records on all LIBI's transactions.
- Handles the yearly registration of books of accounts to BIR. Chart of Accounts are shown on pages nos. xxviii - lvii.
- Monitors compliance with the applicable accounting framework, preparation of monthly and year-end financial statements including notes accompanying the financial statements.
- Handles issuance of LIBI's Annual Audit Financial Statements to governing agencies and other stakeholders.

ADMINISTRATIVE UNIT

- Handles the daily collections, PCF, releasing of checks and Authority to Debit.
- Prepares payroll and benefits, and monitors the attendance, SL and VL of employees.
- Handles the recruitment and hiring.
- Monitors the inventory and acquisition of office supplies, office equipment, furniture and fixtures.
- Safekeeps the general files.
- Handles the functions of Information Technology.

4.1.1 Context of the Organization

LIBI's mission, vision and core values (VMS) shown below:

MISSION

To provide accessible, competitively priced and responsive insurance services to all LBP borrowers and clients.

To efficiently facilitate processing of insurance requirements originated by LBP Lending Center Account Officers and LBP Branches.

VISION

To be among the top 10 insurance brokerage in terms of premium produced by 2022.

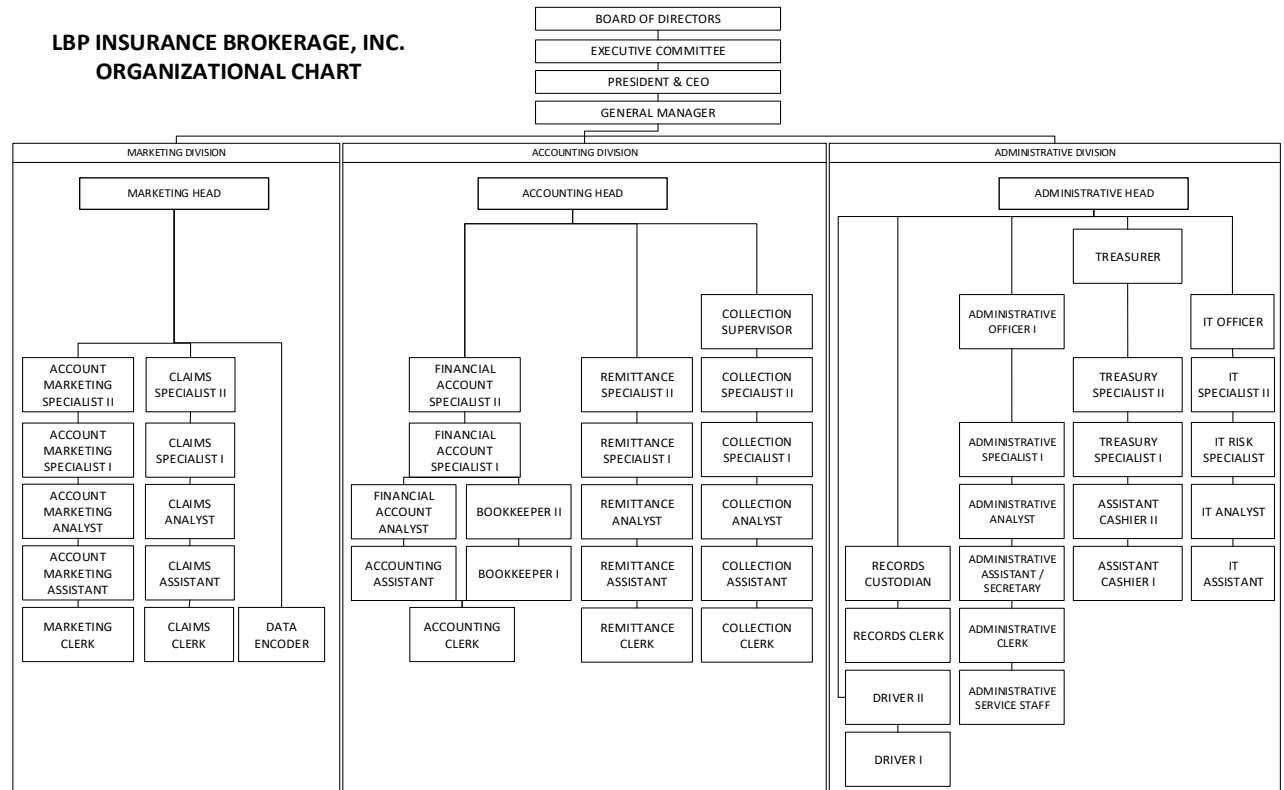
CORE VALUES

The LIBI believes that the three most important aspects of culture and identity which govern actions and strategies as an organization are: social responsibility (service to community and customer satisfaction), excellence (quality and competitiveness), and professionalism (teamwork, dedication, commitment, competence and mutual respect). The agency regards people as the most important asset of the organization and since the customer is its lifeblood, it believes that the customer is the focus of its attention.



LIBI is governed by its Board of Directors (Board/BOD) with the President and Chief Executive Officer (CEO) as the Head of the institution and supported by the General Manager. As a government-owned and controlled corporation (GOCC), members of the Board are appointed by the President of the Philippines. The Board is composed of eleven (11) members.

LIBI's Organizational Structure



LIBI Board of Directors is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

The Executive Committee (ExCom) is composed of four (4) Board of Directors, President and CEO, General Manager, and the Heads of Marketing, Accounting, and Administrative Units which are primarily responsible for implementing and guiding the activities of the organization to achieve its objectives and goals on such specific matters within the competence of the Board as may from time to time be delegated to the Executive Committee in accordance with LIBI's Articles of Incorporation and By-Laws.

LIBI:

- Is ranked sixteen (16) in terms of premium produced and fifteen (15) in terms of commission earned;
- Is the primary insurance broker of Land Bank of the Philippines (LBP) servicing all of its LBP units;



- Has dedicated itself to providing services to low-income and disadvantaged individuals across the country through micro-insurance.
- Is one of the remitter of cash dividends to the national government.

In its strategic planning process, LIBI identifies strategic challenges and advantages using Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.

4.2 Interested Parties

4.2.1 Stakeholder Groups

As a Government-Owned and Controlled Corporation (GOCC) and LIBI Subsidiary, LIBI considers its stakeholders and interested parties as key players in its operations due to their impact and relevance to the business. Updates on their activities and other pertinent information that may affect LIBI are monitored and acted upon accordingly. The table below provides a description of the LIBI's stakeholders and interested parties, their requirements, needs and expectations as well as the concerned LIBI Units that ensures requirements are met:

Stakeholder Groups	Requirements/Expectations	Concerned Units
Clients	Quality customer service, secured, reliable and convenient	All LIBI Units
Partners	Mutually-beneficial relationship; project sustainability and impact	All LIBI Units
National Government	Dividends remittance, transparency and good governance, and payment of taxes.	LIBI Board, Management, Accounting, Marketing and Administrative Units
Regulatory Bodies	Compliance with laws, rules, regulations and policies	Administrative and Accounting Unit
Employees	Fair compensation and benefits	Administrative Unit
Management	Supports LIBI goals & objectives	Board, ExCom and Middle Management
Communities	corporate social responsibility	All LIBI Units
Service Firms, Suppliers	Professionalism, ethical standards, good governance, transparency and accountability, timeliness of deliverables and payments, upholding contracts	All LIBI Units
Media	Public information, and availability for issues clarification	Administrative Unit



4.2.2 Customer Groups

LIBI's key customer groups are:

1. LBP Units
 - a. LBP Departments
 - b. LBP Lending Centers
 - c. LBP Branches
2. Individuals and Corporations

These customer groups require and expect: (1) quality customer service, (2) accessible and competitively priced, (3) responsive insurance services, (4) profit generation and (5) business management. Institutional clients have the same but more complex requirements and higher expectations.

4.2.3 Partner Groups

LIBI establishes and maintains a string of partnerships with accredited insurance companies, various agencies and corporations in order to facilitate a more efficient delivery of insurance services and as well as achieve a wider reach for its development programs.

Type of partner groups includes insurance companies, National Government, and CSR partners.

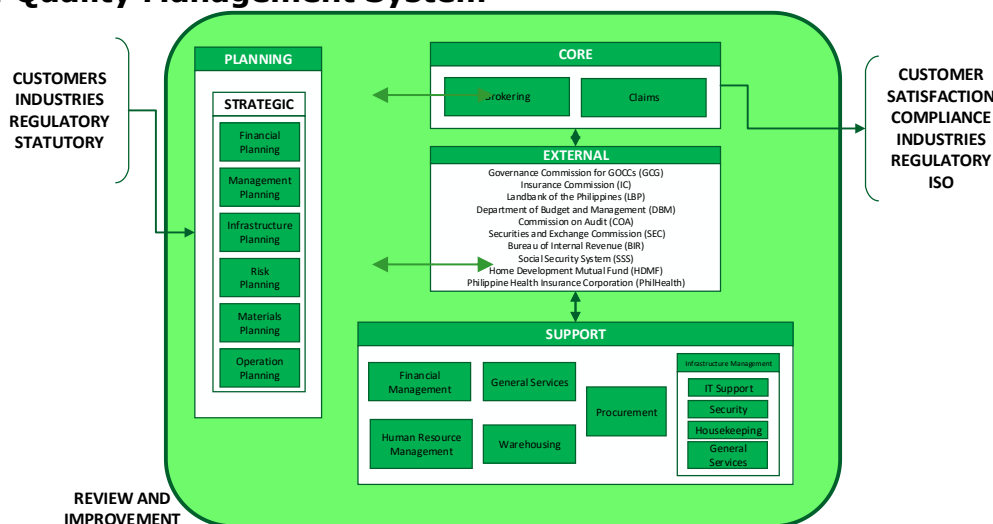
4.2.4 Regulatory Bodies

LIBI is a highly regulated entity. LIBI monitors and ensures compliance of all regulatory requirements through the LIBI Compliance Management Group.

4.3 Scope of QMS

This manual is an overall guide to the QMS. Refer to Section 1 of this manual for its identified scope.

4.4 Quality Management System

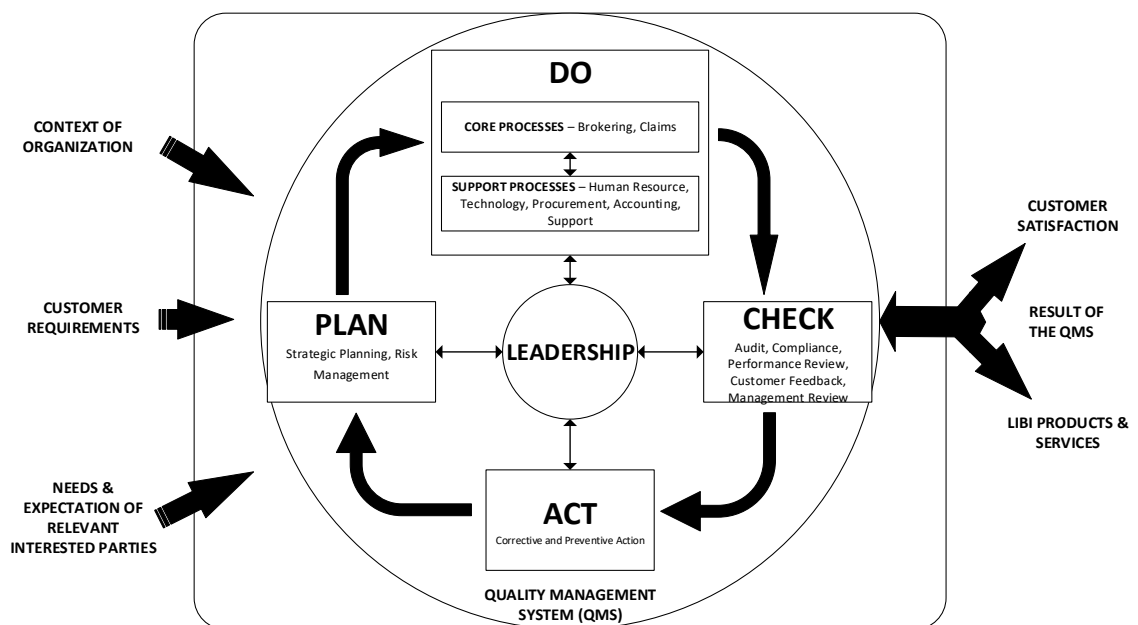




The LIBI as a GOCC operates for the purpose of engaging in the business of general insurance brokerage and for providing management and consultancy services on insurance-related activities. Hence, a process-based quality management system model as suggested by the ISO has been adopted.

4.4.1 Business Process

LIBI's Quality Management System describes the sequential processes that make up the LIBI's core business including other management and support processes needed and their interactions. Below is an illustration of the QMS using the Plan-Do-Check-Act Model.



LIBI determines processes needed for the Quality Management System through the following:

- Inputs required and outputs expected – SIPOC
- Process sequence and interaction – Operations Manual
- Criteria and method for effective operation and control – Internal Control, Operations Manual
- Resources needed and assurance of availability – Corporate Budget
- Responsibilities and authorities – Job Descriptions, Special Order
- Address risk and opportunities – Risk Control Self-Assessment
- Evaluate processes and implement changes to achieve planned results – performance review and monitoring



The Quality Management System is in accordance with ISO 9001:2015 (QMS) standards. Above key processes are monitored, measured (where applicable) and analyzed against the perspectives of the LIBI Balanced Scorecard and external audit. Business impact and risk applicable to all LIBI activities, products and services are identified, controlled and monitored.

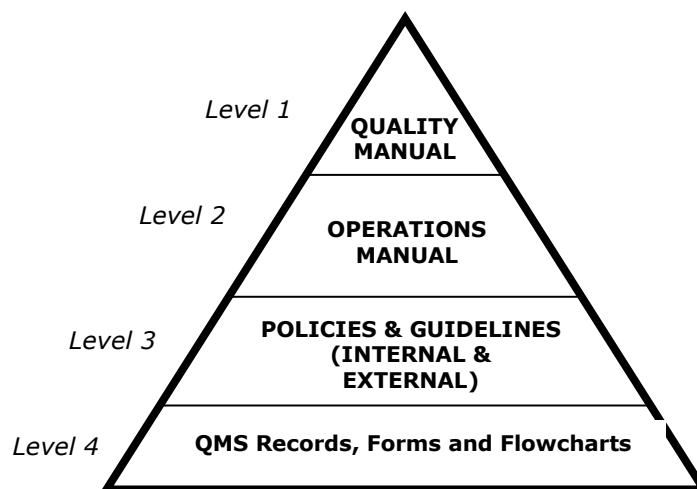
4.4.2 Documented Information

LIBI maintains and retains documented information to support its operations and processes.

LIBI Quality Management System documentation is consist of "maintained documented information", also referred to as documents and "retained documented information", and also referred to as records, throughout the QMS.

The LIBI's Quality Management System is designed to assure consistency in meeting the clients/customers and citizens' needs and expectations through the actual performance of the documented processes, procedures, work instructions and support policies, systems and procedures.

The LIBI Quality System is described in the following documents:



Level 1: Quality Manual – The highest level of Quality System documentation. It contains the quality policy, organizational structure, resource management, and specific policies for business process and quality control and improvement.

Level 2: Operations Manual – Operational guide on what LIBI does and how it achieves stated policies. It also provides guidance on how to communicate and perform various activities. The Operations Manual also includes operational instructions that describe the detailed series of steps in performing routine activities.



Level 3: Policies and Guidelines (Internal and External) – The Policies and Guidelines include records of agency issuances such as Memorandum Circulars, Office Orders and Special Orders. It also includes Executive Orders and Memorandum Circulars issued by the Office of the President of the Philippines and/or particular oversight agencies which are relevant to the LIBI’s operations and should be complied with.

Level 4: QMS Records, Forms and Flowcharts – The Quality Records include records providing evidence of conformity to the established procedures and work instructions, as well as the LIBI’s QMS.

The Quality Management System includes procedural documents, as follows:

- Control of Documents
- Control of Non-Conforming Output
- Environmental Aspects Impact
- Business Continuity Management
- Internal Audit
- Management Review
- Control of Records



5.0 LEADERSHIP

5.1 Commitment

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. ("LIBI") is committed to provide accessible, competitively priced and responsive insurance services to all LBP borrowers and clients. LIBI is also committed to efficiently facilitate processing of insurance requirements originated by LBP Lending Center Account Officers and LBP Branches.

LIBI's top management takes accountability over the performance of the organization and its impact on its stakeholders. It also ensures that strategic objectives are aligned with the set thrust and directions of the LIBI in line with its vision and mission.

The LIBI leadership is committed to spur countryside development, strengthen its existing programs and undertake new initiatives to advance development objectives, fortify institutional viability and improve customer service.

Top management listens to the ideas and consensus of people inside and outside LIBI through meetings and dialogues with clients, employees and business partners. These are avenues to determine what processes and services should be improved or changed to address customer needs.

In the area of employee development, Management adheres to good labor practices by creating a professional and healthy work environment while promoting work-life balance and volunteerism. They strengthen LIBI's workforce by training and compensating talents that hones the capabilities of future leaders.

5.2 QMS Policy

LIBI's QMS Policy approved and communicated to all its stakeholders is as follows:

We are a steadfast and viable institution where we exceed efforts to meet clients' expectations; embracing ourselves responsible for institutional service commitment and aim for competence as we render services to be adhered to without any reservations or limitations.

We believe that by 2022, LIBI will be among the top 10 insurance brokerage in terms of premium produced, and therefore, we:

Live by the fundamentals and principles of Insurance Industry thru compliance on statutory and regulatory requirements as well as our Code of Conducts and Ethical Standards as we set the;



Ideal institution that demonstrates respect for each other and hold ourselves accountable for appropriate behavior while displaying a sound knowledge in our fields of operation;

Be courteous, resilient, patient, and prompt in redressing clients' needs, requirements and complaints at all times by;

Implementing and maintaining professional behavior as we go extra-mile to achieve clients' full satisfaction and will always welcome feedback and inputs in order to continually improve our processes.

5.3 Organizational Roles, Responsibilities and Authorities

The responsibility, authority and interrelation of personnel, who manage, perform and verify work affecting the quality management system, are defined, and included in the Job Description, Special Orders, Codified Approving and Signing Authority (CASA), Operations Manual, Organizational and Functional Charts.



6.0 PLANNING

6.1 Actions to Address Risks and Opportunities

LIBI takes a proactive stance in dealing with possible or probable scenarios that would affect its operations, including those that might require rapid adjustments in its performance measurement system. To address vulnerabilities in its manifold businesses, LIBI has embarked on LIBI Enterprise Risk Management Office (ERMO), which also helps cushion LIBI against the impact of sudden organizational or external changes.

6.1.1 General

Risk Management (RM) is strongly embedded in LIBI's business strategy. It is an integrative component of good governance wherein the LIBI Board, through the Audit and Risk Committee and Senior Management ensures the adequacy of framework, policies, internal controls, RM systems and procedures to manage risks considering the issues, requirements from and compliance obligations to interested parties.

The LIBI's RM approach is governed by the Board-approved Risk Management Manual anchored on its mission, vision and strategic objectives. LIBI's implementation of RM system with defined pro-active RM across various operations of LIBI is beyond compliance.

The LIBI, through its LBP-Enterprise Risk Management Office (ERMO), ensures that existing and potential hazards are identified within its current and future operations, including new services, and its impact on the employees, customers, and society.

Risks associated with LIBI's environmental aspects and impacts to its activities/products/services are identified with corresponding operational controls.

The process of determining risks and opportunities are also identified to enable LIBI to maximize the benefits arising from risk controls.

LIBI also ensures effective implementation of controls to manage the risks identified in accordance with the established procedures. (*refer to Risk Control Self- Assessment, Internal capital Adequacy Assessment Process documents and Business Continuity Plan*)



6.1.2 Organizational Aspect

LIBI establishes and maintains orderly procedures for identifying the environmental aspects and impacts from the LIBI's activities, processes and services.

The organizational aspects within the defined QMS scope including direct and indirect, actual and potential aspects related to modified activities, processes and services of LIBI are identified and evaluated. Significant aspects are determined using established criteria and are recorded in the aspects and impacts registry, and subsequently communicated to the organization.

6.1.3 Compliance Obligations

LIBI determines and has access to compliance obligations related to its environmental aspects, activities, processes and services and determines how these compliance obligations are complied with.

6.1.4 Planning Actions

LIBI plans or takes actions to address its significant environmental aspects, compliance obligations, and the risks and opportunities identified.

It integrates and implements actions into its IMS and business processes and evaluates effectiveness of its actions.

6.2 Planning

LIBI Management actively steer the strategic planning process to establish attainable targets for LIBI. Key factors are identified and challenges for each of the targets and inputs are solicited from the concerned sectors. With the active participation of officers of LIBI, all inputs are discussed and analyzed. During the process, steps are laid down to aid in the accomplishment of the set targets.

Key performance indicators are established per identified target to ensure consistent monitoring. In instances of shortfalls, units are required to formulate catch-up plans to assure achievement of their goals and objectives.

6.2.1 Strategic Planning - Setting, preparation and Review

Prior to the adoption of LIBI's Performance Management System, LIBI conducts its Strategic Medium-Term Planning by doing four activities namely: (1) Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis, (2) Direction-setting workshops, and (3) Final group workshop which identifies and selects the strategic initiatives that will be included in LIBI's Medium-Term Plan for the next five years.



6.2.2 Setting, Preparation and Review of Organizational Objectives, Targets and Programs

LIBI, likewise, establishes implements and evaluates organizational objectives, targets and programs (OTPs) to achieve compliances with its regulators and stakeholders and to continuously improve its organizational performance.

6.3 Management of Change

In managing significant changes, LIBI considers:

- the purpose of the changes and their potential consequences
- the integrity of the quality management system
- the availability of resources and
- the allocation or reallocation of responsibilities and authorities



7.0 SUPPORT

7.1 Resources

7.1.1 General

To sustain the LIBI's business goals and social mandate and to ensure consistency of operations, LIBI provides the resources needed to support the current action plans. Yearly, a corporate budget which specifies proposed allocations based on projected expenditures for the budget year is prepared and approved. This is aligned with the annual operational and technology requirements duly approved by the Board. The budget incorporates the resources for targets and action plans of all sectors relating to their mandate & support to the LIBI's strategic plans.

As a business strategy, LIBI also engages some of its functions or processes in outsourcing for a more efficient and cost effective delivery of processes and services. These outsourcing arrangements are controlled, monitored and reported in accordance with the LIBI's policies and regulatory requirements.

7.1.2 People

Like most successful organizations, LIBI believes that the human capital is the most important pillar of its long-term institutional sustainability. As such, LIBI is fully committed to continuously enhance its human resources to be better equipped and responsive to the growing demands of a dynamic and highly competitive environment as well as responding to the ever-changing demands of its customers and clients.

To ensure that LIBI organizations maintain highly qualified and competent personnel, the Administrative Unit implements a system for hiring in accordance with acceptable standards and the competency requirements needed to carry out the operations of the LIBI. Aside from the Qualification Standards, the Administrative Unit also ensures that recruitment of personnel is within the LIBI Personnel Manual on Hiring.

Training and Evaluation

LIBI continuously invests in programs and initiatives to equip its human resources with sufficient competencies and the required skills to help them become more effective contributors to the LIBI's mission of developing a more prosperous countryside.

The Administrative Unit takes the lead in determining competency interventions and enhancements needed by LIBI personnel, while the development and design of training programs are course through training service providers, including the facilitation of the training program implementation and management of the evaluation and verification of



effectiveness of actions taken to develop and enhance the competencies of the LIBIs' personnel.

7.1.3 Infrastructure

LIBI owns the 12th floor of Sycip Law Center which serves as the main office. It houses the technologies and equipment that facilitate its operations for the employees. Facility maintenance for LIBI office is in the direct control of Building Maintenance of Sycip Law Center.

7.1.4 Environment

All units monitor and maintain the appropriate work environment to ensure the smooth flow of the product realization processes in order to achieve conformity to client requirements. All work areas are maintained in a clean and tidy manner.

LIBI units have direct control over the communications, software and hardware tools used by the department staff to carry out their job functions, e.g. phones, desktop computers, printers, software, etc. This is in close coordination with the Administrative Unit, IT Personnel.

Management of the work environment intends to influence motivation, satisfaction and performance of the employees in order to enhance the performance of the organization. This is done through the provision of the needed equipment, advocating good housekeeping and instituting safety practices.

The Administrative Unit also implements various incentives and benefits as a means of motivating personnel towards higher productivity and having a more innovative approach to work. The campaign for health in the workplace was intensified through establishing lactating room.

7.1.5 Monitoring and Measuring Resources

Customer satisfaction is among the strategic measures for 2015 organizational performance. Through the nationwide customer satisfaction survey which will be conducted this year, LIBI intends to gather feedback to serve as input for enhancing customer service.

As a primary measure of the performance of our management system, Administrative Unit monitors information relating to client perception as to whether they are meeting client requirements.

These requirements are determined by means of:

- Performance Feedback & Customer Satisfaction Survey (CSS)
- Review of positive and negative client feedback reports
- Complaints Handling



Performance Analysis and Review

Data that are gathered and selected are aligned and integrated across various levels in the organization, where they are used in performance analysis and reviews. Some reviews entail simple consolidation of information for the purposes of monitoring and reporting, while others necessitate the comparison of performance data against previous performance to ensure the accomplishment of targets and alignment to strategic objectives.

Apart from Board and Executive Meetings, all units conducts semi-annual Performance Target Worksheet and Appraisal Report (PTWAR) serve as venues for performance review. Catch-up and improvement plans for slow-moving targets are taken up as necessary, based on performance data.

7.1.6 Organizational Knowledge

LIBI manages knowledge within the organization to improve performance, innovate and share lessons learned. It has different sources and repositories of knowledge, and the management of these is being handled by various units of LIBI.

At present, the various touch points as identified for clients and stakeholders serve as channels for the collection and transfer of knowledge to various stakeholders, including officers, employees, regulatory and oversight bodies, customers, suppliers, and partners.

As a result of performance analysis and review, best practices are shared within the organization and through the following processes:

- Data are analyzed to establish performance level on a particular measure
- High performing units are determined

7.2 Competence

LIBI's continuing efforts towards the development and implementation of competency-based processes was made possible through the crafting of its Competency Framework. Competencies clarify the knowledge, skills and abilities required for successful performance. These are typically evaluated based on demonstration of observable behaviors. A competency framework provides the foundation for performance management, career pathing and planning, learning and development, and succession management.

7.3 Awareness

LIBI ensures that all units, officers and staff are aware of the vision, mission, strategic thrusts and directions, the quality management system policy. This also includes corresponding performance measures that will monitor their contribution to the business and to check effectiveness of the management system in accordance with established LIBI policies and procedures.



7.4 Communication

Internal Communication

All vital information for all LIBI management, its employees and stakeholders are cascaded via the channels available and accessible to them. Some of these information sharing channels are through emails, meetings, bulletins, and inter-office memoranda.

LIBI has instituted a transparent workplace by sharing information across the organization. Teamwork and positive relationships at work are reinforced by camaraderie and open communication between supervisors and staff and among co-workers. The LIBI's performance management system has been designed in such a way that employees are aware and informed of how well they have performed or are performing in their jobs. Members of the workforce can report any impropriety in the LIBI's operations through the Admin Unit.

In cases of disruptions and emergencies that may impact business delivery, a Business Continuity and Emergency Preparedness Mechanism was established to ensure the continuity of services.

External Communication

LIBI manages and administers external relations through LBP Corporate Affairs Department. External relations program includes advertising, sponsorships, exhibits, and special events. LIBI also manages the internal and external communications.

7.5 Documented Information

Several systems and documents serve as repository of the LIBI's data, information and knowledge. To ensure their accuracy, integrity, reliability, timeliness, security and confidentiality, several controls, policies, procedures and standards are in place for all LIBI systems and manually handled data or transactions.



8.0 OPERATION

8.1 Operational Planning and Control

8.1.1 QMS Operational Planning and Control

LIBI's overall operations consist of key work processes as they relate to stakeholders' requirements whose results are aligned to the strategic objectives and business goals of the LIBI. The structure is more responsive to the requirements of all stakeholders.

The development or enhancement of the work processes are triggered by the following key factors such as:

- compliance to regulatory requirements,
- voice of the customers,
- management directives,
- industry trends; and
- thrust of the national government

The key work process implementation shows alignment of work processes with the quality management system of the LIBI and key measures for the identified processes. Each LIBI process is guided by a set of rules defined in the specific LIBI issuances and are likewise documented in the Operations Manual. Any enhancement in the process is documented by issuing amendments or revisions of the policies and procedures.

Relative to the above, changes within the system are being made according to each unit. Each unit (Administrative, Marketing and Accounting) has the responsibility of managing the processes to improve the LIBI's delivery of processes and services. The performance reviews are being conducted by the units concerned in varying frequencies depending on the demands of its operations.

8.1.2 Emergency preparedness and Response

LIBI establishes and maintains guidelines and procedures that identify and respond to emergency situations involving life and property, and environment and the prevention and mitigation of significant organizational impacts.

LIBI establishes implements and maintains Emergency Preparedness and Response (EPR) plans and procedure(s) to:

- a. Identify and assess potential emergency situations/incidents and accidents, including breach of security;
- b. Respond to such emergency situations/incidents and accidents taking into account the needs of relevant interested parties, e.g. emergency services; and



- c. Prevent or mitigate associated adverse health and safety consequences, environmental impact and security breach.

LIBI Emergency Response Team, in coordination with the Building Admin Sycip, implements the emergency preparedness plan for LIBI.

LIBI's EPR plans and procedures are communicated to all employees and other stakeholders, as applicable and that important contact numbers (fire department, police, etc.) are continually updated.

LIBI through the Building Admin of Sycip periodically test the abovementioned procedures, as practicable, involving relevant interested parties as appropriate.

Periodic review and, where necessary, revision of the EPR plans and procedure after regular testing and after the occurrence of emergency situations and accidents is done.

8.2 Requirements for Processes and Services

In the design and development of processes and services, client requirements are defined following the inputs gathered from the various channel interfaces including all legal/other regulatory requirements and other considerations that may be applicable.

LIBI ensures that it has the ability to meet the requirements for the processes and services.

8.3 Design and Development of Products and Services

LIBI is excluded from requirement 8.3 of ISO 9001:2015 because it does not design and develop any new product, and product requirements regulated according to technical specifications established by the client and product quality.

8.4 Control of Externally Provided Processes

As a general rule, LIBI procures only from suppliers that are qualified under the Procurement Law (RA 9184). Factors that primarily influence supplier selection are: (1) compliance of offered goods/services with LIBI's technical specifications, (2) availability of the goods/services within the prescribed delivery period, (3) track record of supplier and, (4) supplier's compliance with government regulations and (5) cost.

Notices for public bidding are posted in the Philippine Government Electronic Procurement System (PHILGEPS). Mechanisms for communication include email, meetings, phone calls and official correspondence.



8.5 Control of Non-Conforming Outputs

LIBI ensures that non-conforming outputs arising from its operations are effectively controlled.

These non-conforming outputs include deviations from specified process controls or criteria which result to errors or lapses in transactions relevant to LIBI services. These errors or lapses are either detected during or after processing by concerned staff/personnel, or by relevant oversight functions and processes serving quality control functions or secondary risk control mechanisms.

All rectified non-conforming outputs are re-verified to ensure compliance to specified requirements. Records are maintained describing the non-conformity, the actions taken, and the authority deciding the action taken.

Appropriate action plans that address the root cause of these non-conformities are identified. The same are monitored and checked to ensure that these are effectively addressed the problem and that problem recurrence is avoided.



9.0 PERFORMANCE EVALUATION

9.1 Monitoring Measurement, Analysis and Evaluation

LIBI regularly monitors measures, analyzes and reviews its business processes and company performance and makes necessary improvements to ensure conformity to quality requirements including but not limited to:

- a. Conformance of services delivered to customers and statutory requirements;
- b. Compliance to quality standards; and
- c. Impact to the organization.

LIBI identifies and manages its interrelated processes by defining how specific activities within its system should operate to demonstrate conformity to service requirements, and by continually improving the system through proper monitoring, measurement, analysis and evaluation.

LIBI ensure that the established Performance Evaluation Scorecard (PES) is regularly monitored. Conformity to the standards as measures of the processes are monitored and gaps (standard vs. actual) analyzed. The identification of the needed action plans vary depending on the nature of the item to be controlled, which is the responsibility of the process owner or the person-in-charge.

Some of the data and information gathered and analyzed regularly in the performance of functions

LIBI retains appropriate documented information as evidence of the monitoring, measurement, analysis and evaluation results.

9.2 Internal Audit

LIBI has a developed, established and well-maintained documented procedure for planning and conducting internal audits to verify whether quality activities and related results comply with planned arrangements, to the requirements of the standards, relevant legislations or regulations and that the QMS is effective in meeting the policies and objectives of LIBI.

Internal audits shall be conducted based on the scheduled audit plan, taking into consideration the status and importance of the processes and areas to be audited, as well as the results of previous audits. Scope of audit shall cover all possible areas related to the LIBI's QMS, which include its business process, quality objectives, potential problem analysis, procedures, guidelines, policies and other support documentation and records used.



Audit shall be conducted through interviews, observations and record trail. The selection of auditors and conduct of audits shall ensure objectivity and impartiality of the audit process. Auditors shall not audit their own work.

9.3 Management Review

9.3.1 General Requirements

Regular meetings are conducted at per management level. These are fully recorded and, as a minimum, produce formal conclusions and recommendations for improvements within each level of the organization.

LIBI conducts multi-tiered reviews as follows:

- Tier 1: Board Meetings; ExCom Meetings
- Tier 2: Other Board Level Committees
- Tier 3: Unit

In addition, general staff meetings are conducted as necessary.

9.3.2 Review Inputs

Management review inputs include the following information over the period covered:

1. The status of actions from previous management reviews
2. Changes in external and internal issues that are relevant to the quality management system
3. Information on the performance and effectiveness of the quality management system, including trends in:
 - Customer satisfaction and feedback from relevant interested parties
 - The extent to which quality objectives have been met
 - Requirements of ISO 9001:2015
 - Process performance and conformity of processes and services
 - Nonconformities and corrective actions
 - Monitoring and measurement results
 - Audit results
 - Performance of external providers
4. The adequacy of resources
5. The effectiveness of actions taken to address risks and opportunities
6. Opportunities for improvement



9.3.3 Review Output

Management Reviews result in decisions and actions related to:

- Conclusions on the continuing suitability, adequacy and effectiveness of the quality management system;
- Decisions related to continual improvement opportunities;
- Decisions related to any need for changes to the quality management system, including resources;
- Actions, if needed, when QMS objectives are not achieved;
- Opportunities to improve integration of the quality management systems with other business processes, if needed;
- Any implications to the strategic directions of LIBI.

Important outputs from Management Review are made available to relevant members of LIBI for communication, consultation and appropriate actions.



10.0 MONITORING, MEASUREMENT, ANALYSIS AND EVALUATION

10.1 General Requirements

The LIBI's policies, objectives, audit results, analysis of data corrective actions, management review and others are used to continually improve the effectiveness of the quality management system

LIBI establishes a clear structure for an improvement and innovation program implemented throughout the organization to meet and exceed customers' expectations and overcome business challenges. Areas for improvement and innovation shall include, but not be limited to:

- a) Improving services, systems and processes, structures, relationships and work environment to meet requirements as well as to address future needs and expectations;
- b) Correcting, preventing or reducing undesired effects;
- c) Improving the performance and effectiveness of the QMS

10.2 Non Conformity and Corrective Action

The procedure for Corrective Action has been established and documented to identify, review and take action on non-conformities that may be observed on listed sources such as:

- Result of Customer Satisfaction Surveys
- Complaints received
- Audit non-conformities
- Unmet objectives
- Other non-conformities

LIBI implements corrective actions in order to efficiently and adequately address non-conformities on the products offered, services performed and in the Quality Management System (Audit reports, third party audit report, etc.).

10.3 Continual Improvement

LIBI ensures that the organization's main goal of continual improvement is to continually improve the suitability, adequacy and effectiveness of the quality management system. Through regular review, the results and findings are translated, prioritized, deployed and incorporated system-wide for continuous improvement and innovation.