



**Public Safety Mutual Benefit Fund, Inc.**



**PSMBFI**  
welcomes

**Police General Camilo Pancratius Cascolan**  
**Chairman, PSMBFI**

PSMBFI



1997

# EXECUTIVE BRIEFING

# BRIEF HISTORY



# BRIEF HISTORY



REPUBLIC OF THE PHILIPPINES  
OFFICE OF THE PRESIDENT  
Securities and Exchange Commission  
SEC Building EDSA, Greenhills  
Mandaluyog, Metro Manila

December 2, 1997

PUBLIC SAFETY MUTUAL BENEFIT FUND (PSMBFI) INC.

Camp Crame, Quezon City,

Metro Manila

Gentlemen:

Enclosed herewith is the certificate of registration of the Articles of Incorporation and By-Laws of the above-named corporation, with the request that documentary stamps be affixed thereto and cancelled as of the date of registration.

In this connection, transmitted to you herewith is the self-explanatory <sup>4th</sup> endorsement of the Insurance Commission dated December 5, 1997, for your information, guidance and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Victor C. Estrada".

VICTOR C. ESTRADA  
Attorney V  
Corporate & Partnership Division

Granted license to  
operate by the  
Insurance Commission on  
February 4, 1998

SEC Registration  
December 11, 1997

# MBA vs SLAI

## MBA

(Mutual Benefit Association)

Provides insurance protection (also grants loans)

Regulated by the Insurance Commission

## SLAI

(Savings and Loans Association, Inc)

Accepts savings deposits and grants loans

Regulated by the Bangko Sentral ng Pilipinas

# GUIDING PRINCIPLES

## VISION

**“We shall be the organization of choice for all public safety practitioners providing member-centered financial services that give protection and peace of mind.”**

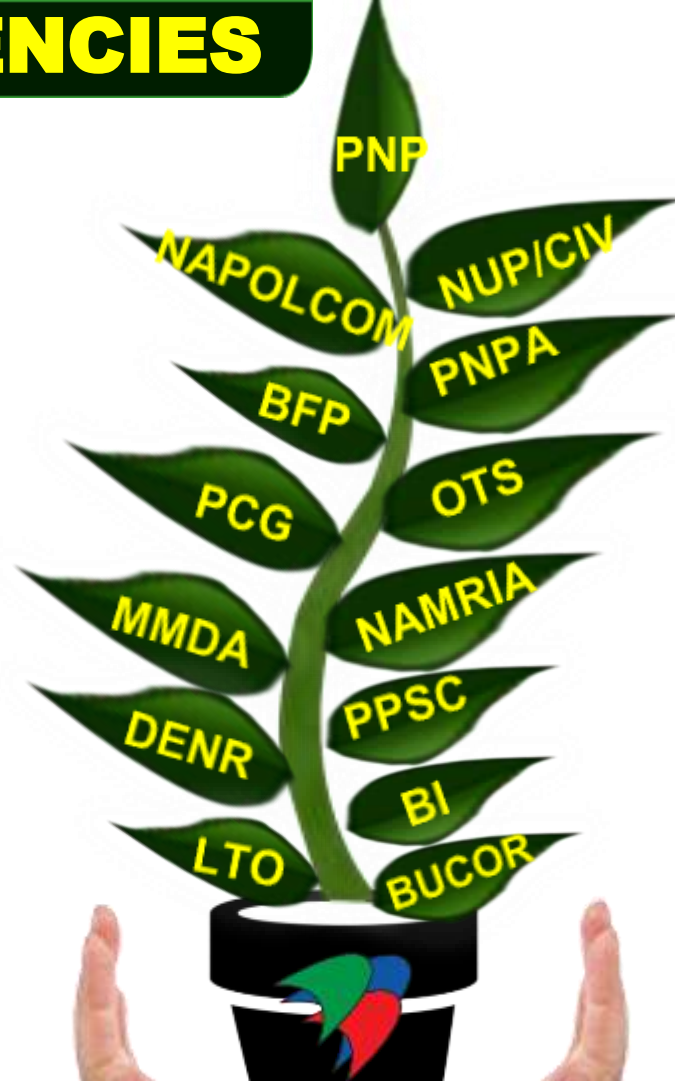
### MISSION STATEMENTS:

- ✓ **To provide timely and quality financial services for our public safety practitioners and their families**
- ✓ **To provide a nurturing and empowering work environment for our employees**
- ✓ **To maintain a fair, honest, and sustainable relationship with our stakeholders.**

### CORE VALUES:

- ✓ **Unparalleled member experience**
- ✓ **Professionalism**
- ✓ **Integrity**
- ✓ **Respect in the workplace**
- ✓ **Excellence**

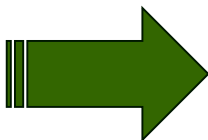
# PARTNER AGENCIES



# LIFE INSURANCE PLANS

Special Group  
Term Insurance  
**(SGTI)**

**EQUITY  
PLAN**



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Basic Group  
Term Plan  
**(BGTP)**

Memorial  
Plan  
**(MemP)**

Endowment  
at Age 56  
**(E-56)**

Credit Life  
Insurance  
**(CLI)**



# SPECIAL GROUP TERM INSURANCE

## MANDATORY INSURANCE

P 6.00 Member Share

P 6.00 Government Share

P12.00 Premium

## BENEFITS

NATURAL DEATH	
Basic Life Insurance	15,000
Burial Assistance	2,000
<b>Total Benefit</b>	<b>17,000</b>

KIA/ACCIDENTAL DEATH	
Basic Life Insurance	15,000
<b>KIA/Accidental Death</b>	<b>25,000</b>
Burial Assistance	2,000
<b>Total Benefit</b>	<b>42,000</b>

# SGTI EXPERIENCE REFUND



**Experience Refund of SGTI turned over to the PNP DPRM for the Scholarship Program**

# **EQUITY PLAN**

## **2 EQUITY PLANS**

**Mutual Benefit Equity Plan  
(1998 to 2013)**

**Members' Equity Plan  
(offered beginning 2014)**

# EQUITY PLAN CONTRIBUTION



**CONTRIBUTION:** 3% of Base Pay - Uniformed Personnel  
P50 to P1,000 - NUP/Civilian Employees

# EQUITY PLAN BENEFITS



# BASIC LIFE INSURANCE COVERAGE

UNIFORMED PERSONNEL					
Rank	Contribution	Natural Death (Basic Life Coverage)	Killed-in-Action or Accidental Death		
			Basic Life	KIA or ADB (100% of BLC)	Total
PGEN	3,634.29	1,791,551.41	1,791,551.41	1,791,551.41	3,583,102.82
PLTGEN	3,244.92	1,599,608.45	1,599,608.45	1,599,608.45	3,199,216.90
PMGEN	2,586.84	1,275,202.82	1,275,202.82	1,275,202.82	2,550,405.63
PBGEN	2,309.64	1,138,554.93	1,138,554.93	1,138,554.93	2,277,109.86
PCOL	2,062.20	1,016,577.46	1,016,577.46	1,016,577.46	2,033,154.93
PLTCOL	1,841.25	907,658.45	907,658.45	907,658.45	1,815,316.90
PMAJ	1,643.97	810,407.75	810,407.75	810,407.75	1,620,815.49
PCPT	1,494.03	736,493.66	736,493.66	736,493.66	1,472,987.32
PLT	1,310.55	646,045.77	646,045.77	646,045.77	1,292,091.55
PEMS	1,063.68	524,349.30	524,349.30	524,349.30	1,048,698.59
PCMS	1,042.83	514,071.13	514,071.13	514,071.13	1,028,142.25
PSMS	1,022.37	503,985.21	503,985.21	503,985.21	1,007,970.42
PMSG	1,002.33	494,106.34	494,106.34	494,106.34	988,212.68
PSSG	963.42	474,925.35	474,925.35	474,925.35	949,850.70
PCPL	926.01	456,483.80	456,483.80	456,483.80	912,967.61
PAT	890.04	438,752.11	438,752.11	438,752.11	877,504.23

**PNPA cadets, PNP recruits, and their equivalent rank in other public safety offices are automatically covered by insurance upon signing of MAF**

# BASIC LIFE INSURANCE COVERAGE

NON-UNIFORMED PERSONNEL / CIVILIAN EMPLOYEES	
Contribution	Coverage
P 50	26,923.07
P 100	53,846.15
P 200	107,692.31
P 300	161,538.46
P 400	215,384.62
P 500	269,230.77
P 600	323,076.92
P 700	376,923.08
P 800	430,769.23
P 900	484,615.38
P 1,000	538,461.53

# RELEASING OF INSURANCE BENEFIT

“24-hour release” rule for the partial payment of insurance benefits

Sources	Amount of Cash Advance	Amount of Cash Advance
Equity Plan	100,000	100,000
Memorial Plan	21,000 (for P16 premium)	42,000 (for P32 premium)
<b>Total amount of CA</b>	<b>121,000</b>	<b>142,000</b>



# **WOUNDED-IN-ACTION BENEFIT**

**WIA – Major Injury**

**P50,000**

**WIA – Minor Injury**

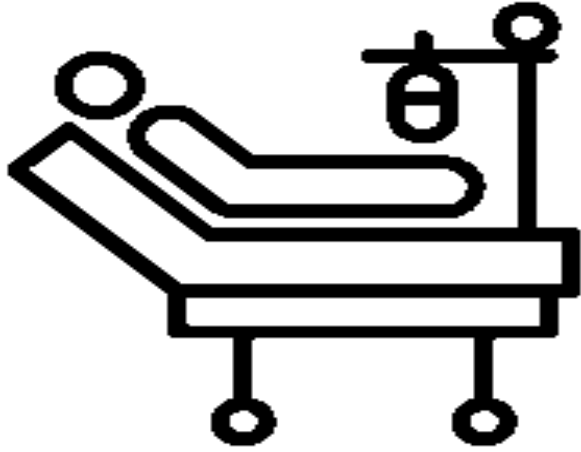
**P20,000**

**Medical Director determines the  
classification of injury.**

# ACCIDENTAL DISABILITY BENEFIT

<u>Description of Loss</u>	<u>% of Basic Life</u>	<u>Description of Loss</u>	<u>% of Basic Life</u>
Loss of two limbs	100%	Loss of middle finger	6%
Loss of both hands, or all fingers and both thumbs	100%	Loss of ring finger	5%
Loss of both feet	100%	Loss of little finger	4%
Total loss of sight of both eyes	100%	Loss of Metacarpals – 1st and 2nd (add'l)	3%
Injuries resulting in being permanently bedridden	100%	3rd, 4th and 5th (add'l)	2%
Any other injury causing permanent total disablement	100%	Loss of leg at or above knee	60%
Loss of arm at or above elbow	70%	Loss of leg below knee	50%
Loss of one hand	60%	Loss of one foot	50%
Loss of four fingers and thumb of one hand	50%	Loss of toes-all one foot	25%
Loss of four fingers	35%	Loss of big toe	5%
Loss of thumb	15%	Loss of any other toe other than big toe, each	1%
Loss of index finger	10%	Loss of sight of one eye	50%
		Loss of hearing-both ears	50%
		Loss of hearing-one ear	25%

# ACCIDENT HOSPITALIZATION BENEFIT



- ❖ P1,000 per day of confinement
- ❖ Maximum of 10 compensable days

# FREE INSURANCE OF 1 DEPENDENT



**P50,000  
Coverage**

<b>SINGLE with children</b> <ul style="list-style-type: none"><li>• Oldest to youngest child, not more than 21 years old</li></ul>	<b>MARRIED</b> <ul style="list-style-type: none"><li>• Spouse, not more than 60 years old</li><li>• Oldest to youngest child, not more than 21 years old</li></ul>	<b>LEGALLY SEPARATED</b> <ul style="list-style-type: none"><li>• Oldest to youngest child, not more than 21 years old</li></ul>
<b>SINGLE without qualified children</b> <ul style="list-style-type: none"><li>• Father, not more than 60 years old</li><li>• Mother, not more than 60 years old</li></ul>	<b>MARRIED w/o qualified spouse/children</b> <ul style="list-style-type: none"><li>• Father, not more than 60 years old</li><li>• Mother, not more than 60 years old</li></ul>	<b>LEGALLY SEPARATED w/o qualified children</b> <ul style="list-style-type: none"><li>• Father, not more than 60 years old</li><li>• Mother, not more than 60 years old</li></ul>
<b>SINGLE without qualified children and parent</b> <ul style="list-style-type: none"><li>• Oldest to youngest sibling, not more than 60 years old</li></ul>	<b>MARRIED w/o qualified spouse/children/parent</b> <ul style="list-style-type: none"><li>• Oldest to youngest sibling, not more than 60 years old</li></ul>	<b>LEGALLY SEPARATED w/o qualified spouse/children/parent</b> <ul style="list-style-type: none"><li>• Oldest to youngest sibling, not more than 60 years old</li></ul>

# EQUITY VALUE

50% of Contribution



Refunded  
upon  
termination of  
membership  
(EV + interest)

# ACCESS TO LOAN FACILITIES

## Policy Loan

- 8% Interest per year
- Payable in 24 months
- Loanable amount is 90% of Equity Value

## Salary Loan Plus

- 12.5% Interest per year
- Payable up to 5 years
- Up to P500,000

## Emergency Loan

- 12% Interest per year
- Payable up to 48 months
- Up to P100,000

## Calamity Loan

- 9% Interest per year
- Payable up to 24 months
- Up to P50,000

## Multi-Purpose Loan

- 10% Interest per year
- Payable up to 48 months
- Up to P60,000

Secured by  
Equity Value

Covered by  
Credit Life Insurance  
(outstanding loan balance  
is extinguished in case of  
borrower's death)

# EARNINGS ARE SHARED TO MEMBERS



**Members' Experience Refund  
(MER)**

**(from underwriting income)**

**Members' Benefit from  
Interest of Equity Value  
(MBIEV)**

**(from investment income)**

# BASIC GROUP TERM PLAN

- ❖ Optional group term insurance plan for public safety practitioners
- ❖ Premium & Benefits

Rank	Premium	Insurance Coverage	Accidental Death
Supt - Director	P60.00	80,000	160,000
Cadets; Insp – C/Insp	P50.00	70,000	140,000
SPO1 – SPO4	P30.00	40,000	80,000
PO1 – PO3	P25.00	35,000	70,000

\* With Accidental Disablement Benefit



# MEMORIAL PLAN

- ❖ Optional memorial plan which provides for death benefit only.
- ❖ Premium & Coverage:

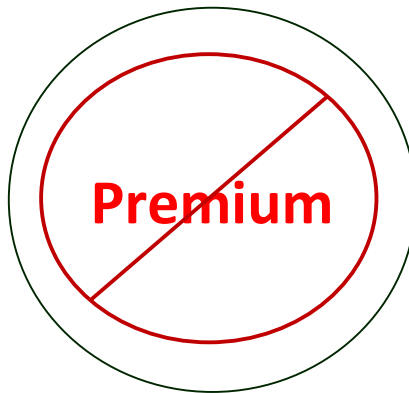
Options	Premium	Insurance Coverage
Option 1	P32.00	42,000
Option 2	P16.00	21,000

# ENDOWMENT AT AGE-56 (E-56)



**Life Insurance + Investment**

# E-56 AS LIFE INSURANCE



**Waived  
premium due  
to disability**



**Policyholder is covered upon payment of the first premium**

# E-56 AS INVESTMENT



Premium



Sum Assured

Especially when the policyholder enrolled at a younger age

Sum Assured could go as high as **P3 MILLION** (maximum)

- Premium – P350 (minimum)  
maximum depends on the amount that can buy P3M sum assured
- Sum Assured paid on the 56<sup>th</sup> birthday of the policyholder in LUMP SUM or 36 MONTHLY INTALLMENT

Purpose: bridge the gap while waiting for the regular pension

# ORGANIZATIONAL STRUCTURE



# ORGANIZATIONAL STRUCTURE - BOARD

## BOARD OF TRUSTEES

(elected by members)

Chief, PNP as Chairman

Vice Chairman

13 Trustees

## CORPORATE OFFICERS

President

Treasurer

Assistant Treasurer

Auditor \*

Secretary \*

Executive Committee

Dir Lyndon G. Cubos

Risk and Audit Committee

Dir Juanito B. Vaño Jr

Governance Committee

Dir Ricardo C. Marquez

IT Committee

Dir Armando E. Ramolete

Membership Committee

Dir Rolando J. Hinanay

Project Management Group

Dir Ricardo C. Marquez

# FUNCTIONS

## BOARD OF TRUSTEES

### Executive Committee

Composed of the chairpersons of the different committees who evaluate all resolutions and activities for board action.

### Risk and Audit Committee

- Sets the general guidelines and allocation of funds for investment;
- Reviews & approves all investment activities;
- Reviews the findings of the Internal Audit Dept;
- Makes recommendations for Board action based on these findings;
- Formulates policies and oversee system-wide risks, including compliance with applicable laws and regulations.

### Governance Committee

- Screens & recommends for Board approval the managerial appointees and consultants;
- Evaluates and recommends remuneration and compensation of PSMBFI employees.

### IT Committee

Oversees the development, implementation & maintenance of IT system and infrastructure.

### Membership Committee

Oversees the company's membership and insurance activities.

### Project Management Group

Oversees land acquisition and construction of PSMBFI Regional Offices

# AD HOC GROUP UNDER THE BOT

## PROJECT MANAGEMENT GROUP (PMG)

**FOR SPECIAL PROJECTS:  
CONSTRUCTION OF REGIONAL OFFICES AND  
DEVELOPMENT OF NEW IT SYSTEM**

- **Ensure that the project's scope aligns with the agreed requirements of the PSMBFI and key stakeholder groups;**
- **Provide guidance on project business issues to those who will be directly involved in the project; and**
- **Ensure that efforts and expenditures are appropriate to stakeholder's expectations.**

### COMPOSITION

**Chairman:**

**Dir Ricardo C. Marquez**

**Members:**

**- Dir Elmo Francis O. Sarona**

**- Dir Mario A. Avenido**

**- Dir Juanito B. Vaño Jr**

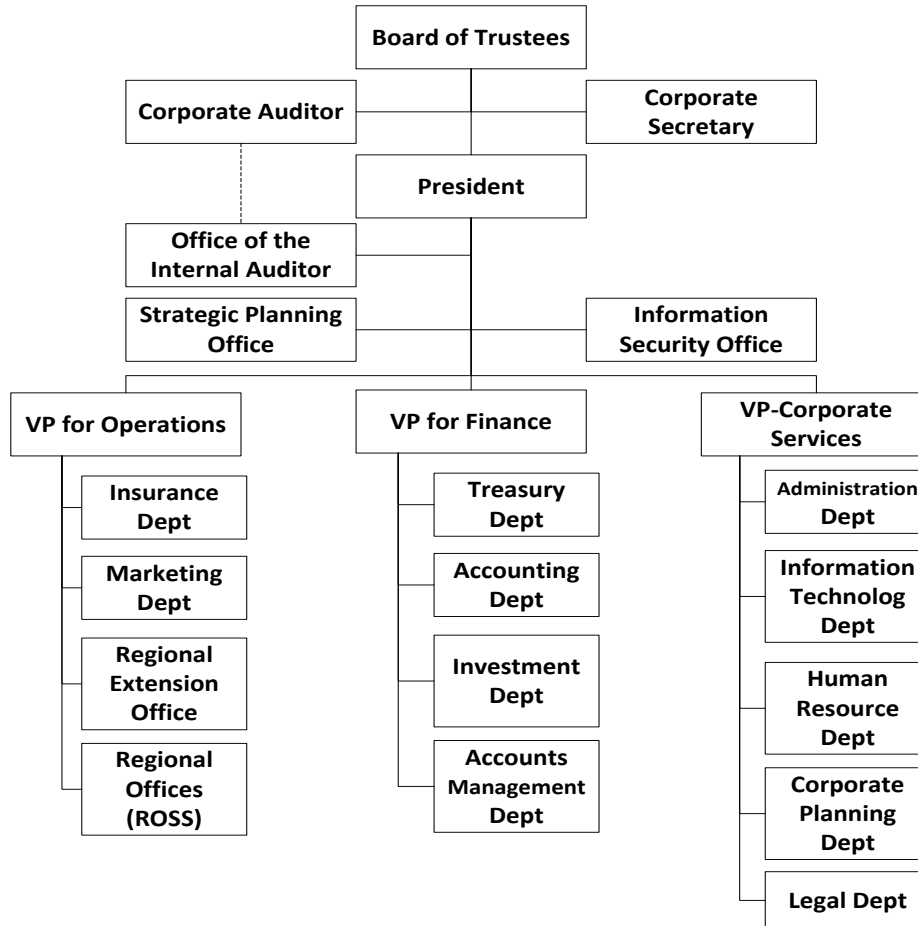
**- Dir Keith Ernard L. Singian**

**Secretary:**

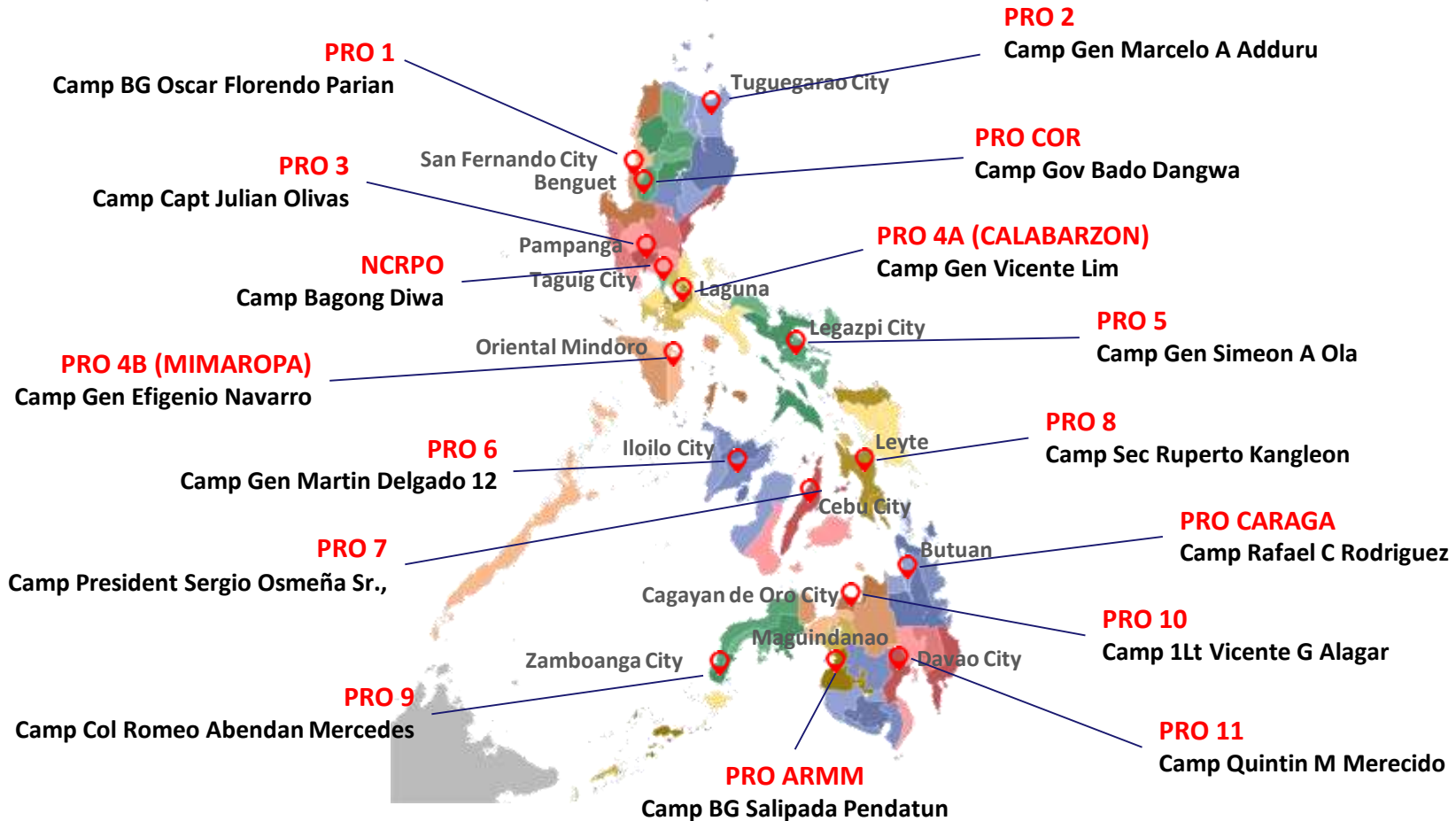
**- Atty. Matthew P. Baccay**



# MANAGEMENT STRUCTURE



# DEPLOYMENT OF REGIONAL OFFICES

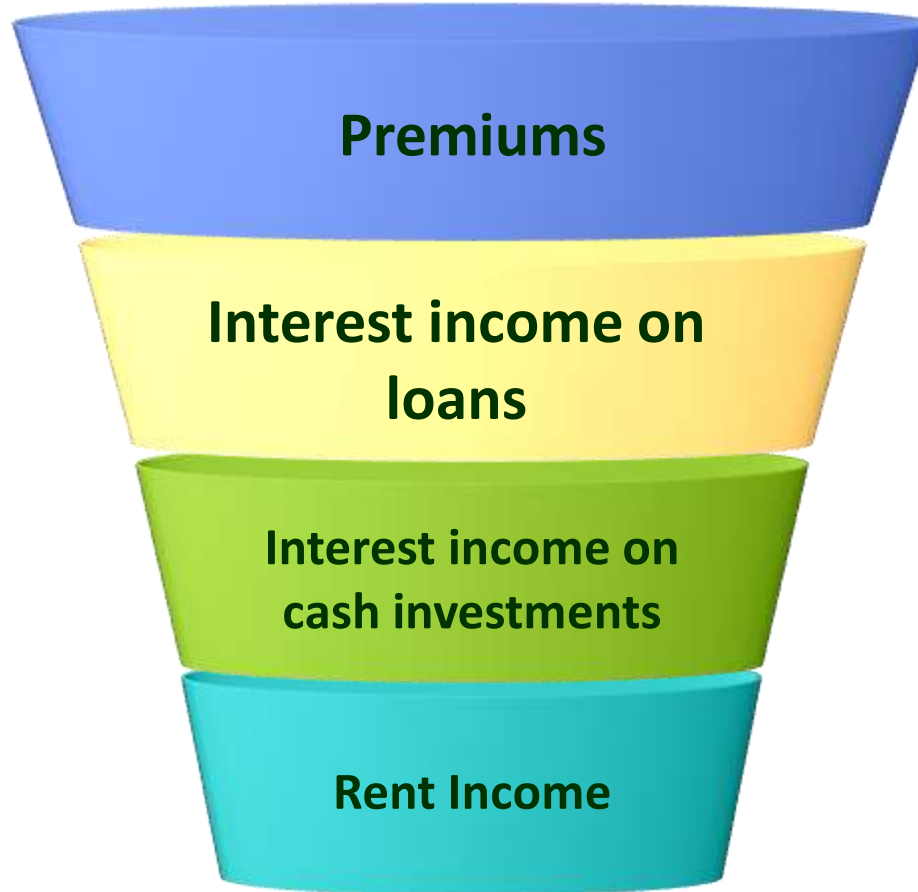


# PSMBFI STRENGTH (as of September 2020)

	<b>Head Office</b>	<b>REOs</b>	<b>Total</b>
President	1		1
Vice-President	*		*
Manager	11		11
Supervisor	23	17	40
Rank and File	146	68	214
Rank and File – proby	1	2	3
<b>Total</b>	<b>182</b>	<b>87</b>	<b>269</b>

# **SOURCES OF REVENUE**

# SOURCES OF REVENUE



# FUND UTILIZATION

# DISAGGREGGATION OF CONTRIBUTION



**50% EQUITY FUND**

- Equity Value of the member
- Invested to earn

**35% BENEFIT FUND**

- For insurance claims and other benefits

**15% GENERAL FUND**

- For operating expenses

# UTILIZATION OF NET INCOME

**Net Income of the  
Preceding Year**

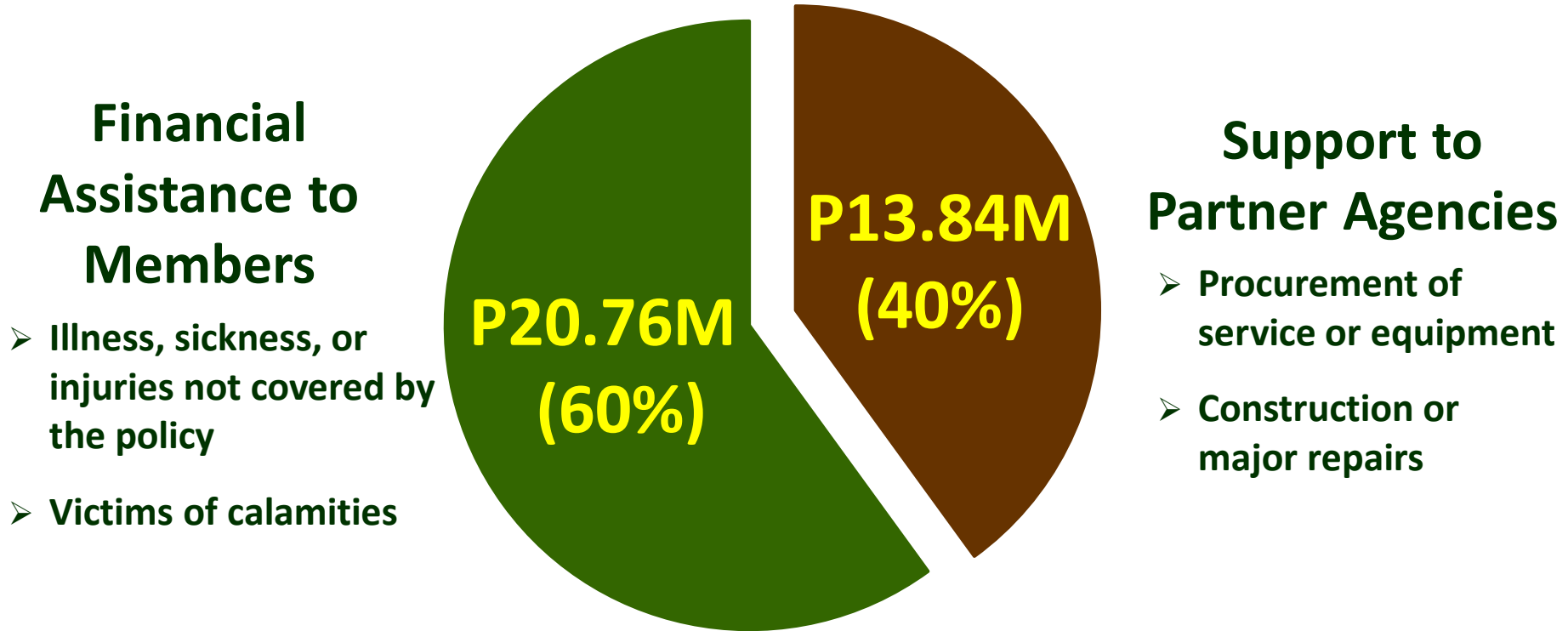
**3%** Maximum allocation for the CSR Program

**20%** Maximum allocation for projects with long term benefits

- Capital Expenditures
- Special Projects



# CSR FUND



**2020 CSR FUND – P34.60 MILLION**

# OVERVIEW OF OPERATIONS



# Insurance Benefits Released (as of June 2020)

Claims	Total	
	No.	Amount
Equity Plan		
Death Claims/Disability/ WIA/KIA	254	94.04
Accident Hospitalization Benefit	52	0.29
Free Insurance Coverage	4	0.15
Special Group Term Insurance	154	3.40
Basic Group Term Plan	161	6.52
Memorial Plan	157	3.93
E56	11	1.71
CLI	35	5.60
<b>TOTAL</b>		<b>115.63</b>

Refund of Equity	Total	
	No.	Amount
Voluntary Termination	81	1.94
Optional Retirement	648	17.37
Compulsory Retirement	270	11.44
DFR, Dismissed, Resigned, AWOL, Terminated	38	1.16
Deceased	99	2.82
Offset on loans/Error	143	1.36
Shifted to MEP	957	71.47
<b>TOTAL</b>	<b>2,236</b>	<b>107.56</b>

# MAJOR PROJECTS

PROJECTS	STATUS
Land banking for the construction of regional offices outside PRO Camps	<p>Acquired a lots:</p> <p>Region 4B - Calapan, Mindoro (Aug. 15, 2019)</p> <ul style="list-style-type: none"><li>– Cost: P2.875M for a 500-sq m lot</li><li>– Title: T-108546</li></ul> <p>Region 6 - Gen. Hughes St., Iloilo City (Feb 19, 2020)</p> <ul style="list-style-type: none"><li>– Cost: P22.000M for a 634-sq m lot</li><li>– transfer of title is on process</li></ul> <p>Region 13 - Brgy Libertad, Butuan (Nov. 8, 2019)</p> <ul style="list-style-type: none"><li>– Cost: P12.781M for a 500-sq m lot</li><li>– Title: T-20950</li></ul>
PSMBFI IT Roadmap - Procure new IT Insurance System	<ul style="list-style-type: none"><li>• Evaluation on-going to</li></ul>
Updating of Operations Manual`	<ul style="list-style-type: none"><li>• TOR is already approved</li><li>• Sourcing of provider is ongoing</li></ul>

***“Sa PSMBFI  
Buhay Protektado,  
Kinabukasan Sigurado”***



# END OF PRESENTATION

