

## EXECUTIVE BRIEFING MANUSCRIPT

(August 2018)

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**SLIDE [PSMFBI CREATION]**

THE EXISTENCE OF PSMBFI STEMMED FROM A NOBLE INTENTION OF THE PNP LEADERSHIP TO BRIDGE A GAP WHEN THE PNP PERSONNEL WERE EXCLUDED FROM THE GSIS COVERAGE IN 1997. IT PAVED THE WAY FOR THE CREATION OF PSMBFI WITH THE PRIMARY PURPOSE OF PROVIDING INSURANCE COVERAGE TO THE MEN AND WOMEN OF THE PHILIPPINE NATIONAL POLICE.

**SLIDE [PSMFBI CREATION]**

JUST LIKE A SEED THAT WAS PLANTED BY THE PNP LEADERSHIP IN 1997 AND 1998 WHEN IT WAS REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION AND GRANTED LICENSE TO OPERATE BY THE INSURANCE COMMISSION, PSMBFI IS GRADUALLY GROWING AS THE PRIMARY INSURANCE PROVIDER OF THE PNP AND NON-UNIFORMED PERSONNEL INCLUDING CIVILIAN EMPLOYEES.

RECOGNIZING THAT THERE ARE OTHER SECTORS THAT WERE ALSO EXCLUDED FROM THE SOCIAL INSURANCE OF THE GOVERNMENT, PSMBFI EXTENDED THE INSURANCE COVERAGE TO OTHER PUBLIC SAFETY AGENCIES.

**SLIDE [INCLUSION OF NAPOLCOM & PNPA]**

IT STARTED IN 2003 WITH THE INCLUSION OF THE NATIONAL POLICE COMMISSION AND THE PHILIPPINE NATIONAL POLICE ACADEMY;

**SLIDE [INCLUSION OF BFP]**

THIS WAS FOLLOWED BY THE BUREAU OF FIRE PROTECTION IN 2004;

***SLIDE [INCLUSION OF OTS]***

THEN, THE OFFICE FOR TRANSPORTATION SECURITY IN 2007;

***SLIDE [INCLUSION OF PCG]***

THE PHILIPPINE COAST GUARD IN 2014.

***SLIDE [INCLUSION OF NAMRIA & MMDA]***

THE NATIONAL MAPPING AND RESOURCE INFORMATION AUTHORITY AND THE METROPOLITAN MANILA DEVELOPMENT AUTHORITY IN 2015.

***SLIDE [INCLUSION OF PPSC, DENR & BI]***

THE PHILIPPINE PUBLIC SAFETY COLLEGE; THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES; AND THE BUREAU OF IMMIGRATION IN 2016.

***SLIDE [INCLUSION OF LTO]***

AND IN 2017, WE WERE ABLE TO COVER THE LAND TRANSPORTATION OFFICE.

***[VISION]***

WITH TWO (2) DECADES OF OPERATIONS, PSMBFI HAS BECOME A MULTI-BILLION PESO ASSOCIATION AND A RELIABLE PARTNER OF PUBLIC SAFETY AGENCIES – AN INDICATIVE OF ITS ALIGNMENT TO ITS VISION OF BECOMING A PROGRESSIVE AND STABLE MUTUAL BENEFIT ASSOCIATION EXTENDING BENEFITS AND SERVICES THAT ARE HIGHLY RESPONSIVE TO THE NEEDS OF THE MEMBERS.

**SLIDE [MISSION]**

ANCHORED ON THIS VISION, PSMBFI IS COMMITTED TO PROVIDE TIMELY FINANCIAL AND MATERIAL AID AND COMFORT TO PUBLIC SAFETY PRACTITIONERS AND THEIR FAMILIES;

TO EMBARK ON PROJECTS THAT WILL IMPROVE MUTUAL ASSISTANCE AND FOSTER CAMARADERIE AMONG MEMBERS; AND,

TO ENHANCE THE WORK ENVIRONMENT THAT WILL FURTHER DEVELOP COMPETENT, COMMITTED, TRUSTWORTHY, AND SERVICE-ORIENTED PERSONNEL.

**SLIDE [MBA VS SLA]**

AS MUTUAL BENEFIT ASSOCIATION, THE OPERATION OF PSMBFI IS DIFFERENT FROM INSTITUTIONS SUCH AS PSSLA AND AFPSLA, WHICH ARE SAVINGS AND LOAN ASSOCIATIONS REGULATED BY THE BANGKO SENTRAL NG PILIPINAS.

**SLIDE [INSURANCE PRODUCTS]**

PSMBFI OFFERS SEVERAL INSURANCE PLANS.

THE SPECIAL GROUP TERM INSURANCE PLAN OR THE SGTI IS A MANDATORY INSURANCE OF THE PNP.

AS MUTUAL BENEFIT ASSOCIATION, PSMBFI HAS TO HAVE AN EQUITY PLAN. FROM 1998 TO 2013, THE MUTUAL BENEFIT EQUITY PLAN OR THE MBEP WAS OFFERED AS THE BASIC LIFE INSURANCE PLAN. DUE TO THE SUSTAINABILITY ISSUE OF THE MBEP, PSMBFI CAME UP WITH THE MEMBERS EQUITY PLAN WITH ENHANCED BENEFITS WHICH WAS OFFERED BEGINNING JANUARY 2014.

THROUGH MEMBERSHIP IN THE EQUITY PLAN, A MEMBER CAN ENROLL IN OTHER OPTIONAL PLANS SUCH AS THE BASIC GROUP TERM PLAN, THE BURIAL ASSISTANCE BENEFIT, ENDOWMENT AT AGE 56, AND THE CREDIT LIFE INSURANCE PLAN.

**SLIDE [SGTI]**

THE SGTI IS AN INSURANCE COVERAGE REQUIRED BY PRESIDENTIAL DECREE NO. 1965 WITH P12.00 AS INSURANCE PREMIUM. THE MEMBER PAYS 50% OF THE PREMIUM WHILE THE OTHER HALF IS PAID FOR BY THE GOVERNMENT AS A COUNTERPART PREMIUM.

THE INSURANCE COVERAGE IS P15,000 WITH P2,000 BURIAL ASSISTANCE. ADDITIONAL P25,000 IS PROVIDED TO BENEFICIARIES IN CASE OF ACCIDENTAL DEATH OR KILLED IN ACTION.

**SLIDE [EQUITY PLAN]**

AS MENTIONED EARLIER, MEMBERSHIP IN PSMBFI IS THROUGH ENROLLMENT IN THE EQUITY PLAN AND THIS IS OPEN TO ALL PUBLIC SAFETY PRACTITIONERS. A MEMBER CONTRIBUTES 3% OF THE BASE PAY FOR THE UNIFORMED PERSONNEL WHILE A MINIMUM OF P100 UP TO P1,000 FOR THE NON-UNIFORMED PERSONNEL.

MEMBERS' CONTRIBUTIONS ARE COLLECTED THROUGH AUTOMATIC SALARY DEDUCTIONS.

MEMBERSHIP CAN BE CONTINUED AFTER RETIREMENT UP TO AGE 65.

**SLIDE [LIFE INSURANCE BENEFIT]**

UNDER THE EQUITY PLAN, A MEMBER IS COVERED BY LIFE INSURANCE DEPENDING ON THE CONTRIBUTION.

STARTING JANUARY 2018, THE INSURANCE COVERAGE OF A PO1 AMOUNTS TO **P438,752.11**.

UNDER A REGULAR INSURANCE PLAN, THE COVERAGE COMMENCES UPON PAYMENT OF THE FIRST CONTRIBUTION. AT PSMBFI, A SPECIAL PRIVILEGE IS EXTENDED TO PNPA CADETS AND RECRUITS OF THE PNP, PCG AND BFP WHEREIN THEY ARE AUTOMATICALLY COVERED BY INSURANCE AND BECOME MEMBERS OF PSMBFI UPON SIGNING OF MAF.

ON MARCH 26, 2018, WE PROCESSED THE INSURANCE BENEFITS OF THE LATE **PO1 HABIB MAMA** FROM PRO ARMM WHO HAVE JUST SIGNED THE MAF. HE DIED OF CARDIAC ARREST DUE TO HEAT STROKE, A MONTH AFTER HE TOOK OATH AS MEMBER OF THE SPECIAL ACTION FORCE.

***SLIDE [KILLED-IN-ACTION BENEFIT]***

FOR THOSE WHO ARE KILLED DURING POLICE OPERATIONS, ADDITIONAL **50%** OF THE BASIC INSURANCE COVERAGE WILL BE PROVIDED. THIS IS A **KIA BENEFIT** THAT IS PROVIDED AT NO ADDITIONAL COST TO THE MEMBERS.

SINCE WE HAVE A FAVORABLE MORTALITY RATIO, WE HAVE REQUESTED THE INSURANCE COMMISSION FOR THE INCREASE IN KIA BENEFIT TO A HUNDRED PERCENT COVERAGE. BASED ON OUR COORDINATION WITH IC, OUR LETTER WAS ALREADY ENDORSED TO THE OFFICE OF THE COMMISSIONER FOR APPROVAL.

***SLIDE [WOUNDED-IN-ACTION BENEFIT]***

FOR THOSE WHO ARE WOUNDED DURING LEGITIMATE POLICE OPERATIONS, WE PROVIDE THE AMOUNT OF **P20,000** OR **P50,000** TO MEMBERS WHO SUSTAINED MINOR OR MAJOR INJURIES, RESPECTIVELY. THIS IS A **WIA BENEFIT** WHICH IS ALSO BEING PROVIDED AT NO ADDITIONAL COST.

**SLIDE [ACCIDENTAL DEATH BENEFIT]**

IN CASE OF ACCIDENTAL DEATH, THE INSURANCE COVERAGE IS DOUBLED FOR A TOTAL OF **P877,504.22**.

**SLIDE [ACCIDENTAL DISABLEMENT BENEFIT]**

THE EQUITY PLAN ALSO COVERS ACCIDENTAL DISABLEMENT AND THE AMOUNT OF BENEFIT FOLLOWS A CERTAIN SCHEDULE AS SHOWN ON THE SCREEN.

**SLIDE [ACCIDENT HOSPITALIZATION BENEFIT]**

ANOTHER BENEFIT THAT IS PROVIDED AT NO ADDITIONAL COST IS THE ACCIDENT HOSPITALIZATION BENEFIT. QUALIFIED MEMBERS WHO ARE HOSPITALIZED DUE TO ACCIDENT WILL RECEIVE P1,000 PER DAY OF CONFINEMENT FOR A MAXIMUM OF 7 COMPENSABLE DAYS.

WE ARE ALSO AWAITING FOR THE APPROVAL OF THE INSURANCE COMMISSION FOR THE EXTENSION OF COVERAGE TO **TEN (10) COMPENSABLE DAYS**.

**SLIDE [EQUITY VALUE]**

THE EQUITY PLAN ALSO HAS A SAVINGS COMPONENT IN THE FORM OF AN EQUITY VALUE. THIS IS PART OF A MEMBER'S CONTRIBUTION THAT IS SET ASIDE AND EARNS INTEREST.

THE EQUITY VALUE GROWS AS MONTHLY CONTRIBUTION INCREASES WITH THE MOVEMENT IN RANK AND SALARY. THIS IS REFUNDED UPON TERMINATION OF MEMBERSHIP.

**SLIDE [ACCESS TO LOAN FACILITIES]**

MEMBERS CAN ALSO AVAIL OF SEVERAL LOAN FACILITIES SUCH AS LOANS ON THE EQUITY AND E-56 POLICY INCLUDING SALARY LOAN AND ITS VARIANTS. THESE LOAN FACILITIES HAVE FLEXIBLE PAYMENT TERMS WITH AFFORDABLE INTEREST RATES.

**SLIDE [OTHER BENEFITS]**

IN CASE OF GOOD BUSINESS OPERATIONS, PROFITS ARE SHARED TO THE MEMBERS IN THE FORM OF MEMBERS' BENEFIT FROM INTEREST OF THE EQUITY VALUE OR THE **MBIEV** AND THE MEMBERS' EXPERIENCE REFUND OR THE **MER**.

LAST YEAR, WE HAVE DISTRIBUTED THE 2014 MBIEV AND 2013 MER, AND FOR THIS FOR THIS YEAR, **P681.89 MILLION** WAS DECLARED AS MBIEV FOR THE YEARS 2015 AND 2016 AND CURRENTLY DISTRIBUTED TO THE MEMBERS.

**SLIDE [FREE INSURANCE OF DEPENDENT]**

ANOTHER FLAGSHIP BENEFIT OF PSMBFI IS THE FREE INSURANCE COVERAGE OF ONE (1) DEPENDENT AMOUNTING TO **P50,000**. THIS IS ALSO OUR WAY OF HELPING OUR MEMBERS COPE UP WITH FUNERAL EXPENSES IN CASE OF DEATH OF A LOVED ONE.

OUR FIRST CLAIMANT-MEMBERS CAME FROM THE NCR AND REGION6. THEY WILL RECEIVE **P50,000** EACH FOR THE INSURANCE COVERAGE OF THEIR RESPECTIVE WIVES WHO DIED IN JANUARY AND MAY 2018.

**[ORGANIZATIONAL STRUCTURE]**

LET ME NOW PRESENT THE ORGANIZATIONAL STRUCTURE OF PSMBFI.

**SLIDE [BOT STRUCTURE]**

PSMBFI IS A PRIVATE ORGANIZATION LED BY FIFTEEN (15) MEMBERS OF THE BOARD OF TRUSTEES WHO ARE ELECTED DURING THE ANNUAL GENERAL MEMBERSHIP MEETING AND ELECTIONS.

THE BOARD IS THE POLICY-MAKING BODY OF THE ASSOCIATION WHILE THE MANAGEMENT IMPLEMENTS THE POLICIES, PLANS AND PROJECTS SET BY THE BOARD. IT IS HEADED BY THE INCUMBENT CHIEF, PNP WHO ACTS AS CHAIRMAN OF THE BOARD. BOARD COMMITTEES WERE ALSO CREATED TO FOCUS ON SPECIFIC ASPECTS OF BUSINESS OPERATIONS.

**SLIDE [BOARD COMMITTEES]**

FLASHED ON THE SCREEN ARE THE FUNCTIONS OF THESE COMMITTEES.

**(PAUSE)**

**SLIDE [MANAGEMENT STRUCTURE]**

MAY I NOW PRESENT THE MANAGEMENT STRUCTURE OF PSMBFI HEADED BY YOURS TRULY AS PRESIDENT, VICE PRESIDENT DIR ARMANDO E. RAMOLETE, AND THE GENERAL MANAGER, CAPT SEBASTIAN C. SIGA-AN.

ON THE SCREEN ARE DIFFERENT FUNCTIONAL DEPARTMENTS CLUSTERED INTO OPERATIONS, FINANCE, AND CORPORATE SERVICES GROUPS.

THE OPERATIONS GROUP COMPRISES THE INSURANCE DEPARTMENT, MARKETING DEPARTMENT, THE REGIONAL EXTENTION OFFICES, AND THE ONE-STOP SHOP AT CLES THAT IS PROJECTED FOR ROSS CONCEPT.

UNDER THE FINANCE GROUP ARE FOUR (4) DEPARTMENTS, NAMELY: TREASURY, ACCOUNTING, INVESTMENT, AND ACCOUNTS MANAGEMENT.

FOR THE CORPORATE SERVICES GROUP, WE HAVE THE ADMIN, IT, HR, AND CORPORATE PLANNING DEPARTMENTS.

***SLIDE [USAGE OF COMPANY FUNDS]***

FUNDS OF PSMBFI ARE ALLOCATED INTO:

- THE BENEFIT FUND WHICH IS USED TO PAY THE INSURANCE CLAIMS FOR DEATH AND OTHER BENEFITS;
- THE EQUITY FUND WHICH IS COMPOSED OF THE MEMBERS' EQUITY CONTRIBUTIONS PLUS INTEREST. THIS FUND IS INVESTED INTO LOANS TO MEMBERS AND FINANCIAL INSTRUMENTS TO ENSURE THE GROWTH OF MEMBERS' EQUITY; AND,
- THE GENERAL FUND WHICH IS USED FOR THE OPERATING AND MAINTENANCE EXPENSES OF THE COMPANY.

***SLIDE [2018 APPROVED BUDGET]***

FOR 2018, OUR APPROVED BUDGET AMOUNTS TO **P377.15 MILLION** FOR OUR OPERATIONAL REQUIREMENTS INCLUDING PERSONAL SERVICES.

***SLIDE [CSR PROGRAM OF PSMBFI]***

THE ASSOCIATION ALSO ALLOCATES FUNDS TO SUPPORT ITS CORPORATE SOCIAL RESPONSIBILITY PROGRAM. IT IS FUNDED OUT OF THE NET INCOME OF THE PRECEDING YEAR WITH A MAXIMUM ALLOCATION OF **3%**.

OUR CSR PROGRAM IS IN THE FORM OF FINANCIAL ASSISTANCE TO THE MEMBERS WHO ARE SICK OR VICTIMS OF CALAMITIES AND SUPPORT TO PARTNER AGENCIES IN THE FORM OF PROCUREMENT OF EQUIPMENT OR SERVICES AND CONSTRUCTION OR MAJOR REPAIRS.

FOR 2018, THE APPROVED CSR ALLOCATION AMOUNTS TO **P27.44 MILLION**.

## ***[OVERVIEW OF OPERATIONS]***

LET ME NOW PRESENT THE OVERVIEW OF OUR OPERATIONS.

### ***SLIDE [MEMBERSHIP]***

AS OF JUNE 30, 2018, MEMBERSHIP IN THE EQUITY PLAN REACHED **177,452** WITH **5%** YEAR-ON-YEAR INCREASE. PNP MEMBERSHIP STOOD AT **93.38%**.

ENROLLMENT IN OTHER OPTIONAL PLANS IS SHOWN ON THE SCREEN.

### ***SLIDE [TOTAL BENEFIT CLAIMS PAID]***

FOR INSURANCE CLAIMS, PSMBFI HAS ALREADY PAID A TOTAL OF **P164.29 MILLION** WORTH OF INSURANCE BENEFITS FOR THE FIRST SEMESTER. THESE ARE PAID REGARDLESS OF THE MEMBER'S CAUSE OF DEATH.

### ***SLIDE [24-HOUR RULE]***

IN THE PROCESSING OF INSURANCE CLAIMS, WE STRICTLY IMPLEMENT THE **24-HOUR RULE** IN RELEASING THE CASH ADVANCE OR THE PARTIAL PAYMENT OF INSURANCE BENEFIT. WE SEE TO IT THAT THE CASH ADVANCE CHECK IS RELEASED WITHIN 24 HOURS UPON RECEIPT OF INFORMATION OF THE MEMBER'S DEATH IN ORDER TO ALLEVIATE THE BURDEN OF BENEFICIARIES ON FUNERAL EXPENSES.

**SLIDE [FINANCIAL HIGHLIGHTS]**

OUR OPERATIONS FOR THE FIRST SEMESTER OF THE YEAR RESULTED IN AN INCREASE IN ASSETS BY **P942.85 MILLION** DESPITE OF OUR CONTINUOUS RELEASING OF MBIEV AND EQUITY VALUES OF PLATINUM MEMBERS. WE ENDED THE 6-MONTH PERIOD WITH **P15.52 BILLION** IN ASSETS.

**SLIDE [NET WORTH]**

IN TERMS OF NETWORTH, WE MAINTAINED THE UPWARD TREND ENDING THE FIRST SEMESTER WITH **P9.24 BILLION**.

**SLIDE [NET INCOME]**

FOR THE NET INCOME, WE HAVE A REMARKABLE PERFORMANCE, GENERATING A TOTAL OF **P799.73 MILLION** AS OF JUNE 2018. THIS IS A RECORD HIGH FIGURE WHEN WE COMPARE WITH PREVIOUS YEARS' RECORD FOR THE SAME PERIOD.

WITH THIS LAST SLIDE, MAY I END MY PRESENTATION. THANK YOU AND GOOD DAY.