



**PUBLIC SAFETY MUTUAL  
BENEFIT FUND, INC.**

**CORPORATE SERVICES GROUP**

# **EXECUTIVE BRIEFING**

---

---

**April 29, 2022**

# BRIEF HISTORY



PNP and other uniformed personnel were excluded from the GISIS coverage by virtue of R.A. 8291 or GISIS Act of 1997

# BRIEF HISTORY



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

December 9, 1997

PUBLIC SAFETY MUTUAL BENEFIT FUND (PSMBFI) INC.

Camp Crame, Quezon City,

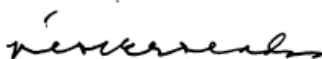
Metro Manila

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> ~~2nd~~ Indorsement of the Insurance Commission dated December 5, 1997, for your information, guidance and compliance.

Very truly yours,

  
VICTOR C. ESTRADA  
Attorney V  
Corporate & Partnership Division

Republic of the Philippines  
Department of Finance  
INSURANCE COMMISSION  
Manila

February 5, 1998

PUBLIC SAFETY MUTUAL BENEFIT FUND, INC.  
Camp Crame, Quezon City

S i r s :


We are sending herewith original/~~copy~~ Certificate of Registration/License issued by this Commission in favor of that Association authorizing it to transact business as a MUTUAL BENEFIT ASSOCIATION, pursuant to the provisions of Chapter VII, Title 1/~~Chapter VII, Book~~, of the Insurance Code, as amended.

Please be advised that such license shall expire on June 30, 1999 and must be renewed annually thereafter on or before June 30th of each year upon proper application and compliance with existing laws, rules, regulations, orders, instructions, rulings and decisions of this Commission.

Please acknowledge receipt.

Very truly yours,

Encl.:s/s  
:nn

  
EDUARDO T. MALINIS  
Insurance Commissioner



# 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:

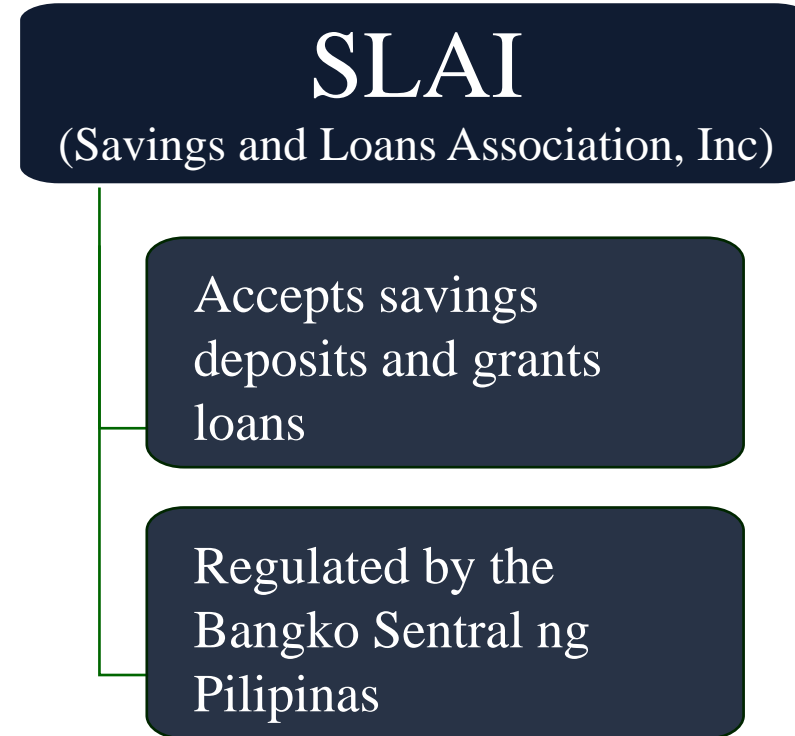
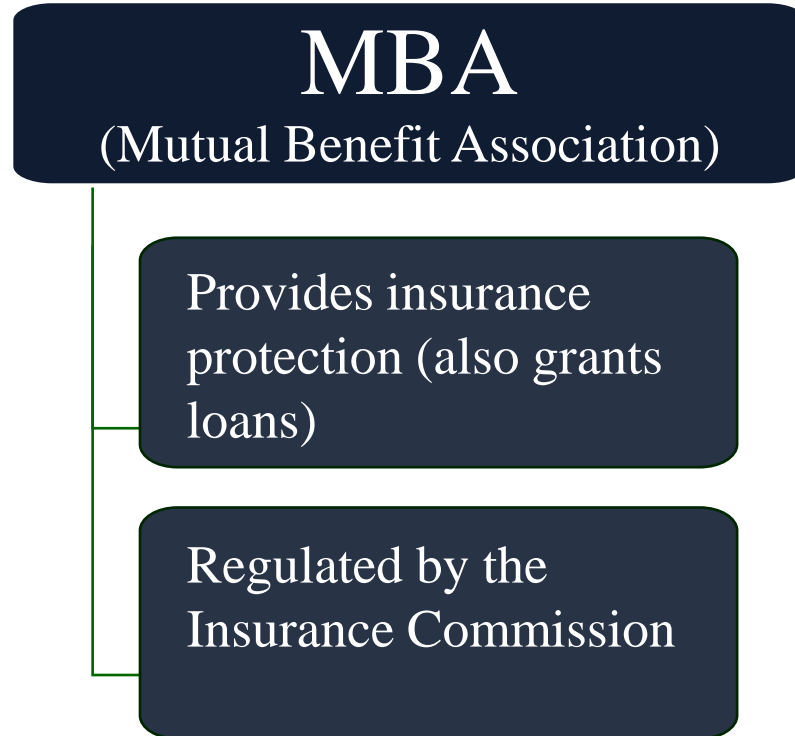
- 1. To provide timely and quality financial services for our public safety practitioners and their families**
- 2. To provide a nurturing and empowering work environment for our employees**
- 3. To maintain a fair, honest, and sustainable relationship with our stakeholders.**

### CORE VALUES:

- ✓ **Customer Focus**
- ✓ **Professionalism**
- ✓ **Integrity**
- ✓ **Respect in the workplace**
- ✓ **Excellence**



# CORE BUSINESS



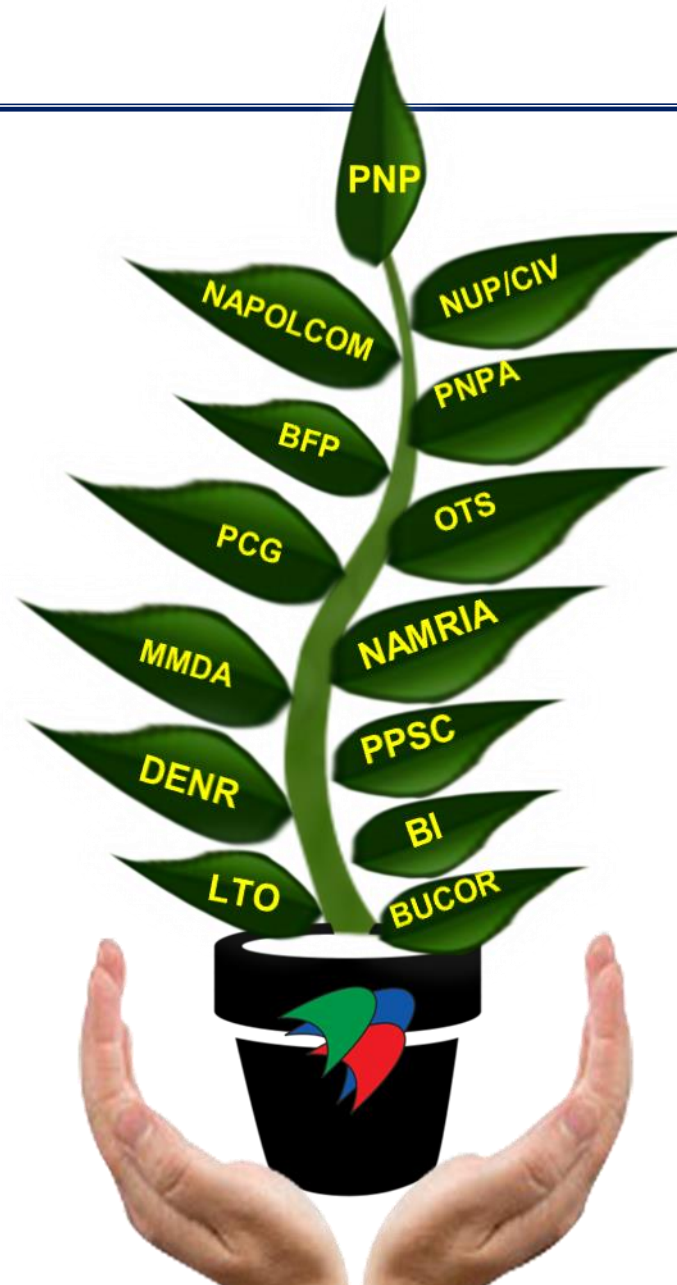
# PARTNER AGENCIES

**205,928**

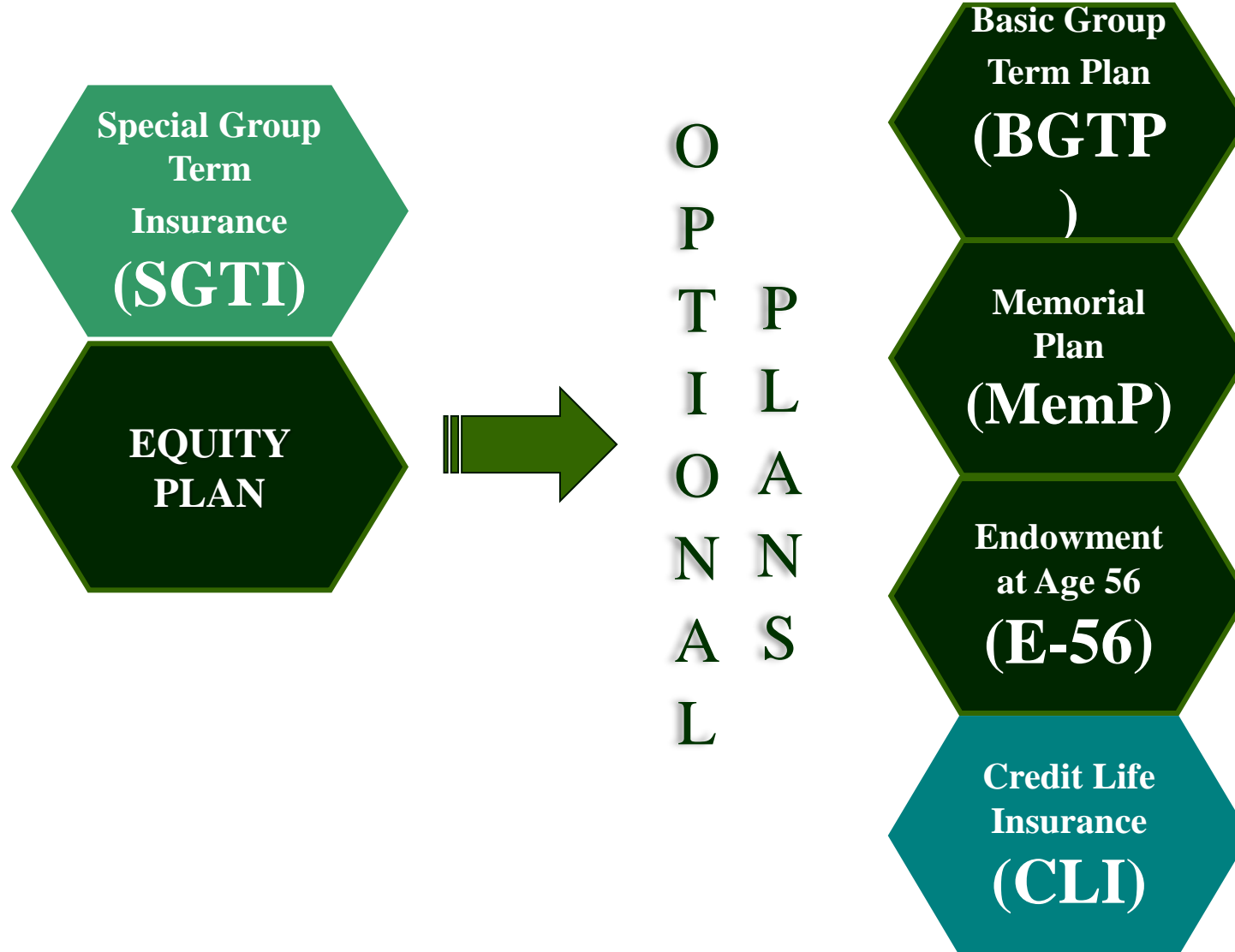
Membership Count  
(as of March 2022)

**95%**

PNP Uniformed  
Personnel



# LIFE INSURANCE PLANS



# SPECIAL GROUP TERM INSURANCE PLAN

## 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>



# **SPECIAL GROUP TERM INSURANCE PLAN (SGTI)**

**SGTI  
EXPERIENCE  
REFUND  
(ER)**

**Earnings are shared to the PNP  
to support its Scholarship  
Program through the DPRM**

**Amount of ER depends on the  
net income of the preceding year**

**2022 SGTI ER – P7.28 MILLION**

# MEMBER'S EQUITY PLAN (MEP)



**CONTRIBUTION**

**3% of Base Pay  
Uniformed Personnel**

**P50 to P1,000  
Non-Uniformed Personnel  
Civilian Personnel**

# INSURANCE BENEFITS



## LIFE INSURANCE BENEFIT

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



# INSURANCE BENEFITS



## LIFE INSURANCE BENEFIT

NON-UNIFORMED PERSONNEL / CIVILIAN EMPLOYEES		
Contribution	Natural Death	Accidental Death
P 50	26,923.07	53,846.14
P 100	53,846.15	107,692.30
P 200	107,692.31	215,384.62
P 300	161,538.46	323,076.92
P 400	215,384.62	430,769.24
P 500	269,230.77	538,461.54
P 600	323,076.92	646,153.84
P 700	376,923.08	753,846.16
P 800	430,769.23	861,538.46
P 900	484,615.38	969,230.76
P 1,000	538,461.53	1,076,923.06

# INSURANCE BENEFITS

## Cash Advance or Partial Payment of Insurance Claims

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>



# INSURANCE BENEFITS

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



# INSURANCE BENEFITS



**WOUNDED-IN-ACTION  
BENEFIT**

**P50,000**

**WIA – Major Injury**

**P20,000**

**WIA – Minor Injury**

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

# INSURANCE BENEFITS

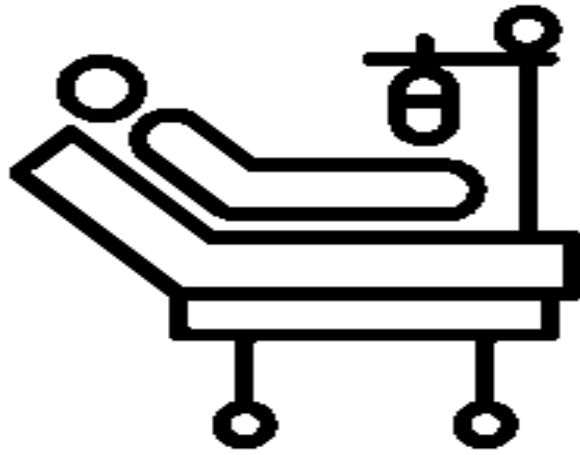


## ACCIDENTAL DISABILITY BENEFIT

Description of Loss	% of Basic Life	Description of Loss	% of Basic Life
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%



# INSURANCE BENEFITS



**ACCIDENTAL  
HOSPITALIZATION  
BENEFIT**

**P1,000 per day of  
confinement**

**Maximum of 10  
compensable days**

# INSURANCE BENEFITS



## TERMINAL ILLNESS

**Assistance given to any member who has an end-stage disease or illness that cannot be cured or treated and is reasonable expected to result in his/her death**

**P100,000 or 25% of the members insurance coverage whichever is applicable**

# INSURANCE BENEFITS



**DEPENDENT'S  
FREE  
INSURANCE**

<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>

# INSURANCE BENEFITS



**50% of contribution  
which earns  
interest**

**EQUITY VALUE**

# INSURANCE BENEFITS



**OTHER LIVING  
BENEFITS**

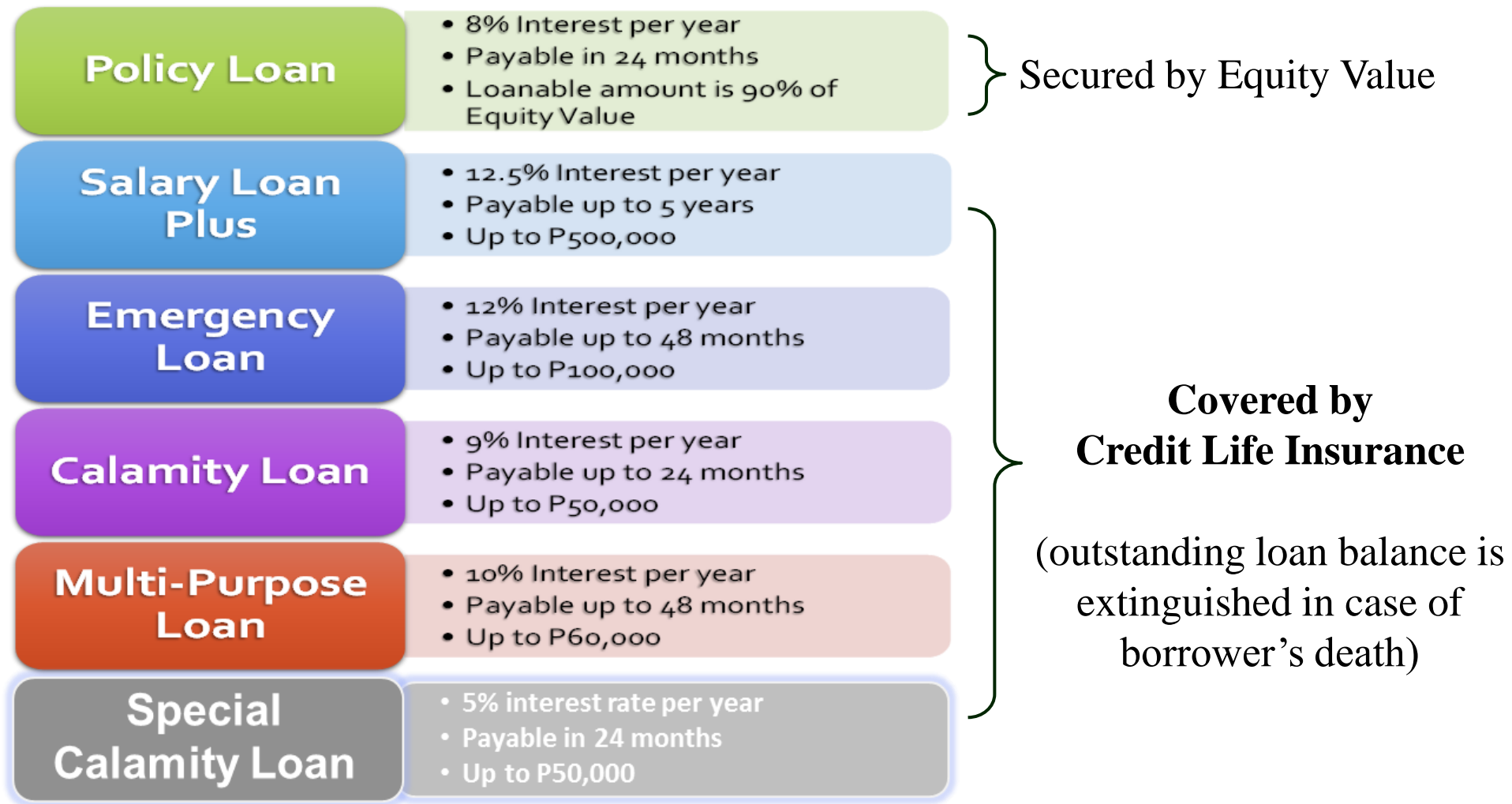
**Members' Experience Refund  
(MER)**

**(from underwriting  
income)**

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

**(from investment income)**

# ACCESS TO LOAN FACILITIES



# BASIC GROUP TERM PLAN (BGTP)

<b>Rank</b>	<b>Premium</b>	<b>Insurance Coverage</b>	<b>Accidental Death</b>
<b>PLTCOL – PGEN</b>	<b>P60.00</b>	<b>80,000</b>	<b>160,000</b>
<b>Cadets; PLT – PMAJ</b>	<b>P50.00</b>	<b>70,000</b>	<b>140,000</b>
<b>PMSG – PEMS</b>	<b>P30.00</b>	<b>40,000</b>	<b>80,000</b>
<b>Pat – PSSG</b>	<b>P25.00</b>	<b>35,000</b>	<b>70,000</b>

**\* With Accidental Disablement Benefit**

# MEMORIAL PLAN (MEMP)

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

- **Covers death benefit only**
- **Part of the Cash Advance**

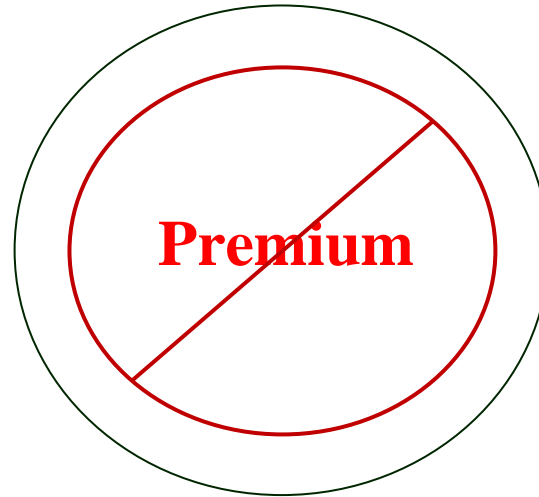
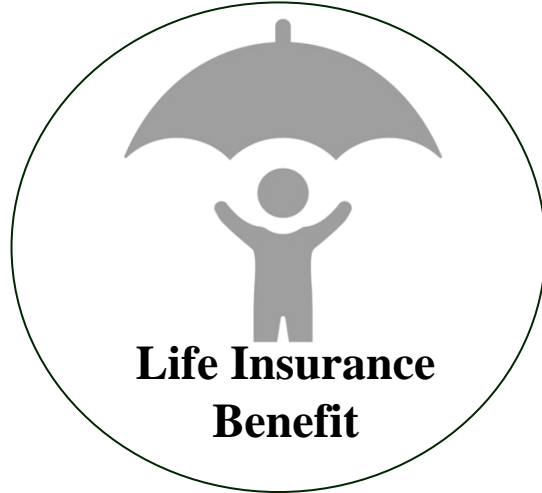


# ENDOWMENT AT AGE 56 (E-56)



**Life Insurance +  
Investment**

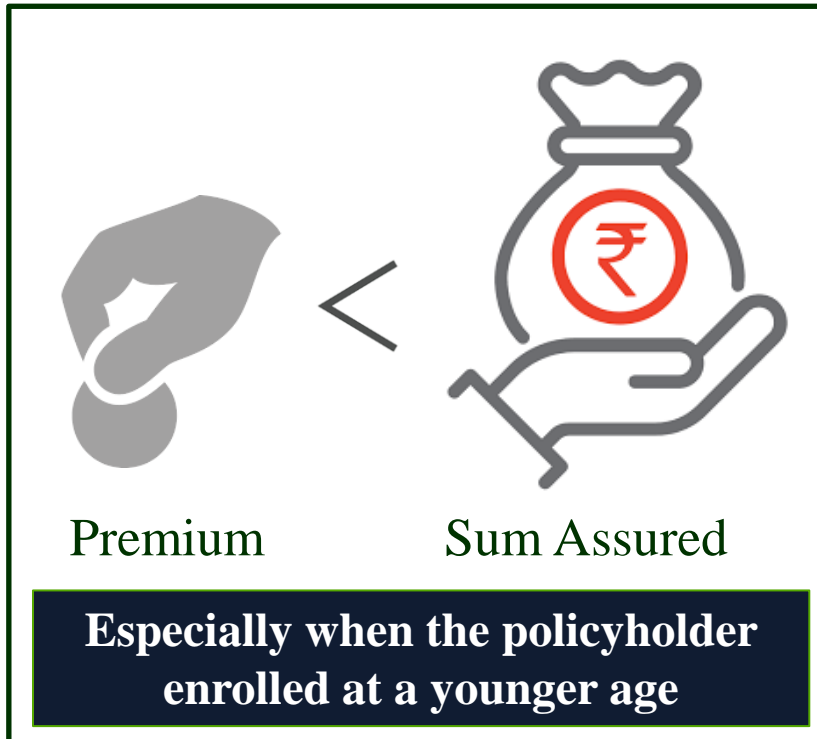
# ENDOWMENT AT AGE 56 (E-56)



**Premium is  
waived due to  
disability**

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

# ENDOWMENT AT AGE 56 (E-56)



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 is 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**

# FINANCIAL ASSISTANCE

**FA to members who are sick,  
ill, or injured**  
- P5,000 support

**FA to members who are  
victims of calamity**  
- P3,000 partially damaged  
property  
- P3,000 totally damaged  
property



**Support to Partner Agencies**

- Procurement of  
equipment

**Allocation per region  
depends on the percentage  
of revenue contributed by  
the region in a given year**

# ORGANIZATIONAL STRUCTURE



# BOARD OF TRUSTEES

(elected by members)

**Chairman**

**Vice Chairman**

**13 Trustees**

## CORPORATE OFFICERS

**President**

**Treasurer**

**Assistant Treasurer**

**Auditor \***

**Secretary \***

**Executive Committee**

**Dir Mario A Avenido**

**Risk and Audit Committee**

**Dir Juanito B Vaño Jr**

**Governance Committee**

**Dir Ricardo C Marquez**

**IT Committee**

**Dir Benigno B Durana Jr**

**Membership Committee**

**Dir Herminio S Tadeo Jr**

**Project Management Group**

**Dir Ferdinand O Divina**

## BOARD COMMITTEES

### 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.

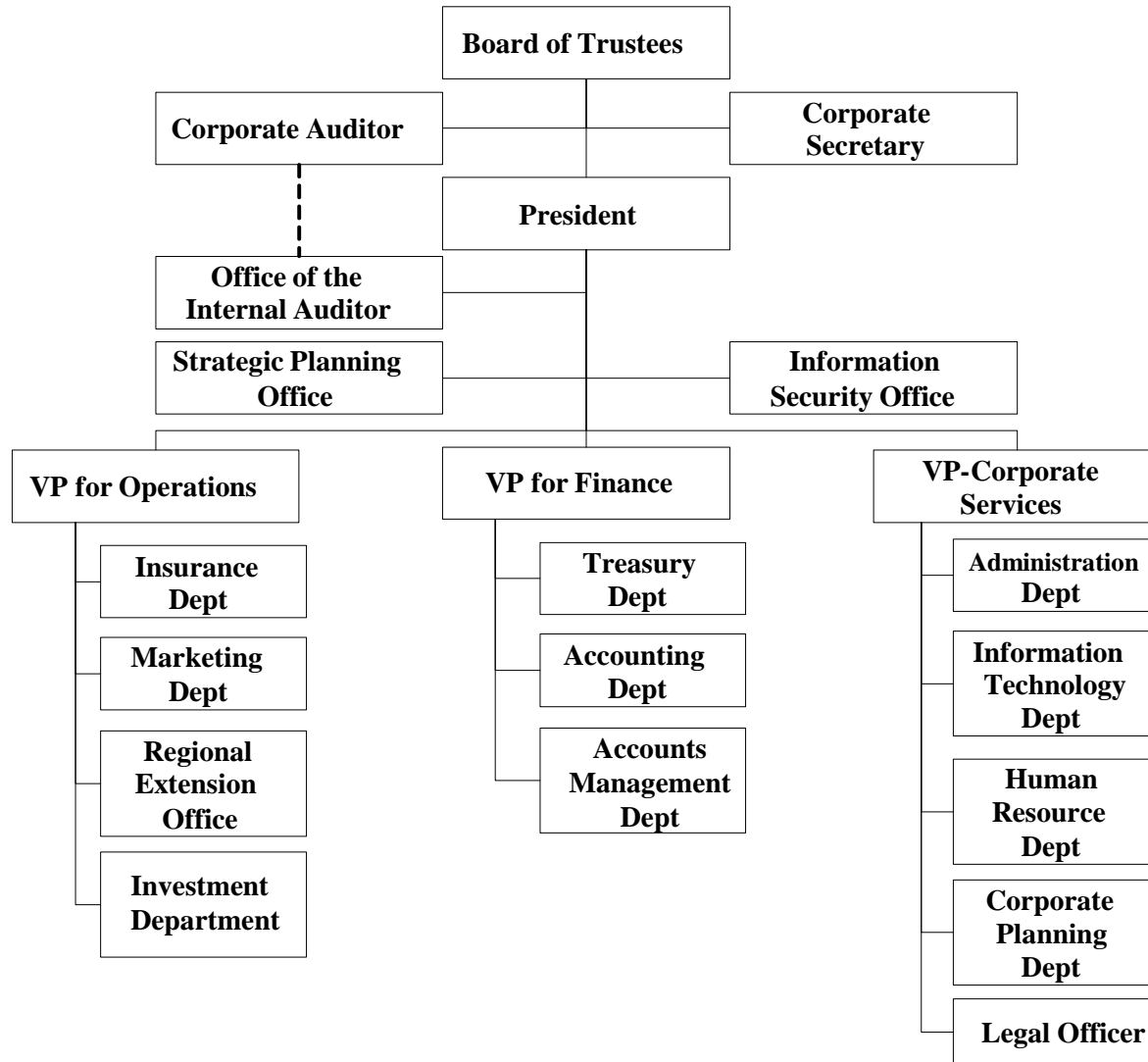
### Membership Committee

Oversees the company's membership and insurance activities.

### Project Management Group

Oversees land acquisition and construction of PSMBFI Regional Offices

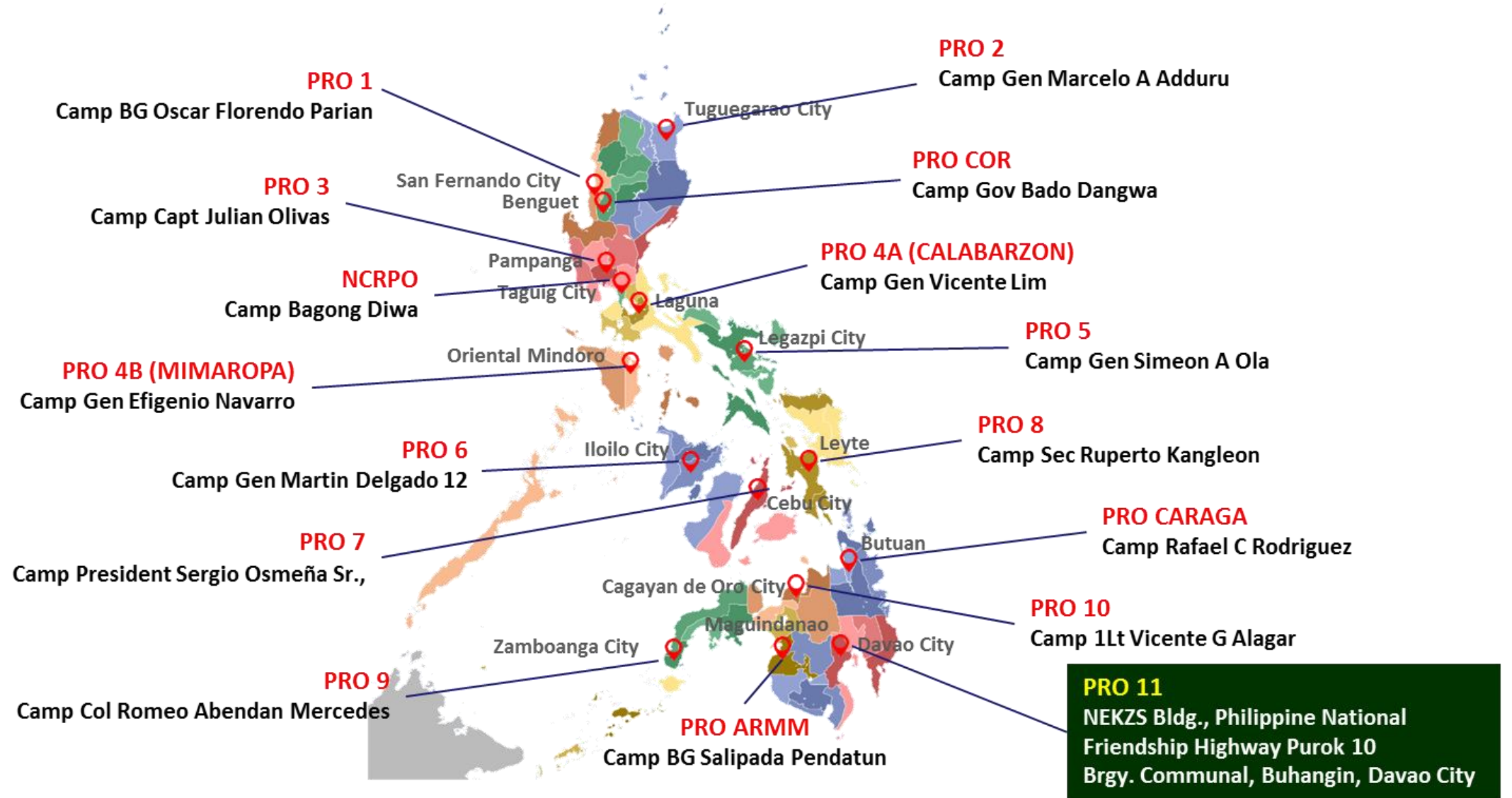
# MANAGEMENT STRUCTURE



- President** : **Atty Joel Napoleon M. Coronel**
- VP-Operations** : **PMGEN Celso I. Pestano (Ret)**
- VP-Finance** : **Eugene Emilio U. Balcos IV**
- VP-Corp Services** : **Anthony L. Cuaycong**
  
- Internal Auditor** : **Jasel J Rabano**
- SPO** : **Bonny R Bonito**
- Operations Group**
  - Marketing** : **Rowena O. Sermonia**
  - Insurance** : **Regina Angela Charissa M. Molines**
  - Investment** : **Michelle P. Cayabyab**
- Finance Group**
  - Treasury** : **Mary Jane T. Velasquez**
  - Accounting** : **Rommel D. Ramirez**
  - Accounts Mgt:** **Joel A. Villabona**
- Corporate Services Group**
  - Admin** : **Alejandro Maria A. Lumandas**
  - Corplan** : **Mary Jean P. Zamora**
  - HR** : **Milan Rochelle n. Bernardo**
  - IT** : **Ruel R. Masil**
  - Legal Officer** : **Rizalina V. Lumbera**



# REGIONAL OFFICES

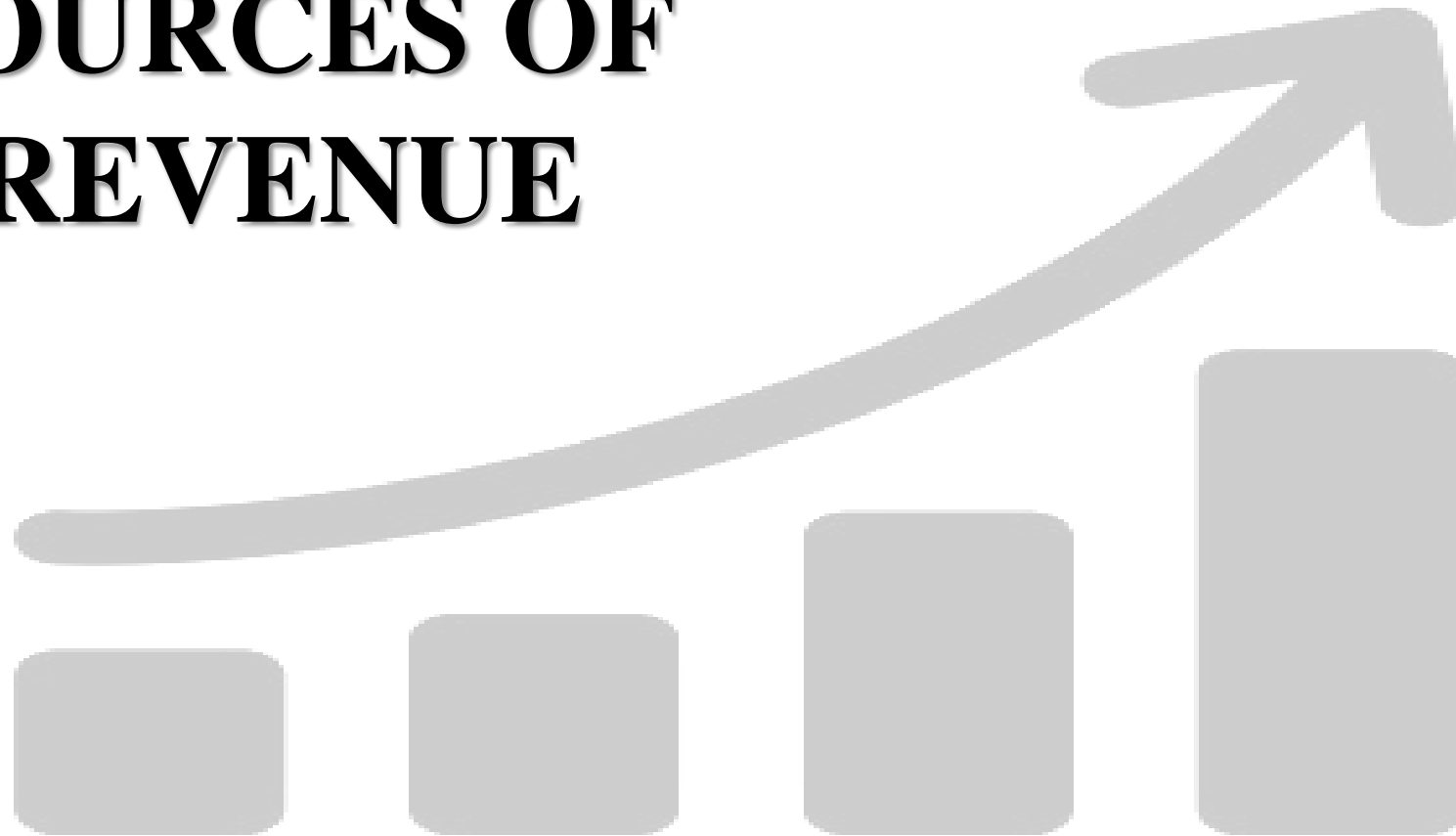


# PSMBFI STRENGTH

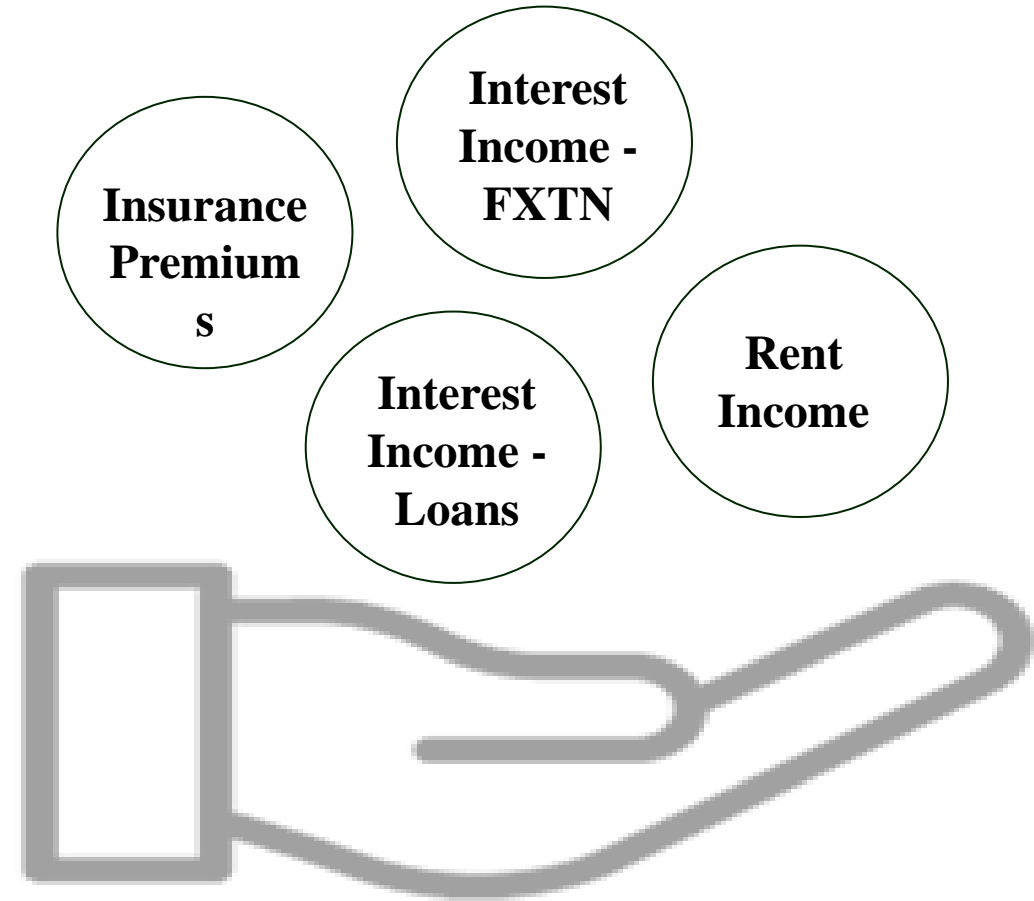
	Head Office	REOs	Total
President	1		1
Vice-President	3		3
Manager	12		12
Supervisor	27	16	43
Rank and File	155	85	240
Rank and File – proby		2	2
Project Based	12		12
<b>Total</b>	<b>210</b>	<b>103</b>	<b>313</b>



# SOURCES OF REVENUE



# REVENUE STREAMS



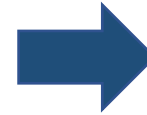
# MEMBERSHIP OPERATION

## GAINS

- Recruits
- Get Member Program
- Enrollees from other Partner Agencies

## LOSSES

- Retirements (Optional & Compulsory)
- Other Attrition
- Voluntary Termination

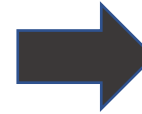


**INSURANCE  
PREMIUMS**

# INVESTMENT OPERATION

Loans Receivable

Loan Releases



**INTEREST  
INCOME ON  
LOANS**

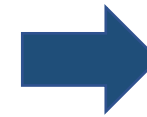
# INVESTMENT OPERATION

## OBJECTIVES:

- Safety of Capital
- Liquidity
- Yield

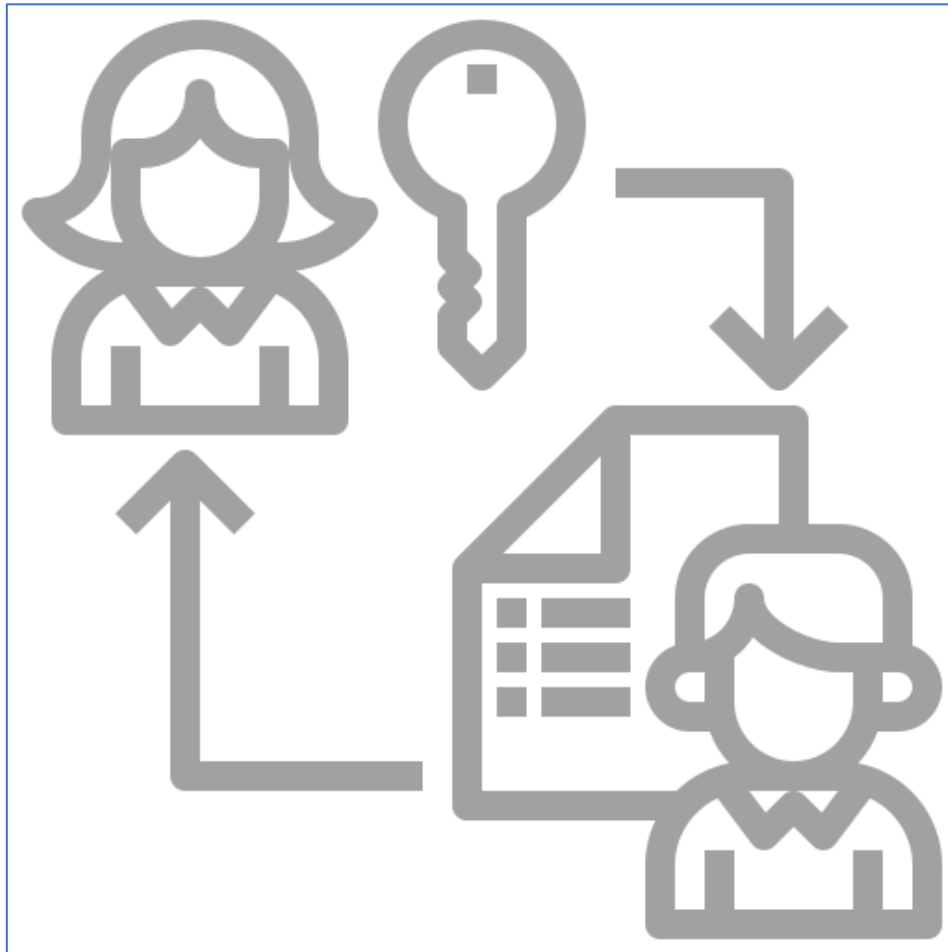
## CASH INVESTMENTS

- Cash Time Deposits
- Government Securities
- Corporate Securities
- Investment Management Agreement (IMA)
- Long Term Negotiable Certificate of Deposit



**INTEREST  
INCOME ON  
CASH  
INVESTMENTS**

# LEASING OPERATION



**9 Tenants**  
**(18 units)**



**Rent**  
**Income**



# DISAGGREGATION OF CONTRIBUTION



## 50% EQUITY FUND

- Equity Value of the member
- Invested to earn

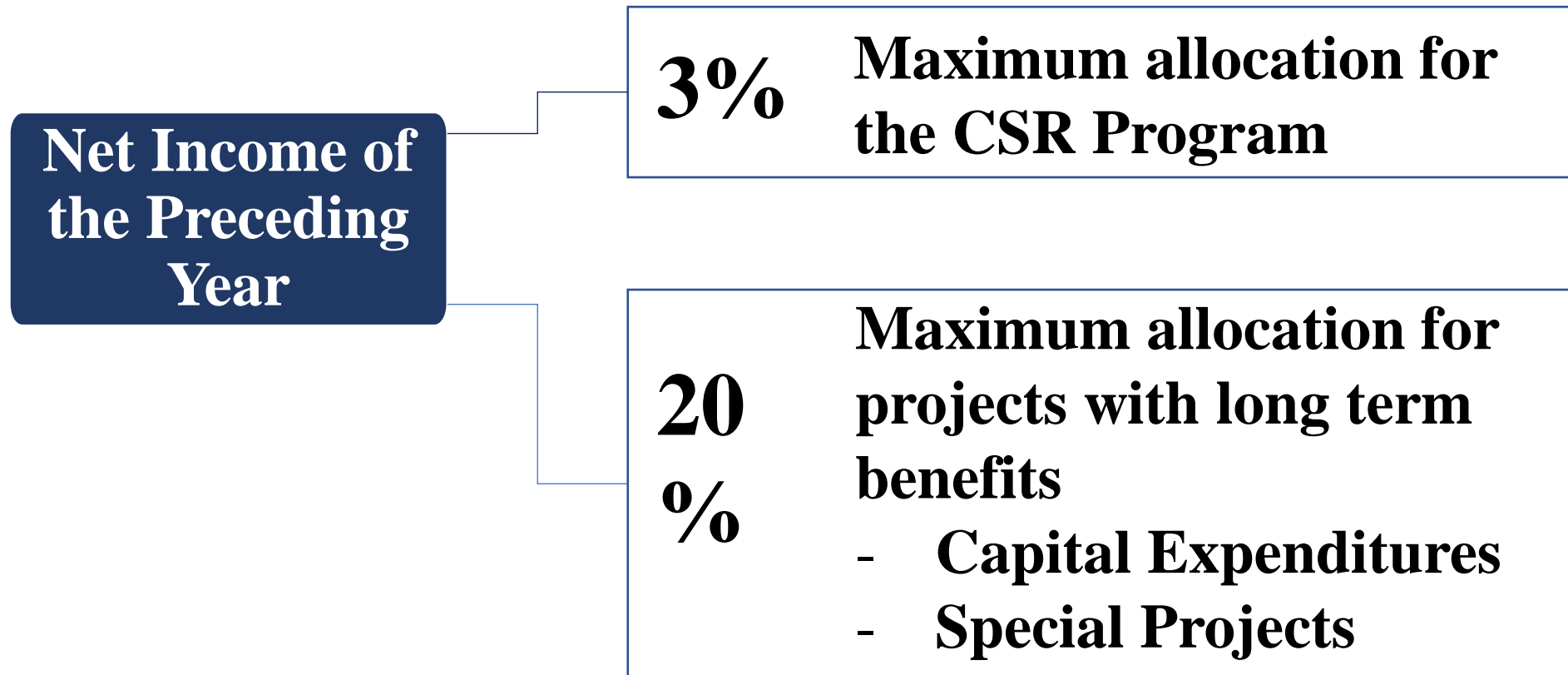
## 35% BENEFIT FUND

- For insurance claims and other benefits

## 15% GENERAL FUND

- For operating expenses (PS & MOE)

# UTILIZATION OF NET INCOME



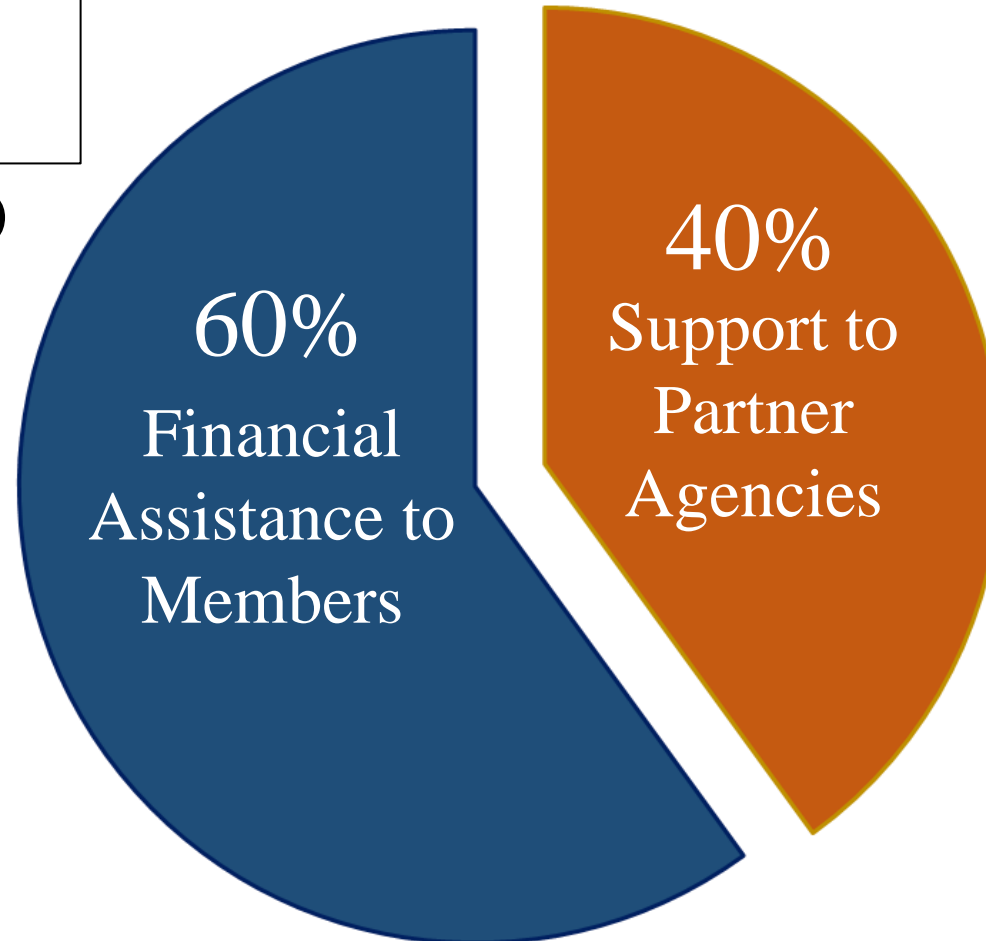
# CSR PROGRAM OF PSMBFI

**P27.79  
MILLION**

**2022 CSR FUND**

**Illness, sickness, or  
injuries not covered  
by the policy**

**Victims of calamities**



**Procurement of  
equipment**

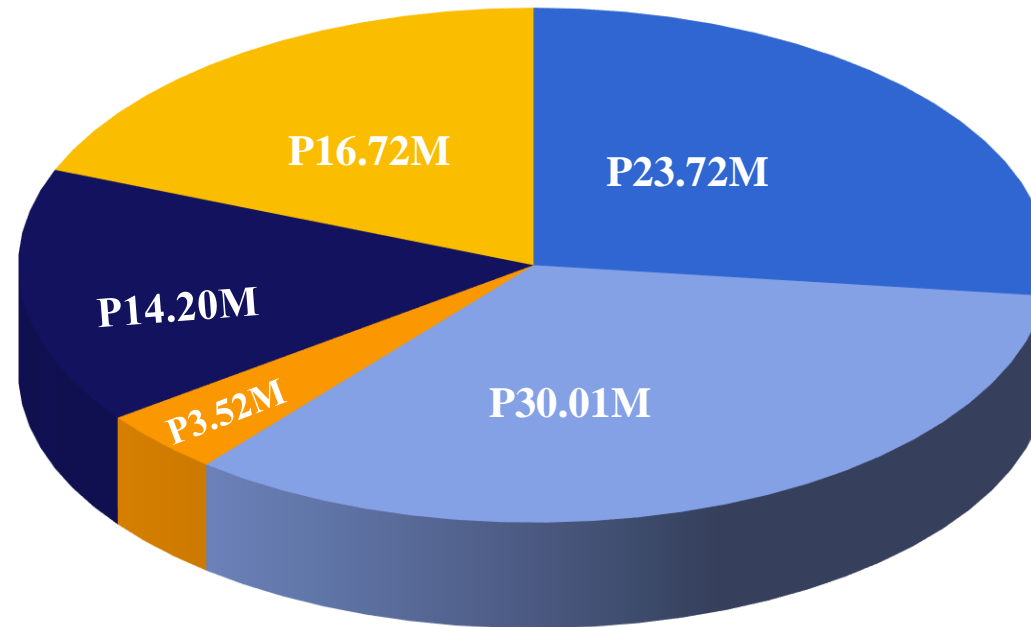
**Construction or major  
repairs**

# PANTAWID COVID PROGRAM

<b>Allocation</b>		<b>1,000,000,000</b>
<b>Less: Disbursements (as of Mar 2022)</b>		
<b>Pantawid Covid Program @ P5,000 each (186,453)</b>	<b>932,265,000</b>	
<b>FA to Covid Positive</b>	<b>45,929,000</b>	<b>978,194,000</b>
<b>Balance</b>		<b>21,806,000</b>

# CAPITAL EXPENDITURES

**P88.17  
MILLION  
2022 CAPEX**

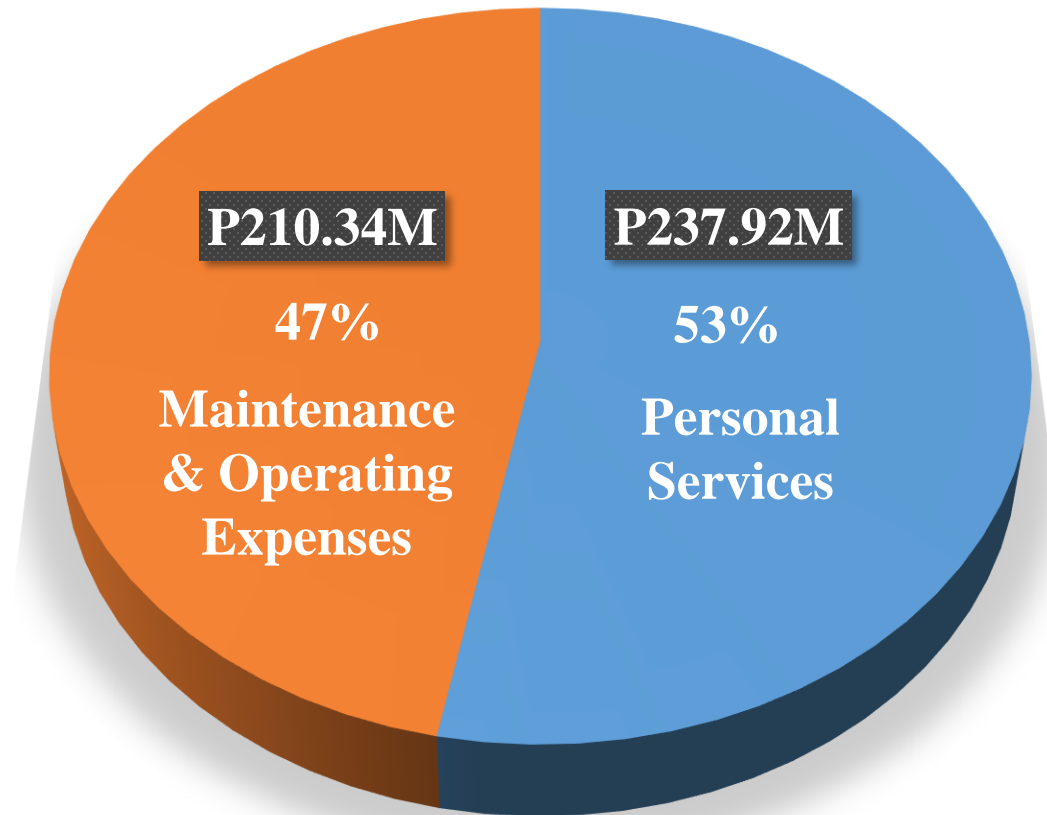


- Computer Hardware /Software
- Office Machine and Equipment
- Furniture & Fixture
- Company Vehicles
- Building Renovation



# OPERATING FUND

**P448.26 MILLION**  
**2022 Approved Budget**



# FINANCIAL HIGHLIGHTS

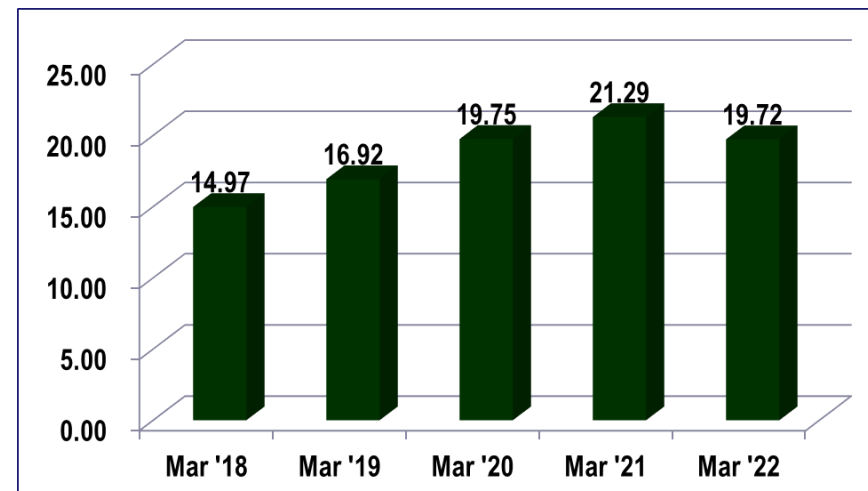
## INCOME STATEMENT

(in Million)

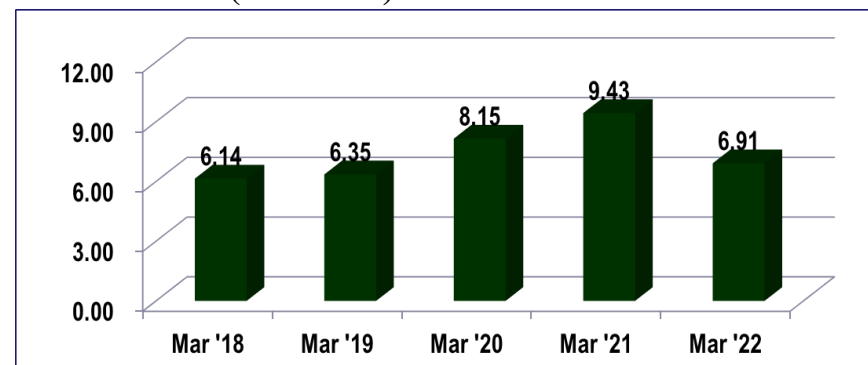
REVENUE	Mar '22
Net Insurance Premium	121.94
Interest Income on Loans	90.56
Interest Income on Investments	30.41
Rent Income	0.54
Other Income/Unrealized Gain/Loss (IMA)	(0.91)
<b>Gross Revenue</b>	<b>242.55</b>
SGTI Experience Refund	0.00
E-56 Commission Expense	0.00
<b>Net Revenue</b>	<b>242.55</b>
Claims Benefit Expenses	28.01
Personal Services	12.81
Maintenance & Operating Expenses	30.77
Depreciation Expense	4.06
Provision for Doubtful Accounts	5.82
<b>Total Claims &amp; General and Admin Expenses</b>	<b>81.47</b>
<b>Operating Income</b>	<b>161.08</b>
Interest on Members' Equity	31.64
<b>Income before CSR &amp; Pantawid Covid Program</b>	<b>129.44</b>
CSR	2.89
Pantawid Covid Program	0.02
<b>Net Income</b>	<b>126.54</b>

## BALANCE SHEET

### Assets (in billion)



### Liabilities (in billion)



**Retained Surplus - P12.85 Billion**

# MAJOR PROJECTS OF PSMBFI

## Land banking for the Construction of Regional Offices Outside PRO

Acquired Lots	Status
Region 3 – San Fernando, Pampanga (May 4, 2022) – Cost: P25M for 350sqm lot – Title: T-12465	Full payment for the lot will be made on May 4, 2022
Region 4A – Calamba City, Laguna – Cost: P31.471M for 903.5sqm lot – Title: transfer of title is on process (Lot 61A is not yet paid)	New building design for submission to the Board approval (in compliance with the requirement to maximize the lot utilization) Demolition permit was already secured
Region 4B – Calapan City, Mindoro (Aug. 15, 2019) – Cost: P2.875M for a 500-sq m lot – Title: T-108546	
Region 6 – Iloilo City, Iloilo (Feb 19, 2020) – Cost: P22.000M for a 634-sq m lot – transfer of title is on process	Proposed building design for submission to ICCHCC for approval. Part of the clearance requirement is a structural study which will be presented to ICCHCC
Region 13 – Butuan, Agusan del Norte (Nov. 8, 2019) – Cost: P12.781M for a 500-sq m lot – Title: T-20950	

NCR (AFPOVAI area) – due diligence is currently being undertaken

Region 7 (Cebu), Region 8 (Tacloban) , Region 2 Cagayan Valley) – for ocular visit



# MAJOR PROJECTS OF PSMBFI

## PSMBFI Unified Loans and Insurance System (P.U.L.I.S)

### Project Cost – P318.83

- DXC conducted Solution Discovery Phase from March 14 – 31, 2022.
- Confirmation Discovery Phase concluded last March 31, 2021
- PSMBFI conducted a system demo from April 01 -08, 2022
- On-going: SAP- Business Process Review (BPR) – April 26 – 29, 2022

**12 Jul 2022 – 28 Mar 2023 : System Development and Completion of Implementation**

**29 Mar 2023 – 02 May 2023 : Go-Live**

**04 May 2023 – 02 Jun 2023 : Submission of System Documentation**

**05 Jun 2023 : Project signoff/Closure**

# ON-GOING INITIATIVES

## **MBEP Transfer Project**

- One of the strategies of PSMBFI to mitigate the impact of the 12% committed interest of the old Equity Plan (MBEP)
- Start of the Project: September 1, 2021
- Completion Date: June 30, 2022
- Target: 37,000 MBEP Transferees
- Update: 36,308 as of April 27, 2022

## **Job-Evaluation Study**

- Currently being evaluated by a third party
- To include organizational restructuring

## **Enterprise Risk Management and Business Continuity Plan**

- Currently being crafted

# ON-GOING INITIATIVES

## ❖ Intensified Collection Effort on Past Due Accounts

- Majority are optional retirees (**P364.27 million** out of P611.13 million total past due);
- PSMBFI is already accredited in the **Pension Deduction and Loan Information System (PDLIS)**;
- Deduction code already provided
- Awaiting for the schedule of panel interview of authorized users by CAAD (last step).

## ❖ Transition Agreement between PSMSBFI and PNP

- Continuous occupancy of regional offices inside camps
- The Memorandum of Agreement is under the finalization stage

## ❖ Updating of Member's Profile

- Coordination with the DPRM and PRBS is ongoing for the updating of information
- The Memorandum of Agreement is under the finalization stage

# COMPLETED PROJECTS/INITIATIVES

- ❖ **Updating of Operations Manual**
- ❖ **Tier1 Balanced Scorecard – Corporate Level**
- ❖ **Incentive Management Program**

# MAJOR CHALLENGE

## ❖ **Military and Uniformed Personnel Bill (MUP Bill)**

- Pension of all military and uniformed personnel shall be managed by the GSIS through the creation of a separate fund
- Each member has to contribute to the fund
- Core business of PSMBFI will be affected

# REQUESTED ASSISTANCE FROM THE PNP

## ❖ CREDITING OF BENEFITS THROUGH THE PNP LBP PAYROLL SYSTEM

- Creation of MOA
- Pay-outs of:
  - Financial Assistance
  - MER/MBIEV
  - Insurance Claims
  - Loan Proceeds



**PUBLIC SAFETY MUTUAL  
BENEFIT FUND, INC.**

**CORPORATE SERVICES GROUP**

---

**THANK YOU**