



**PANGASINAN PUBLIC SCHOOL TEACHERS
MUTUAL BENEFIT ASSOCIATION, INC.
(PPSTMBA, INC.)**

Teachers Building, Maramba Blvd., Lingayen, Pangasinan

Telephone No: (075) 6344982 TIN 256-711-242

Email: taplingayen@yahoo.com.ph

**IMPLEMENTING RULES AND REGULATIONS OF THE BASIC LIFE
INSURANCE PLAN (BLIP)**

ENTIRE CONTRACT

PPSTMBA, INC. issues this Implementing Rules and Regulations (IRR) in consideration of the member's application and the receipt of his/her initial contribution. This IRR, its application, certificate of membership constitutes the entire contract.

Only the Chairman of the Board of Trustees, the President, or officers duly authorized in writing by the Board of Trustees have the authority to modify this contract. Any such modification must be in writing and duly signed by the authorized officer.

INSURING CLAUSE

PPSTMBA, INC., subject to the provisions of this Implementing Rules and Regulations, shall pay the benefits under the Basic Life Insurance Plan (BLIP), in accordance with the following provisions:



APPROVED

UNDER THE PROVISIONS OF SECTION 222 OF P.D. NO. 612 OTHERWISE KNOWN AS "THE INSURANCE CODE AS AMENDED BY RA. NO. 10801"

BY AUTHORITY OF THE INSURANCE COMMISSIONER

25 JAN 2023
DATE


ERICKSON T. BALINES
DEPUTY INSURANCE COMMISSIONER
MANAGEMENT SUPPORT SERVICES GROUP

Section 1. BENEFITS

1.1 Natural or Non-Accidental Death Benefit

1.1.1 Natural or Non-Accidental Death is defined as loss of life due to natural causes, sickness, or non-accidental causes.

- 1.1.2 Upon death of the member-insured due to natural or non-accidental causes, PPSTMBA, INC. shall pay his/her designated beneficiary/ies an insurance benefit amount in accordance with the Table of Benefits in Annex 1.
- 1.1.3 It is understood that upon death of the member-insured, his/her Certificate of Membership is automatically terminated.

1.2 Accidental Death Benefit

- 1.2.1 Accidental death is defined as loss of life resulting directly, independently and exclusively of all other causes, of bodily injury effected solely by external, violent and accidental means, where, except in the case of drowning or if internal injury revealed by an autopsy (if it is not forbidden by law), there is evidence of a visible contusion or wound on the exterior of the body occurring within one hundred eighty (180) days from date of such injury.
- 1.2.2 Upon accidental death of the member-insured, PPSTMBA, INC. shall pay an accidental death benefit amount in accordance with the Table of Benefits in Annex 1.
- 1.2.3 The following causes of death shall not accrue an accidental death benefit, but the death benefit provided in Section 1.1.2 shall still be payable.
 - 1.2.3.1 Bodily or mental infirmity or disease of any kind;
 - 1.2.3.2 Self-destruction or self-inflicted injuries, or any attempted suicide regardless of the person's state of mind at the time the incident occurs;
 - 1.2.3.3 Murder or provoked assault;
 - 1.2.3.4 Driving any vehicle under the influence of alcohol; driving without a driver's license; the driver is a minor or while racing on wheels;
 - 1.2.3.5 Any injuries received while on police duty in any armed forces organization or civilian defense or local police forces;
 - 1.2.3.6 Flying, other than while travelling as a fare-paying passenger on a licensed aircraft;

- 1.2.3.7 While travelling in any form of underwater transportation except as a fare paying passenger, or while engaging in any underwater operation but not limited to scuba diving;
- 1.2.3.8 In the commission or attempted commission of felony;
- 1.2.3.9 Drug addiction, alcoholism, sexually transmitted diseases and HIV if diagnosed within five years from effective date of coverage;
- 1.2.3.10 Participation in any dangerous sports or activities;
- 1.2.3.11 Acts of God or Natural Calamities;
- 1.2.3.12 Any brawl, riot, civil commotion, war, terrorism, invasion, act of foreign enemy or war like operations (whether declared or undeclared);
- 1.2.3.13 Any loss as a result of medical malpractice; and
- 1.2.3.14 Ingested poison, gas or fumes voluntary or involuntary taken.

1.3 Total and Permanent Disability Benefit

- 1.3.1 Total and Permanent Disability (TPD) shall mean disability caused by bodily injury or disease which prevents the member-insured from engaging in any gainful activity and must continue uninterruptedly for at least six (6) months except in the case of disability with dismemberment where the disability is immediate and permanent.
- 1.3.2 There are two types of TPD coverage:
 - 1.3.2.1 Disability with dismemberment – The loss of both arms, or of both legs, or of one arm and one leg, or of both eyes, shall be immediately considered as total and permanently disability with dismemberment. Loss of both arms or of both legs shall mean dismemberment by amputation of the entire hand or foot; with respect to eyes, entire and irrecoverable loss of sight.
 - 1.3.2.2 Disability without dismemberment –The complete inability to engage in any gainful employment and being bedridden due to sickness or accident without dismemberment shall be considered as total and permanent disability without dismemberment, provided the disability persists continuously for at least six (6) months, subject to confirmation of a licensed physician.

- 1.3.3 Upon total and permanent disability of the member-insured, PPSTMBA, INC. shall pay the member-insured an insurance benefit amount in accordance with the Table of Benefits in Annex 1.
- 1.3.4 For cases of total and permanent disability without dismemberment, the member-insured must continue to pay his/her monthly contribution dues after filing a claim, until his/her total and permanent disability has been confirmed by a licensed physician. Upon confirmation of the total and permanent disability, the total contribution due collected from him/her after filing the total and permanent disability claim shall be refunded.
- 1.3.5 It is understood that upon full payment of the member-insured's total and permanent disability benefit, his/her Certificate of Membership is automatically terminated, and no other benefits are payable.

Section 2. ELIGIBILITY FOR INSURANCE COVERAGE

- 2.1 Applicants for insurance coverage must be active members of PPSTMBA, INC., wherein membership is limited to public school teachers and employees of the Department of Education (DepEd) in the divisions of Pangasinan I & II and all city divisions.
- 2.2 Applicants must at least be eighteen (18) years old but not more than fifty-six (56) years old.
- 2.3 Only those applicants who accomplished the prescribed application form shall be eligible for membership, provided that the first contribution is paid.
- 2.4 In case of multiple overlapping applications for insurance coverage, only the initial application shall be considered valid. Upon discovery of multiple insurance coverage of one person, the additional certificate/s of membership shall be automatically cancelled and the contributions for these overlapping certificates shall be refunded. In case of multiple claims for a single event by one member-insured, benefits will be paid only once as defined and due under the initial certificate.

Section 3. LIEN

- 3.1 BLIP insurance coverage shall be issued without need for prior medical underwriting of the member-insured. To account for substandard risks, a lien on the benefits payable shall be applied, subject to the specific period of risk exposure.

3.2 For natural or non-accidental death or total and permanent disability occurring before the insurance coverage reaches six (6) months, a reduced benefit amount shall be payable in accordance with the Table of Benefits in Annex 1.

Section 4. EQUITY VALUE

4.1 Member-insured shall be entitled to an Equity Value equivalent to at least FIFTY PER CENTUM (50%) of his/her total gross contributions paid. Interest shall be credited to the Equity Value annually at a rate to be determined by the PPSTMBA, INC. Board of Trustees but in no case less than the prevailing savings rate of the top three (3) commercial banks.

4.2 The Equity Value, inclusive of interest thereon, is payable upon termination of the member-insured's membership from PPSTMBA, INC. including death and total and permanent disability.

4.3 Upon reaching the termination age of sixty-five (65) years old, the member-insured shall be entitled to the payment of the Equity Value.

Section 5. EFFECTIVITY OF INSURANCE COVERAGE

5.1 A Certificate of Membership containing the date of effectivity of membership, a summary of benefits, and excerpts of the Implementing Rules and Regulations of PPSTMBA, INC.'s Basic Life Insurance Plan shall be issued to every member of PPSTMBA, INC. upon approval of the application for membership.

5.2 Membership in PPSTMBA, INC. shall take effect upon payment of the first monthly contribution and approval of the application for membership by the Board of Trustees or the officials designated by the Board.

Section 6. SUICIDE

6.1 PPSTMBA, INC. shall be liable if the member-insured commits suicide after one (1) year from the effective date of the Certificate of Membership. Suicide committed in the state of insanity will be compensable regardless of the date of commission.

6.2 Where suicide is not compensable, PPSTMBA, INC.'s liability shall be limited to the return of all contributions paid by the said member-insured without interest.

Section 7. TERMINATION OF INSURANCE COVERAGE

- 7.1 The insurance coverage shall automatically terminate under the following conditions, whichever comes first:
 - 7.1.1 Upon death or TPD of the member-insured;
 - 7.1.2 Upon resignation of the member-insured from PPSTMBA, INC.;
 - 7.1.3 Upon retirement from service or attainment of age sixty-five (65) of the member-insured, whichever comes first;
 - 7.1.4 Upon expiration of the grace period if no payment has been received by then;
 - 7.1.5 Upon termination of membership with cause by PPSTMBA, INC.
- 7.2 Termination of coverage shall be without prejudice to any claim arising prior to such termination.

Section 8. INCONTESTABILITY

- 8.1 Except for non-payment of contributions or any other grounds recognized by law and jurisprudence, PPSTMBA, INC. cannot contest the Certificate of Membership after it has been in-force for one (1) year from the effective date or date of last reinstatement.

Section 9. MISSTATEMENT

- 9.1 Any willful misstatement of age in the application, that would render a person eligible for insurance cover when he/she would otherwise be ineligible, shall be a sufficient cause for the cancellation of one's insurance coverage in PPSTMBA, INC.'s BLIP at any time such misstatement is known. In such cases, PPSTMBA, INC.'s liability shall only be limited to the refund of all contributions paid by the said applicant, without interest.

Section 10. CONTRIBUTION

- 10.1 The member-insured shall be charged TWO HUNDREDTHIRTY PESOS (Php230.00) per month as contribution for insurance coverage. Payment of this contribution shall entitle the member-insured to an insurance coverage under BLIP.
- 10.2 The contributions may be adjusted by the Board of Trustees, as may be necessary to maintain the funds of PPSTMBA, INC., at a level adequate to meet its benefit obligations or commitments under this Implementing Rules and Regulations. Any

adjustments in the contributions shall be supported by an annual review and subject to prior approval by the Insurance Commission.

- 10.3** Contributions may be paid through Department of Education (DepEd) Automatic Payroll Deduction System (APDS) or through direct remittance to PPSTMBA, INC. Office or designated collection centers in cash and are considered paid on the date of receipt of PPSTMBA, INC. office or designated collection centers.
- 10.4** Payments and/or instruments for payment of the monthly contributions made and executed not in accordance with this Implementing Rules and Regulations of BLIP shall not be accepted and if inadvertently accepted shall be considered null and void and will be refunded without interest.

Section 11. GRACE PERIOD

- 11.1** Any member-insured who fails to pay his/her monthly contribution shall be given a grace period of forty-five (45) days from the due date to remit the contribution due.
- 11.2** In case of death or TPD of the member-insured within the grace period, the balance of the contribution in arrears shall automatically be deducted from the benefits payable.
- 11.3** If after the forty-five (45) days period, no contribution has been received by PPSTMBA, INC., the insurance coverage shall lapse and in the event of death or TPD of the member-insured, no benefit shall accrue to the member-insured other than the member-insured's accumulated Equity Value.

Section 12. REINSTATEMENT

- 12.1** Lapsed members may apply for reinstatement, provided that they are in good health, as certified by a licensed physician. The reinstatement of insurance coverage shall take effect upon approval of the application and payment of the contributions in arrears, at an interest rate of 5% per annum. In this case, the length of membership shall be continued from the date it has lapsed, but shall be subject to provision on incontestability in Section 8.1.
- 12.2** Application for reinstatement can only be performed within a period of three (3) years from the date the policy lapsed, provided that the Certificate of Membership has not been surrendered for its Member's Equity Value. Otherwise, the membership is cancelled.

Section 13. FUND MANAGEMENT

13.1 PPSTMBA, INC. shall disaggregate the contribution from the member-insured and administer them into five (5) separate and distinct funds:

- 13.1.1 **Benefit Fund** - The Benefit Fund shall not exceed TWENTY-FIVE PER CENTUM (25%) of the contribution. It shall cover all the contractual benefits like death or disability.
- 13.1.2 **Equity Value Fund** - The Equity Value Fund representing FIFTY PER CENTUM (50%) of the contribution shall support the Equity Value or termination value and any other promised accrued interest earnings on the Equity Value.
- 13.1.3 **Guaranty Fund** - The Guaranty Fund comprising FIVE PER CENTUM (5%) of the contribution shall ensure the timely and properly payment of annual contribution to the Guaranty Fund as mandated by the Insurance Commission. If the Guaranty Fund has been fully complied with as required by law, the allocation for the guaranty fund shall be utilized to increase the member's benefits or reduce the contribution or may be lumped under the General Expense Fund.
- 13.1.4 **General Expense Fund** - The General Expense Fund shall not exceed TWENTY PER CENTUM (20%) of the contribution, it shall finance the general and operating expenses in administering this Implementing Rules and Regulations.
- 13.1.5 **Investment Income Fund** - The Investment Income Fund shall consist of all interest income or capital gains net of investment expenses derived from prudent fund management of excess of contributions over disbursements. PPSTMBA, INC. shall develop an investment plan guided by the standards for managing and investing fiduciary funds and adhering to the principles of prudent man's rule.

13.2 The Investment Income fund may be distributed to the Equity Value Fund and the General Expense Fund. However, the allocation must first satisfy the minimum interest that must be credited to the Equity Value Fund before any allocation to the General Expense Fund may be made.

Section 14. ADMINISTRATION

- 14.1 PPSTMBA, INC. shall adopt a prudent cash management program to invest profitably all cash in excess of current disbursements.
- 14.2 PPSTMBA, INC. shall set up each year sufficient reserves for the payment of claims and other obligations in accordance with actuarial procedures approved by the Insurance Commission and per the recommended calculations and procedures specified by the Consulting Actuary. If the reserves become impaired, the Board of Trustees shall require all members to pay PPSTMBA, INC. the amount of the member-insured's equitable proportion of such deficiency as ascertained by the Board of Trustees. If the payment is not made, it shall stand as an indebtedness against the member-insured and draw interest not to exceed five per centum (5%) per annum compounded annually.
- 14.3 PPSTMBA, INC. shall adopt a complete statistical program to gather and analyze all information related to this Implementing Rules and Regulations. The information should be collated and submitted annually to the consulting actuary for his/her analysis and evaluation so he/she can provide sound advice to the Board on matters pertaining to the solvency of the Fund.

Section 15. BENEFICIARIES

- 15.1 Only the immediate family may be named and designated as beneficiary/ies.
- 15.2 Immediate family refers to the member-insured's:
 - 15.2.1 Legal spouse or common-law partner
 - 15.2.2 Legitimate, illegitimate, or adopted child/ren
 - 15.2.3 Parents
 - 15.2.4 Siblings
 - 15.2.5 Grandparents/Grandchildren
- 15.3 In the absence of any immediate family member, the member-insured may designate any person who has close association or family-like relationship with the member, subject to approval of PPSTMBA, INC.
- 15.4 Named and designated beneficiary/ies that are outside the requirements under this section shall not be considered valid.
- 15.5 In case of death of the member-insured and no beneficiary has been designated, or his/her designated beneficiaries predeceased the member-insured, the benefits shall be awarded to the legal heirs according to existing laws.

15.6 The right to change the beneficiaries is reserved to every member-insured of PPSTMBA, INC., who may, at any time, designate a new beneficiary/ies. Such request shall be in writing, signed by the member and submitted to PPSTMBA, INC. office or designated collection centers.

Section 16. NOTICE AND PROOF OF CLAIMS

16.1 When a member-insured dies or gets disabled the member-insured or the beneficiary whichever is applicable, shall notify the MBA Coordinator, stating the following details:

- 16.1.1 full name and address of the deceased or disabled;
- 16.1.2 the cause of death or total and permanent disability;
- 16.1.3 the date of death or total and permanent disability; and
- 16.1.4 the address and full name(s) of the beneficiary/ies.

16.2 The claim should be accompanied by the following supporting documents:

- 16.2.1 for death claim: death certificate of the member-insured;
- 16.2.2 for accident death claim: death certificate of the member-insured including accident or police report;
- 16.2.3 for TPD: proof of total and permanent disability; and
- 16.2.4 proof of identity of the beneficiary

16.3 The claim for benefits should be filed within six (6) months after death or total and permanent disability with any PPSTMBA, INC. office. The member-insured or the beneficiary must fill-out the prescribed claims form.

16.4 Competent evidence of identity of beneficiary includes the following but is not limited to:

- 16.4.1 SSS ID
- 16.4.2 GSIS ID
- 16.4.3 Driver's License
- 16.4.4 COMELEC Voter's ID
- 16.4.5 Postal ID
- 16.4.6 BIR TIN

16.5 Cedula or CTC is not acceptable as competent evidence of identity.

16.6 If the claimant cannot produce any of the evidences of identity enumerated above, a barangay certification and PPSTMBA, INC. resolution to the effect that he/she is the beneficiary of the member-insured concerned would be sufficient.

16.7 Failure to give notice and proof as required, will not invalidate nor diminish the claim if it is shown not to have been reasonably possible to give such notice or proof and that such was given as soon as was reasonably possible.

Section 17. CLAIMS SETTLEMENT

17.1 Any claim under the BLIP shall be settled within ten (10) working days from date of receipt of complete documents required to validate the claim, including proof of death or total and permanent disability.

17.2 In the case of total and permanent disability without dismemberment, the notice and proof of claims shall be accompanied by a confirmation from a licensed physician that the disability has persisted continuously for at least six (6) months from the date the disability has been incurred.

Section 18. BENEFITS EXAMINATION COMMITTEE

18.1 A Benefits Examination Committee (BEC) composed of five (5) members shall be the body to recommend the payment of benefit claims. No action of the Committee shall be valid unless it is a decision of the majority. A majority constitutes at least three (3) members of the BEC. Whatever the decision that the BEC may have made, the PPSTMBA, INC. claims staff must validate the notice of death or total and permanent disability form, where applicable.

18.2 All the necessary forms and documents should be submitted to PPSTMBA, INC. office together with the recommendation of the BEC and PPSTMBA, INC. claims staff for proper action. The BEC shall likewise recommend the release of benefits and furthermore cause the release of the benefits to the beneficiaries upon approval. In case of indecision, the result of the evaluation of cases and recommendation must be submitted to PPSTMBA, INC. Head Office for the decision of the PPSTMBA, INC. President. However, if the PPSTMBA, INC. President cannot make a decision, the case shall be referred to the Board of Trustees for final decision.

Section 19. MAXIMUM BENEFIT AND CONTRIBUTION

19.1 The maximum amount of guaranteed benefits shall not be more than one thousand (1,000) times the current daily minimum wage rate for non-agricultural workers in Metro Manila.

19.2 The maximum amount of contribution computed on a daily basis shall not exceed seven and a half percent (7.5%) of the current daily minimum wage rate for non-agricultural workers in Metro Manila.

Section 20. WAIVER OF ARTICLE 1250 OF THE CIVIL CODE

20.1 It is hereby declared and agreed that the provision of Article 1250 of the Civil Code of the Philippines which reads:

"In case of extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of establishment of the obligation shall be the basis of payment..."

shall not apply in determining the extent of the liability under the provisions of the Certificate of Membership.

Section 21. PENAL PROVISION

21.1 Any member of PPSTMBA, INC., who through malfeasance, misfeasance, or non-feasance allows a spurious claim to be paid, including the claimant, will be punished accordingly to whatever penalty the Board of Trustees may so decide and the amount of indemnity paid must be refunded to PPSTMBA, INC.

Section 22. DISPUTE RESOLUTION

22.1 All disputes related to BLIP shall be settled initially through alternative dispute resolution mechanism.

Section 23. LIMITATION OF COMPLAINTS

23.1 Any complaint or grievance on the plan must be filed with the proper authorities within six (6) years from the time of rejection or denial of the claim. The venue for the complaints and grievances on the plan must not be limited to the place of issue of the contract.

Section 24. AMENDMENTS TO THIS IMPLEMENTING RULES AND REGULATIONS

24.1 Any amendment/s made to this Implementing Rules and Regulations shall be subject to approval by the Insurance Commission.

Section 25. AVAILABILITY OF THIS IMPLEMENTING RULES AND REGULATIONS

25.1 This Implementing Rules and Regulations embodies the terms and conditions of the benefits described above. A copy of the Implementing Rules and Regulations

shall be kept in the main office of PPSTMBA, INC. and shall be made available to the members for inspection during PPSTMBA, INC.'s regular office hours.

IMPORTANT NOTICE

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to insurance and has supervision over mutual benefit association and intermediaries. It is ready at all times to assist the general public in matters pertaining to insurance. For any inquiries or complaints, please contact the Public Assistance and Mediation Division (PAMD) of the Insurance Commission at 1071 United Nations Avenue, Manila with the telephone numbers (02) 85238461 local 103 or 127; (0917) 116-0007 (Globe); (0999) 993-0637 (Smart) and with email address publicassistance@insurance.gov.ph. The official website of the Insurance Commission is <https://www.insurance.gov.ph>.

Annex 1. Table of Benefits

PPSTMBA, INC. BASIC LIFE INSURANCE PLAN TABLE OF BENEFITS		
Length of Continuous Insurance Coverage	Contingent Event	Member
Less than six (6) months	Natural or Non-Accidental Death	50,000
	Accidental Death	200,000
	TPD	25,000
Six (6) months or more	Natural or Non-Accidental Death	100,000
	Accidental Death	200,000
	TPD	50,000