

## **Press Release**

### **Better insurance benefits for Pag-IBIG borrowers**

A Pag-IBIG housing loan insurance has now more dependable features that Pag-IBIG members can rely on during unexpected trying circumstances thanks to the ever-improving insurance terms for members who availed of Pag-IBIG housing loans. The processing time has also been significantly reduced from 30 days to one day, in line with President Duterte's directive to reduce red tape.

Last June, Pag-IBIG successfully renegotiated the increase of the burial benefit under the Mortgage Redemption Insurance (MRI) of Pag-IBIG housing loan borrowers by 10% to P22,000, up by P2,000 from the previous P20,000 burial benefit.

The burial benefit is just one of the many features of the MRI offered by the Fund's new life insurance provider after Pag-IBIG conducted a successful bidding process in 2014, ending the almost 30-year negotiated insurance coverage of all Pag-IBIG home loan borrowers since the 1980s.

The MRI renders the housing loan fully paid upon death of the borrower provided the amortization payments are up to date.

The new insurance also pays the loan in full upon determination of total permanent disability, provides amortization support of up to P500,000 in case of terminal illness, and grants experience refund wherein 20% of the insurer's profits are refunded to the insured borrower. All these features were not present under the MRI of the previous insurance provider.

The new contract also removed the additional premiums for OFWs and those classified as "medically sub-standard," which were charged by the previous insurance provider.

Processing time for claims have also been reduced to as fast as 24 hours from the previous 30 days.

Even with these apparent superior features, premiums were cut by half from P0.41 per P1,000 to only P0.23 per P1,000.

Next to be bid out will be the Fire and Allied Perils insurance for properties subject of Pag-IBIG housing loans.

In a statement, Pag-IBIG Fund President Atty. Darlene Marie Berberabe said that "Pag-IBIG Fund is continuously implementing reforms and introducing innovative programs that would ensure the provision of more benefits to Pag-IBIG members." (end)