

## **Pag-IBIG cuts non-life insurance premiums on home loans by almost 60%, adds benefits**

Pag-IBIG Fund reduced the insurance premiums by 58 percent after it successfully concluded the bidding for the Non-Life Insurance Coverage (Fire and Other Allied Perils Insurance) broker for housing loan borrowers. With the new non-life insurance policy, Pag-IBIG home loan borrowers can now enjoy more and better benefits at a low premium rate.

“Following President Rodrigo Roa Duterte’s directives to prioritize the needs of our citizens, Pag-IBIG Fund reduced the rates of the non-life insurance of home loan borrowers. With the more affordable insurance premium, borrowers can save on their monthly amortization which greatly helps the housing sector’s BALAI Filipino (Building Adequate, Livable, Affordable, and Inclusive Filipino Communities) program in ensuring that Filipinos will have access to affordable homes,” said Sec. Eduardo D. Del Rosario, Chairperson of the Housing and Urban Development Coordinating Council (HUDCC) and Pag-IBIG Fund Board of Trustees.

With the new non-life insurance broker, the basic premium rates for fire and other allied perils have been reduced to 0.1686 percent of the appraised value of the building from the previous rate of 0.40 percent resulting in savings of about 58 percent.

For home loans of P 1 million, this means that the premium payment has been reduced to only P117 from the previous P415. And for a home loan of P450,000, the premium has been reduced to P79 from P186.

“We bid out the new insurance broker for the non-life insurance last year and the contract was awarded in January 2018. With the new broker, we were able to reduce the rate by almost 60 percent. We also introduced value-added services which were not offered by the previous insurance provider,” said Pag-IBIG CEO Acmad Rizaldy P. Moti.

CEO Moti said that added benefits include: burial benefit of P 5,000; rental allowance of up to P 15,000 if the mortgaged home is damaged and becomes uninhabitable; family personal accident insurance coverage with an aggregate amount of P 500,000; and sabotage or terrorism coverage of up to P 150,000. Processing of claims will now also be more efficient and completed within seven days from the day of submission of complete documents, down from the previous 30 day-processing.

“Pag-IBIG Fund has always considered our members’ benefit, and we will not cease in finding ways to improve our service. The reduction of the insurance premium rates for non-life insurance will not only reduce the monthly amortization to be paid by the borrowers but they also have added benefits to enjoy. That’s what true Lingkod Pag-IBIG is,” CEO Moti said.

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