



Republic of the Philippines  
**Department of Education**  
REGION VIII - EASTERN VISAYAS

March 26, 2021

**REGIONAL MEMORANDUM**

No. **161**, s. 2021

**DISSEMINATION OF MEMORANDUM DATED DECEMBER 28, 2020  
(DIRECTIVES FOR PHILIPPINE PRUDENTIAL LIFE INSURANCE COMPANY, INC. PAYROLL  
DEDUCTIONS)**

To: Schools Division Superintendents  
All Others Concerned

1. Attached is a Memorandum from the office of **Undersecretary Annalyn M. Sevilla**, dated **28 December 2020**, entitled **Directives for Philippine Prudential Life Insurance Company, Inc. Payroll Deductions** for information and guidance of all concerned.
2. Immediate dissemination of and strict compliance with this Memorandum are desired.

  
**MA. GEMMA MERCADO LEDESMA**  
Regional Director

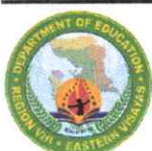
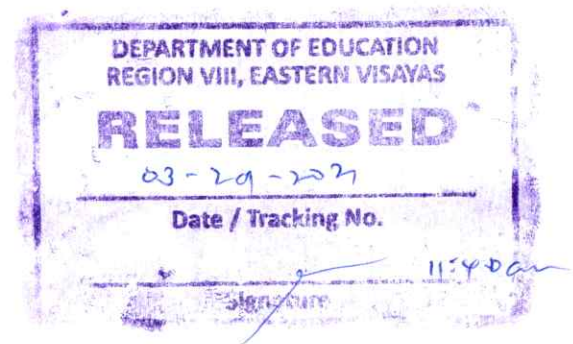
Enclosure: DepEd Memorandum dated December 28, 2020

Reference: DepEd Memorandum dated December 28, 2020

To be indicated in the Perpetual Index under the following subjects:

DIRECTIVES  
LIFE INSURANCE  
PAYROLL

AD-PS-NCA



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By: \_\_\_\_\_ Date: JAN 08 2021



Republic of the Philippines  
**Department of Education**

OFFICE OF THE UNDERSECRETARY FOR FINANCE

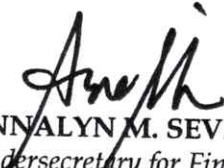
OFFICE OF THE DIRECTOR IV  
Date and Time Received 3:01 Signature  
Date and Time Released 4:30 Signature  
17 JAN 2021

**MEMORANDUM**

**For :** REGIONAL DIRECTORS  
BUREAU OF HUMAN RESOURCE AND ORGANIZATION  
DEVELOPMENT (BHROD) DIRECTOR  
INFORMATION AND COMMUNICATIONS  
TECHNOLOGY SERVICE (ICTS) DIRECTOR  
SCHOOLS DIVISION SUPERINTENDENTS  
SCHOOL HEADS  
ALL OTHERS CONCERNED

**Attention :** Regional Chiefs of Finance and Administrative Division  
Chief of Personnel Division, BHROD  
Heads of Regional Payroll Services Unit  
Chief of Solutions Development Division (SDD), ICTS  
Payroll Processors of Implementing Unit (IU) Secondary School



**From :**   
ANNALYN M. SEVILLA  
Undersecretary for Finance

  
RAMON FIEL G. ABCEDE  
Assistant Secretary for Finance

**Subject :** DIRECTIVES FOR PHILIPPINE PRUDENTIAL LIFE  
INSURANCE COMPANY, INC. PAYROLL DEDUCTIONS

**Date :** December 28, 2020

1. This pertains to the recommendations of the Insurance Commission (IC) on the payroll deductions/collections in favor of Philippine Prudential Life Insurance Company, Inc. (PPLIC) which was placed under liquidation by the IC in February 2018, as contained in the letter dated September 7, 2020 from Insurance Commissioner, Mr. Dennis B. Funa, copy attached, for your ready reference.

2. Records of this Office show that the PPLIC was issued the following Automatic Payroll Deduction System (APDS) Codes:

APDS Codes/Sub-Codes	Products and Services
0212	Loans
160 A	Whole Life Plan



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APDS Codes/Sub-Codes	Products and Services
160 B	Limited Payment Life Endowment Plans
160 C	Group Life Riders/Benefits Attached to Life Insurance: Accidental Death and Dismemberment Benefit Hospital Confinement Daily Benefit Health Maintenance Memorial Services Pension Plan

3. In accordance with the recommendations and clarifications made by the IC as stated in the said letter dated September 7, 2020, all Regional Payroll Services Unit (RPSUs) as well as Implementing Unit Secondary Schools nationwide are hereby directed to:

- a. Inform all DepEd members of PPLIC regarding the legality of its existence to date, and the action to be taken by the Department enumerated under Items b to f below:
- b. **Stop all payroll deductions for insurance premiums being collected by PPLIC representatives under APDS Code Nos. 160, 160A and 160B.** The insurance premiums already deducted and remitted to PPLIC under these codes from February 2018 onwards will be refunded directly by the PPLIC Liquidator to the concerned DepEd personnel;
- c. **Return all unremitted insurance premiums under APDS Codes 160, 160A and 160B to the concerned DepEd personnel;**
- d. Continue the deductions with regular remittance to PPLIC under APDS Code 160C, unless requested to stop by the concerned DepEd personnel. This in consideration of the current health crisis and since the payroll services units cannot determine the amount of insurance and HMO premiums under the said code. The corresponding amount of insurance premium deducted and remitted to PPLIC from February 2018 onwards under the said code shall also be refunded directly by the PPLIC Liquidator to the concerned DepEd personnel;
- e. Secure the concurrence of the concerned DepEd personnel whose deductions are currently remitted to PPLIC under APDS Code 160C, if amenable or not to continue the HMO premium by other insurance provider currently accredited with the Department's APDS;
- f. Prepare list of DepEd personnel with insurance premium deductions remitted to PPLIC under APDS Codes 160 and 160 A to C, for reconciliation with the records of PPLIC Liquidator (please see attached template) from February 2018 onwards. The list must be supported with the monthly Abstract of Deductions and Official Receipts issued by PPLIC;

*AS*



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**Department of Education**  
OFFICE OF THE UNDERSECRETARY FOR FINANCE

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- g. Retain the deductions under APDS Code 2012 (for loans) up to the termination dates reflected in the pay slips of the concerned DepEd personnel. Report to this Office, in case of stale checks under this APDS Code.
  
4. Immediate compliance with and dissemination of this Memorandum is desired.

/eamd

MS

12:20  
JUAN B. GUARESMA



10-5-20



Republic of the Philippines  
DEPARTMENT OF EDUCATION  
DepEd Complex, Meralco Avenue  
Pasig City

Office of the Assistant Secretary for Finance

REFERRAL SLIP

Date: 10-5-20

To: LULA ROBERTO

For: CHIEF, EPMD

Subject: LETTER FROM INSURANCE COMMISSION

RE: DEPED PERSONNEL'S GROUP INSURANCE  
POLICY WITH PHIL. PRUDENTIAL LIFE INSURANCE  
COMPANY INC. ACTION REQUESTED

- For Approval
- For Appropriate action
- For Initial if Okay
- For Review/Comment/Recommendation
- For Draft Reply
- For Information
- For Compliance

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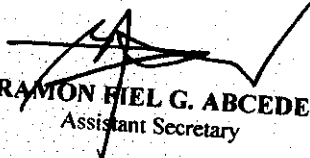
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**RAMON HIEL G. ABCEDE**  
 Assistant Secretary



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila



2020 - 10016

07 September 2020

**MR. RAMON FIEL G. ABCEDE**  
Assistant Secretary  
Office of the Assistant Secretary for Finance  
Department of Education  
DepEd Complex, Meralco Avenue  
Pasig City

**Subject: Department of Education (DepEd) Personnel's Group Insurance Policy with Philippine Prudential Life Insurance Company, Inc. (PPLIC)**

Dear ASec. Abcede:

This refers to your letter dated 11 August 2020, which was received by this Commission on 13 August 2020, concerning the above subject.

This Commission was informed that a virtual meeting was conducted on 10 August 2020, with your good selves, the designated Liquidator, the representatives of Integrated Management Services, Inc. (IMS), Country Bankers Life Insurance Corporation (CBLIC) and our Conservatorship Receivership and Liquidation Division (CRLD) to initially discuss this matter in view of the inquiry of Teachers' Dignity Coalition (TDC) stated in its letter dated July 14, 2020, which you provided us on 11 August 2020.

During the said meeting it was disclosed that DepEd personnel's group insurance policy with PPLIC, covers a package that includes insurance coverage by the company and riders that are covered by a Health Maintenance Organization (HMO) company, among others.

Considering that PPLIC was placed under Liquidation on 07 February 2018, its insurance coverage with DepEd personnel, by implication, ceased to be effective. Hence, we agree with the CRLD's opinion that the premiums pertaining to insurance coverage remitted by DepEd to PPLIC from the date of its Liquidation, which remains intact with the company, should be returned to the policyholders.

However, those premiums corresponding to the HMO coverage and other similar riders may not be refunded since the covered personnel already benefited from the corresponding medical services and other benefits, of which up to this very moment, we suppose, are still being availed of by the latter.

In the same meeting, our CRLD's representatives further discussed the stoppage and transition options for both the insurance and HMO coverages with the end in view of protecting the interest of the policyholders/members.

We agree that the sudden or unplanned stoppage of the aforesaid HMO coverage of the concerned DepEd's personnel, considering the current health crisis that the country is experiencing, would be detrimental to those still availing of the said services. Hence, a transition process should be in place so as not to unduly disrupt the said services.

We note that CBLIC is willing to take-over the said PPLIC's insurance program. Your good selves however, opine that the consent of all the insured DepEd personnel to said transfer of PPLIC's insurance portfolio to CBLIC is needed, which the Commission also agrees, considering that this is tantamount to a novation of an insurance contract, wherein the consent of parties thereto is essential for its validity.

In view of the foregoing and considering that it is our paramount objective to protect the interest and welfare of the policyholders, the Commission agrees to adopt the following opinions and recommendations, to wit:

1. To return the premiums remitted by DepEd to PPLIC corresponding to the supposed insurance coverage from the time the latter was placed under Liquidation on 07 February 2018. Note that as requested by our CRLD representatives during the meeting, PPLIC will require submission of your list of personnel from whose payroll the said premiums were deducted during the said period in order to reconcile it with the records of PPLIC;
2. As to the deductions, which were not remitted by DepEd to or accepted by PPLIC, the same should be directly refunded by the former subject to its existing process, rules and regulations.
3. For HMO and similar riders, the same shall continue in the meantime, considering the current health crisis, unless the insured DepEd personnel voluntarily and with prior notice, requested the termination of their HMO agreement with the former; and
4. The program may be prospectively taken-over by CBLIC and continue the same provided that the insured DepEd personnel give their assent thereto and subject to DepEd's rules and regulations. If DepEd is amenable to this, we suggest that the representatives of IC-CRLD, DepEd, CBLIC, IMS and the Liquidator of PPLIC further coordinate to ensure smooth transition of the said coverage. Nonetheless, your office has the final option to allow or disallow the continuation of the program based on your existing rules and regulations. In both cases, the teacher-members must appropriately be informed of the requirements on their part and the consequences of the stoppage or continuation of the deductions.



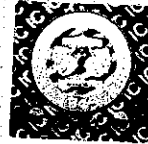
Thank you for bringing this matter to our attention.

Very truly yours,

  
**DENNIS B. FUNA**  
Insurance Commissioner

Cc:

**ATTY. IRIS SYLVIA LUCERO BONIFACIO**  
Liquidator  
Philippine Prudential Life Insurance Company, Inc.  
Suite 507 Pacific Center Building  
San Miguel Ave., Ortigas Business Center  
1605 Pasig City





Republic of the Philippines  
**Department of Education**  
OFFICE OF THE ASSISTANT SECRETARY FOR FINANCE

August 11, 2020

**Atty. DENNIS B. FUNA**  
Commissioner  
Insurance Commission (IC)  
1071 United Nations Ave, Ermita  
Manila

**Attention : Atty. JOHN A. APATAN**  
*Chief, Conservatorship, Receivership and Liquidation Division*

Dear Commissioner Funa:

Greetings!

This pertains to the herein letter of Mr. Benjo G. Basas, National Chairperson, Teachers' Dignity Coalition, dated July 14, 2020, regarding the closure of Philippine Prudential Life Insurance Company, Inc. (PPLIC) which is now under Liquidation by the IC.

Records of this Office show that the PPLIC was issued Automatic Payroll Deduction System (APDS) Codes 0212 and 160, as follows:

APDS Codes/ Sub-Codes	Products and Services
0212	Loans
160 A	Whole Life Plan
160 B	Limited Payment Life Endowment Plans
160 C	Group Life Riders/Benefits Attached to Life Insurance: <ul style="list-style-type: none"><li>• Accidental Death and Dismemberment Benefit</li><li>• Hospital Confinement Daily Benefit</li><li>• Health Maintenance</li><li>• Memorial Services</li><li>• Pension Plan</li></ul>

Upon verification from our DepEd Regional Payroll Services nationwide, it was revealed that PPLIC's remittances for some regions are still unclaimed to date, while for other regions such as DepEd Regions IV-A, IV-B, VIII, X, XIII and NCR, remittance checks are being collected by PPLIC representatives.

In our initial virtual meeting with Atty. Apatan et al. last August 10, 2020, it was disclosed that the PPLIC collections have an HMO component, hence, DepEd cannot just cease the payroll deductions, especially this COVID-19 pandemic, since the expected benefits of the PPLIC members will also be stopped. It was then agreed that IC shall submit proposals to this Office as to the appropriate action to be made by both the IC and DepEd, for the benefits of PPLIC's members, including the process of refund on the remittances made to PPLIC from the date of its liquidation as also mentioned in the letter of TDC.

In view of the foregoing, this Office hereby requests for an official recommendation from your Office as to the action to be taken hereof.

Thank you.

Sincerely yours,

  
**RAMON FIEL G. ABCEDE**  
Assistant Secretary

*Copy Furnished:*

*Regional Directors, Chiefs of Administrative and Finance Divisions, and Heads of Regional Payroll Services Units,  
DepEd Regions I, II, III, IV-A, IV-B, V - XIII, CAR and NCR*

eamd/