

# BJMP Mutual Benefit Association, Inc. – an MBA Profile

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## INSURANCE FORUM

Among the Mutual Benefit Associations (MBAs) regulated by the Insurance Commission is the Bureau of Jail Management and Penology Mutual Benefit Association, Inc. (BJMP MBAI) which was founded in September 28, 2001. It was first

issued a license by the Insurance Commission on December 16, 2002. It is an MBA for BJMP personnel. The BJMP is a line bureau under the Department of the Interior and Local Government (DILG). Primarily, the clients of BJMP are detainees accused before a court who are temporarily confined in such jails while undergoing investigation, waiting final judgement and those who are serving sentence promulgated by the court 3 years and below. As provided for under R.A. No. 6975, the Jail Bureau is mandated to take operational and administrative control over all city, district and municipal jails.

The BJMP MBAI assists its members by offering insurance, health care, educational, medical, and financial aid (loans), pension plans, and investment services. Indeed, the primordial motivation for MBAs is mutual assistance in times of need. Specifically, financial protection. As of December 2017, its membership has grown to 14,361 with total assets of Php 1.446 billion. For the year 2017, it has released low-interest loans to its members totaling Php 753.82 million. The interest charge on salary loans has been reduced to 10% per annum, waiving the 2% service charge usually collected. For emergency loans, interest rate has been reduced to 8%. For calamity loans, it has been reduced to 5% per annum. The amount of educational loan that can be avail has been increased from Php 50,000 to Php 100,000 with the payment period extended from 1 year to 2 years. Indeed, the bulk of its profitability is generated from extending loans. Php 748 million of its assets is in the form of loans receivables.

In terms of insurance benefits, for the year 2017, the beneficiaries of 59 deceased members were paid Php 19.27 million. For members' equities, Php 4.543 million was paid.

Much of the members' contribution to the MBA is for the member's benefit. With BJMP MBAI, 50% of the contribution goes to his equity. 42.5% goes to the insurance where

the death and endowment benefits will be taken. The remaining 7.5% goes for the loading or operational expenses.

More than extending benefits to its members, BJMP MBAI also engages in outreach programs as part of its corporate social responsibility. It is engaged in giving gifts to the less fortunate children and relief assistance to orphanages and pregnant mothers.

Other than its main office at BJMP Building along Mindanao Avenue in Quezon City, it has fourteen branch offices throughout the country.

BJMP MBAI has gone a long way in extending much needed services to its members and their families.

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