

LOAN REPAYMENT PROTECTION PLAN

The Philippine Crop Insurance Corporation (PCIC) provides Loan Repayment Protection Plan (LRP²) to agricultural producers, fisherfolk and other agricultural stakeholders. LRP² is an insurance protection that guarantees the payment of the face value or the amount of the approved agricultural loans or agri-related microfinance or livelihood loans upon the death or total permanent disability of the insured borrower.

I. ELIGIBILITY

Any individual or group of borrowers with ages 18 to 70 years old who availed of agricultural loans is eligible for coverage.

II. PERIOD OF INSURANCE COVERAGE

- **Duration** - Maximum of one (1) year or less than a year, as the term of the loan specifies.
- **Commencement** - Date of initial loan release or the approval of application by PCIC whichever is later.
- **Termination** - Will terminate on whichever is earliest of the following dates:
 1. Full payment of the loan;
 2. Maturity of the loan;
 3. Expiry of the policy; or
 4. Default of premium payment (For staggered payment, default is reckoned ten (10) days after the premium amortization due date).

III. COVERED RISKS

The insurance facility covers the face value of the approved agricultural loans or agri-related Microfinance or Livelihood loans of agricultural producers/fisherfolk and other agri-stakeholders or full payment of the loan upon the death or total and permanent disability of the borrower resulting from accident, natural causes and murder or assault.

IV. PRINCIPAL SUM AND PREMIUM

The amount of insurance is equal to the amount of the approved loan of the borrower or the full amount of the

loan including legitimate interest thereof, subject to the following limits:

Limit of Amount of Insured Loan, Required Documents and Approving Authority		
Loan Limit (Php)	Required Documents	PCIC Approving Authority
≤ 300,000 (Non-medical limit)	• Application and Health Statement	Regional Office
> 300,000 to 500,000	• Application and Health Statement	Regional Office
> 500,000	• Medical Certificate	Head Office

Notes:

1. Medical certificate must be from a licensed medical practitioner/physician
2. Non-compliance with the required medical examination shall automatically limit the sum insured to the non-medical limit as stated above.

Premium Rate and Premium Discount as % of Approved Loan/Sum Insured			
Term of Loan (No. of Mos.)	Premium Rate	Discount for Group Coverage	
		No. of Members	Discount
≤ 3	0.375	15 to 25 26 to 40 >40	5 10 15
4	0.500		
5	0.625		
6	0.750		
7	0.875		
8	1.000		
9	1.125		
10	1.250		
11	1.375		
12	1.500		

Notes: Premiums are inclusive of taxes

V. EXCLUDED RISKS

Death or total permanent disability caused by any of the following:

- War, invasion, act of foreign enemy, hostilities or warlike operations, mutiny, terrorism, riot, civil commotion, strike, civil war, rebellion, revolution and insurrection, and atomic fission or radioactive contamination;
- Intentionally self-inflicted injuries, suicide or any attempt thereat, while sane or insane;
- Vehicular accidents while driving under the influence of liquor or prohibited drugs;
- Rendering military and paramilitary services;
- Engagement in hazardous sports or occupation;
- Illegal acts of the insured;
- Engagement in aviation other than as a passenger in a commercial flight;
- Abortion, except when pursued as a medical intervention.
- Incidents occurring before the effectivity and after the expiry of the insurance coverage as indicated in the Certificate of Cover.

VI. BENEFITS AND LIMITS OF LIABILITY

In case of death or total permanent disability of the insured, PCIC pays the principal sum or face value of the loan, provided that the said amount is actually released, including legitimate interest, if applicable. Please see Section IV for other limits of liability.

VII. BENEFICIARY

Payment of claim shall be made to the lending institution/cooperative where the loan was obtained. The payment shall be applied to liquidate and settle the outstanding obligation of the insured borrower. Any excess shall be paid by the lending institution/cooperative to the primary beneficiary of the borrower. If the primary beneficiary is rendered ineligible, the secondary beneficiary shall be the recipient. If the beneficiary is a minor, the appointed trustee is the payee.

VIII. APPLICATION FOR INSURANCE

- **Where to file** – Lending Institution, Cooperative, or PCIC Regional Office
- **When to file** – Before loan release
- **Documents Required** - Filled-out Application and Health Statement Form and Medical Certificate, if applicable

IX. NOTICE OF CLAIM

In the event of death or total permanent disability of the insured, the lending institution/cooperative/underwriting agent, the immediate member of his family or the insured himself, as the case maybe, shall file a notice of claim (NC) in writing to the PCIC Regional Office not later than forty five (45) calendar days from the time of death or total permanent disability.

The Notice of Claim shall at least contain the following information:

- a) Name and address of the insured;
- b) COC Number;
- c) Cause of injury/death;
- d) Date of accident and/or death; and
- e) Name of cooperative/organization/lending institution.

X. SUBMISSION OF CLAIM DOCUMENT

Within ninety (90) calendar days from the death or total permanent disability of the insured, the following claim documents should be submitted:

In case of Death

- a) Death Certificate duly signed & sealed by the Local Civil Registrar;
- b) Birth Certificate or any legally valid proof of age of the deceased borrower;
- c) Claimant Statement Form to be accomplished by the Manager of the concerned lending institution/cooperative;
- d) Medical Certificate;
- e) Police report, if the cause of death is accident or violent means; and
- f) Other documents such as sworn affidavit of two (2) disinterested persons as may be required by PCIC.

In case of Total Permanent Disability

- a) Medical Certificate by the attending physician and certified machine copy of complete medical/hospital records;
- b) Claimant Statement Form to be accomplished by the Manager of the concerned lending institution/cooperative;
- c) Police report, if the cause of disability is accident or violent means; and
- d) Other documents as may be required by PCIC

A claim shall be settled not later than thirty (30) calendar days from the submission of complete claim documents to the PCIC Regional Office or its underwriting agent.

XI. MISCELLANEOUS PROVISIONS

Subject	Particulars
Disappearance	Disappearance per se of the insured is not compensable. However, if death of the insured alleged to have disappeared is proven or established later to have occurred during the term of cover, the claim maybe given due course.
Voidance & Cancellation Clause	<p>The policy shall be voided and cancelled by the PCIC upon occurrence of any of the following during the effectivity of the policy, and after notice thereof to the insured/lending institution/cooperative:</p> <ol style="list-style-type: none">a) Conviction of a crime thus increasing the hazard insured against;b) Discovery of fraud or material misrepresentation; andc) Discovery of willful, reckless acts or omissions that increase the hazard insured against. <p>In case of cancellation, the insured is not entitled to any premium refund for the unexpired term.</p>
Civil Code 1250 Waiver Clause	It is hereby declared and agreed that the provision of Article 1250 of the Civil Code of the Philippines (Republic Act No. 386) which reads: "In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment...." shall not apply in determining the extent of liability under the provisions of this policy.

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General Information on the Loan Repayment Protection Plan



DEPARTMENT OF AGRICULTURE
**PHILIPPINE
CROP INSURANCE
CORPORATION**

"Sa Paglaban sa Kahirapan at Gutom,
Crop Insurance, Katulong sa Pagbangon."

7th Floor, Building A, NIA Complex, EDSA, Diliman,
Quezon City, Philippines

TeleFax (02) 441-1324

Email rmg@pcic.gov.ph