

BOY SCOUTS OF THE PHILIPPINES

National Office
Ermita, Manila



18 May 2016

NATIONAL OFFICE MEMORANDUM
No. 28 s. 2016

TO : REGIONAL SCOUT DIRECTORS, COUNCIL SCOUT EXECUTIVES, OFFICERS-IN-CHARGE

SUBJECT : CLARIFICATION AND REITERATION ON THE COVERAGE POLICY AND DATE OF EFFECTIVITY OF THE REVISED POLICY ON FINANCIAL ASSISTANCE PROGRAM (FAP) PURSUANT TO NATIONAL OFFICE MEMORANDUM NO. 14, DATED FEBRUARY 22, 2016

Despite the issuance of National Office Memorandum No. 14 dated February 22, 2016, re: *Revised Policy on Financial Assistance Program (FAP) in Compliance with the Audit Recommendations of the Commission on Audit (COA) to Discontinue Providing Financial Assistance to FAP Claims which are Not Related to Scouting Activities and to Upgrade the Financial Assistance to FAP Claims which are Related to Scouting Activities*, there are still Local Councils which keep on sending FAP claims which are not related to any scouting activity contrary to the provisions of the above-mentioned memorandum. Reports reaching the National Office disclose that there are some Local Councils intentionally send FAP claim to the National Office which they know beforehand that such claim is violative of the provisions of the revised FAP policy hoping that such claim be given consideration by the National Office.

In view of the foregoing, we hereby reiterate the new coverage policy of FAP pursuant to the aforesaid memorandum which specifically stipulates that:

"2. COVERAGE POLICY

The coverage of financial assistance for hospitalization expenses (either In-Patient case or Out-Patient case) or financial assistance for death cases provided under FAP will be limited only to incidents which occurred during the conduct of official scouting activities."

We also would like to clarify that the date of effectivity of the said revised FAP policy is on March 19, 2016 which means that all incidents not related to any scouting activity occurring on the said date and onwards are no longer covered by the Financial Assistance Program (FAP) and therefore such claims are inadmissible for processing at the level of the Local Council.

On the contention raised by some Council Scout Executives (CSEs) and/or Local Council staff that those who were registered before March 19, 2016 shall still be covered by the old FAP policy until their membership expires after one year is already ruled out because the allocation of five pesos (Php 5.00) from the membership fee of each registered member is NOT an insurance premium but rather as the main source of the FAP operation purposely put up to benefit our

members. It is for this basic reason that the misconception and misinterpretation of some BSP members or stakeholders that the allocation of Php 5.00 from the annual membership of Php 50.00 from every registrant is an insurance premium is totally incorrect and misplaced.

Furthermore, one of the significant elements of an insurance contract by virtue of Republic Act 10607 or otherwise known as "*An Act Strengthening the Insurance Industry*" is the INSURANCE POLICY. Under the said law:

"Sec. 49. The written instrument in which a contract of insurance is set forth, is called a policy of insurance.

Sec. 50. The policy shall be in printed form which may contain blank spaces; and any word, phrase, clause, mark, sign, symbol, signature, number, or word necessary to complete the contract of insurance shall be written on the blank spaces provided therein." (emphasis supplied)

Upon receipt of the registration fee of every registrant, an Official Receipt (OR) is issued by the BSP acknowledging his/her payment. Thereafter, a membership card is issued to the registrant serving as a proof of his/her membership to the BSP for a one-year period. Apart from the aforementioned documents, nothing more is issued to the registered member. Obviously, the aforementioned element of an insurance contract provided under the above-quoted provision of R.A. 10607 is not existing at all right from the very beginning of the BSP's membership registration process. There is no insurance policy issued or talked about or any other written instrument issued for the purpose and to prove the existence of an insurance contract between the BSP and its members. Hence, the mistaken belief or false impression by some members that there is an insurer-insured relationship between the BSP and its registered members is totally incorrect and has no leg to stand on, much less, any legal basis.

With the issuance of this clarificatory memorandum, it is expected that it is clear and understandable to all concerned that the BSP is not mandated to engage in an insurance business under existing government laws, rules and regulations.

Again, we expect you to be more judicious and careful in reviewing and processing FAP applications that you receive and act on them at your level without transmitting them anymore to the National Office if there is no basis for the claim in order not to give false hope or expectation to the beneficiary/ies and/or families of your scouts or adult scout leaders.

For your appropriate action, guidance, and strict compliance.


ATTY. WENDEL E. AVISADO
Acting Secretary General

Cc : Office of the President
Office of the National Treasurer
Office of the Chairman of FAP Committee
Office of the Acting Deputy Secretary General