

Investing now to ensure your child's education

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A good education has always been one of the biggest financial priorities of Filipino families. Now more so than ever, with the rising costs of education and the additional years in school brought about by the K-12 program implemented by the Department of Education. Nevertheless, Filipino families still view education as an important, if not the most important part of growing up.

According to a study done by Philam Life, across market segments, from the Filipino-Chinese to the Younger Affluent and to the Overseas Filipino Workers (OFWs), education is a key priority in Filipino families. The Filipino-Chinese parents consider their children's education as equally important as spending quality time with their family. Similarly, the Younger Affluent parents prioritize their children's education over saving up for their retirement. Among OFW parents, many regard the completion of their children's college education as one of the conditions that would allow them to come home.



Philam Life CEO Aibee G. Cantos

"We understand that education is a key priority among Filipino parents but they are wary of getting an education plan because of the pre-need issue in the past. They are also faced with the challenges of increasing tuition fees and the additional expense brought about by the extended years of basic education," said Philam Life CEO Aibee G. Cantos.

The pre-need issue Cantos refers to was the crash of the pre-need sector in the early 2000s as the deregulation of tuition fee increases led to ballooning debts as pre-need companies were unable to cope with rising payouts clients. This led to the collapse of the pre-need industry with many families unable to collect.

However, Cantos explained that the pre-need market crash is unlikely to happen today. "All pre-need and insurance companies are now regulated by the Insurance Commission. The tight regulations and the yearly need to show compliance to it means that insurance companies are healthier and financially capable," he said.

Philam Life is no stranger to

education plants, having been in the insurance industry for several decades now. Philam Life is well positioned to help parents overcome these financial challenges and worries. "We have a long history of empowering Filipinos and we remain a strong and trustworthy partner of parents in achieving their dreams for their children," Cantos said.

In the last 10 years, Philam Life paid out over P10 billion in education benefits. Last May, 50,000 scholars received their education payout for the first semester of SY 2016-2017. This October, 51,000 checks will be released for the second semester of SY 2016-2017.

"Times are changing and Philam Life has an important role to play in helping parents achieve their aspirations for their children. That's why we continue to develop innovative product solutions that are relevant and responsive to their real life needs," said Philam Life Chief Marketing Officer Mei Chee Shum.

Philam Life introduces Future Scholar, an education plan that provides long-term growth potential and guaranteed education benefits. It offers access to Philam Life's expertly-managed funds and guaranteed education benefits, with the beneficiary receiving a

specified amount every year for 4 years. Cantos explained that the Future Scholar education plan can be tailored to different clients depending on their appetite for risk. "If you're an aggressive individual, you can have 80 percent of your payment allotted to our funds while the remaining 20 percent can be used for the guaranteed yearly payment. If you're more conservative, you can do the reverse. Or you can go 50-50 and keep it balanced," he said.

The plan's premiums would be waived in case the parent passes away or suffers from a total and permanent disability, and there is an option to get life insurance coverage for the parent that the family can use to supplement the education funding. Customers can choose from two simple payment options – pay over 5 years or pay regularly until the child turns 17. Shum said that the minimum yearly payment will be at P20,000 per year while minimum monthly payments will be at P2,500 per year.

"Parents are always thinking about the future of their children. They want their children to finish school and become successful. Philam Life's Future Scholar is a product that helps them realize their dreams for their children," said Shum.