

PHILIPPINE DEPOSIT INSURANCE CORPORATION LAW (PDIC)

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RA 3591 as amended by RA 7400, RA 9302 (2004), RA 9576 (2009), RA 10846 (2016) & RA 11840 (2022)

The Philippine Deposit Insurance Corporation (Corporation) is created by RA 3591, as amended, **to insure the deposits of all banks which are entitled to the benefits of insurance.**

PDIC exists to provide deposit insurance coverage for the depositing public **to help promote public confidence and stability in the economy.** It ensures prompt payment of insured deposits, exercises complementary supervision of banks, adopts responsive resolution methods, and applies efficient management of receivership and liquidation functions.

NOT COVERED BY PDIC

- PDIC **covers only the risk of a bank closure** ordered by the Monetary Board (e.g. because of insolvency)
- Thus, bank losses due to theft, fire, closure by reason of strike or existence of public disorder, revolution or civil war, are not covered by PDIC.

PDIC BOARD OF DIRECTORS

Composed of **7 MEMBERS:**

- Governor of BSP as ex officio Chairperson without compensation;
- Secretary of Finance as ex officio Vice Chairperson and member of the Board without compensation;
- The President of PDIC appointed by the President and;
- Four(4) members from the private sector appointed by the President

TERM: 6 YEARS

BANKS COVERED

All banks It is mandatory for banks to insure their deposits with, and pay premium to, the PDIC.

MAXIMUM DEPOSIT INSURANCE COVERAGE

- Previously up **TO P250,000** per depositor with the bank.
- No. 9576 signed by the President on 29 April 2009 doubled the coverage to **P500,000**.
- MARCH 15, 2025 ₱1,000,000

NOTE:

- The PDIC may now adjust the maximum deposit insurance coverage (MDIC) based on inflation and other relevant economic indicators without the need for legislation
- The MDIC is up for revisiting every 3 years and the Board of Directors is authorized to increase it, if necessary

INSURED DEPOSITOR

The amount due to any bonafide depositor for legitimate deposits in an insured bank as of the date of closure but not to exceed ~~P500,000~~ 1,000,000

No owner/holder of any passbook, certificate of deposit, or other evidence of deposit shall be recognized as a depositor entitled to the rights under the PDIC charter unless the passbook, certificate of deposit or evidence of deposit is determined by the PDIC to be an authentic document or record of the issuing bank.

INSURED DEPOSIT

In determining such amount due to any depositor, there shall be **added together all deposits in the bank maintained in the same right and capacity** for his or her benefit either in his or her own name or in the name of others.

Note: If a bank has one or more branches, **the main office and all branch offices are considered as one bank.** Thus, if you have deposits at the main office and at one or more branch offices of the same bank, the deposits are added together when determining deposit insurance coverage, the total of which shall not exceed P500,000
₱ 1,000,000

PDIC SHALL NOT PAY DEPOSIT INSURANCE FOR THE FOLLOWING ACCOUNTS:

1. Investment products such as bonds and securities, trust accounts, and other similar instruments;
2. Deposit accounts or transactions which are fictitious or fraudulent as determined by the PDIC;
3. Deposit accounts or transactions constituting, and/or emanating from, unsafe and unsound banking practice/s, as determined by the PDIC, in consultation with the BSP, after due notice and hearing, and publication of a directive to cease and desist issued by the BSP against such deposit accounts, transactions or practices; and
4. Deposits that are determined to be the proceeds of an unlawful activities defined under AMLA.

Insurable amount

Mar. 15, 2025

1. Per bank

2. Per depositor, per capacity



CASE NO. 1



Depositor Mimiyyuuuh owns a savings account in Bank Rawr Rawr Rawr with a balance of P200,000. Aside from the savings account, Depositor Mimiyyuuuh also opened a current account with Bank Rawr Rawr Rawr with a balance of P1,000,000. Thereafter, Mimiyyuuuh opened a time deposit in the Pampanga branch of Bank Rawr Rawr Rawr with a balance of P200,000. In 2023, Bank Rawr Rawr Rawr was ordered closed by the Monetary Board due to insolvency.

Q: How much can Depositor Mimiyyuuuh recover from PDIC?

A: Only P500,000. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. The maximum amount that may be recovered is only up to P500,000.

CASE NO. 2

Nadine Lustre opened a savings deposit account with Bank Red with a balance of P100,000. Thereafter, Nadine opened a time deposit with Bank Red with a balance of P400,000. In 2022, Nadine decided to open her own coffee shop and opened a separate savings account with Bank Red under the name "Coffee by Nadz (Sole Proprietorship) by Nadine Lustre).

Q: How much is Nadine's total insured deposit with Bank Red?

A: P500,000. The savings deposit and time deposit are owned by Nadine, hence, the balances will be added together. A sole proprietor is wholly owned by the owner, hence, the Coffee Shop by Nadz owned by Nadine Lustre will be added to her first two accounts as all of them are maintained in the same right and capacity. The total amount insured cannot exceed P500,000.00.

CASE NO. 3

Selena Gomez opened the following accounts with Metro Pacific Bank:

Account Name	Type of Deposit	Balance
Selena Gomez	Demand Deposit	200,000
Selena Gomez ITF Justin Bieber	Savings Deposit	400,000
Selena Gomez by Hailey Bieber	Time Deposit	500,000
Selena Gomez by Justin Bieber or Hailey Bieber	Time Deposit	500,000

Q: How much are the insured deposits?

CASE NO. 3

1. Selena Gomez is the principal owner of three accounts (i.e., Account Nos. 1, 3 & 4). As these are maintained in the same right and capacity, these accounts will be consolidated.

The single account (Account No. 1) is under her name alone and the other two are "By" accounts (Account Nos. 3 and 4) which are owned by him as the PRINCIPAL DEPOSITOR or BENEFICIAL OWNER while Hailey Bieber and Justin Bieber ACTED AS HER AGENTS only. Thus, the total insured amount payable to Selena Gomez is P 500,000.00 and the uninsured amount is P700,000.00.

2. Justin Bieber on the other hand has only one account (Account No. 2), an "ITF" account in which Justin is the PRINCIPAL OR BENEFICIAL OWNER and Selena acted as AGENT. Thus, Justin Bieber is entitled to a separate deposit insurance of P 400,000.00 for his savings deposit.

RULES ON JOINT ACCOUNTS

- A joint account regardless of whether the conjunction 'and', 'or', 'and/or' is used shall be insured separately from any individually-owned deposit account. The maximum insured deposit shall be **divided into as many equal shares as there are account holders**, unless a different sharing is stipulated in the document of deposit.
- If the account is held by a **juridical person or entity jointly with one or more natural persons**, the maximum insured deposit shall be **presumed to belong entirely to such juridical person or entity**.
- The **aggregate interest of each co-owner over several joint accounts**, whether owned by the same or different combinations of individuals, juridical persons or deposit us a **maximum of P500,000**. **₱ 1M**

CASE NO. 3

The bank records of Onion Bank show the following accounts and their balances:

Account Name	Type of Deposit	Balance
Sam Smith or Kim Petras	Savings	P500,000
Unholy Corporation	Time Deposit	P500,000
Sam Smith and Unholy Corporation	Demand Deposit	P500,000

Q: How much are the insured deposits?

A: The deposit insurance for Savings Deposit is to be shared equally between Sam and Kim. Hence, each of them is entitled to P 250,000.00 deposit insurance.

Unholy Corporation is entitled to P500,000.00 deposit insurance for its Time Deposit.

The Demand Deposit maintained in the name of Sam and Unholy Corporation, is presumed to belong entirely to Unholy Corporation. Hence, Unholy Corporation is entitled to the P 500,000.00 deposit insurance.

If the deposit account in a closed bank is more than P500,000.00, what happens to the excess of the maximum amount of insured deposit?

A: The claim for the uninsured portion of the deposit is a claim against the assets of the closed bank.

Q: What is the mode of payment of the insured deposits?

A: Either (1) by cash or (2) by making available to each depositor a transferred deposit in another insured bank in an amount equal to the insured deposit of such depositor

Q: When to file deposit insurance claim with the PDIC?

A: Within 2 YEARS from the date of bank takeover. Otherwise, all rights of the depositor with respect to the insured deposit shall no longer be honored. But he may still make a claim against the assets of the closed bank.

CASE NO. 1

The following accounts are maintained in Bank Evermore:

Taylor Swift	P500,000	→ 500k	Taylor Insured
Taylor Swift and Joe Alywn	P500,000	→ 250k	
Taylor Swift or Gigi Hadid	P600,000	→ 250k	

Q: How much can Taylor Swift recover from PDIC?

A: P1,000,000 (P500,000 + P500,000) For the individually-owned account, Taylor is entitled to a separate deposit insurance of P 500,000.00. For the two accounts which are jointly maintained by her and Joe Alywn or Gigi Hadid, each joint account is considered equally shared among co-depositors unless otherwise indicated in the deposit document. The insurance coverage of P500,000.00 will apply to the sum of shares of each co-depositor in the insured portion of each joint deposit account.

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CASE NO. 2

The bank records of Bank Pink show the following accounts and their balances:

Rose	P500,000	→ 500k	
Rose and/or Lisa	P500,000	} 500k - could be 750k but subject to aggregate limit of 500k	
Rose and/or Jisoo	P500,000		
Rose and/or Jennie	P500,000		

Q: How much can Rose recover from the PDIC?

A: P1,000,000. The individually-owned deposit or single deposit of Rose is entitled to a separate deposit insurance of P500,000.00. The aggregate interest of each co-owner over several joint accounts, whether owned by the same or different combinations of individuals, juridical persons or entities, shall likewise be subject to the maximum insured deposit of P500,000.

FILING OF CLAIMS WITH PDIC

FOR ACCOUNT HOLDERS WITH A TOTAL DEPOSIT AMOUNT OF **NOT MORE THAN P100,000 (GROSS)**

there is an automatic payment by mail. PDIC sends the check to by mail, in cooperation with the Philippine Postal Office.

Provided that they:

1. ~~have no obligations with the closed bank, or have not acted as co-makers of these obligations, or are not spouses of the borrowers;~~
2. have complete mailing address found in the bank records or have updated their addresses through the Mailing Address Update Form (MAUF) of PDIC before the start of the onsite claims settlement operation; and
3. have not maintained the account under the name of business entities

FOR ACCOUNT HOLDERS OF **MORE THAN PHP100,000 CLAIMS**

- must be filed during the onsite Claims Settlement Operations (CSO) period, as announced in the Notice to Depositors published in national or local newspapers, or posted in the bank premises and conspicuous places within the locality, and in the PDIC website.
- Depositor who failed to file their claims during the onsite CSO may do so personally or through mail by sending a duly accomplished and notarized Claim Form

REQUIREMENT IN FILING CLAIMS

- ORIGINAL EVIDENCE OF DEPOSITS
- VALID ORIGINAL PHOTO-BEARING IDENTIFICATION DOCUMENT (ID) with clear signature of depositor/claimant
- BIRTH CERTIFICATE, if depositor is below 18 AND VALID ID OF PARENT
- NOTARIZED SPA for claimants who are not the signatories in the bank records