



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Circular Letter (CL) No.:	2016 - 11
Date:	08 March 2016
Supersedes:	None

CIRCULAR LETTER

TO : ALL PRE-NEED COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : STANDARD CONTRACT PROVISIONS FOR PRE-NEED PLANS

To facilitate the evaluation and approval of Memorial, Pension and Education Pre-Need Products, pre-need companies shall observe the attached standard pre-need plan contract provisions.

This Circular takes effect immediately.

For strict compliance.


EMMANUEL F. DOOC
Insurance Commissioner

STANDARD PRE-NEED CONTRACT PROVISIONS **(Memorial Plans)**

I. AGREEMENT

This Plan Contract is issued in consideration of your Application and payment of the first Plan installment, including handling and other charges, and is conditioned on our approval of your application.

This Plan Contract including the Application, together with any annexes, riders or endorsements duly signed by any of our authorized officers constitutes the entire contract. No statement, promise or inducement made by any person or through any agent, employee or representative not contained herein shall be binding or valid.

This Plan Contract may not be amended, endorsed or otherwise changed except through a written document signed by the President, Corporate Secretary, or other officers duly authorized by the Company at the time of the amendment. Any such modification must be made in writing and submitted to the Insurance Commission for prior approval.

II. DEFINITION OF TERMS

- In this Plan Contract the words "you" or "your" refer to the Planholder named in the Application. The words "we", "us" and "our" or the "Company" refer to <Name of Company>.
- "BENEFICIARY" means the person indicated as such in the Application and is the designated recipient of the pre-need benefit and/or insurance proceeds whenever applicable.
- "CONTRACT PRICE", refers to the stipulated price paid by the Planholder for the purchase of this Plan Contract, net of handling and other charges, if any.
- "GROSS CONTRACT PRICE", refers to the stipulated price paid by the Planholder for the purchase of this Plan Contract including handling and other charges.
- "GRACE PERIOD" refers to the sixty (60)-day period counted from the due date of the first unpaid installment within which the Planholder may settle his account. During the Grace Period, this Plan Contract is still considered in force.
- "LAPSED PLAN" refers to a delinquent Plan that has remained unpaid beyond the Grace Period. A Lapsed Plan has no force and effect.
- "MEMORIAL SERVICE BENEFIT" refers to your chosen memorial service package in consideration of your full payment of the Gross Contract Price, as described under this Plan Contract.
- "PAYING PERIOD" refers to the number of years you have to pay for the Gross Contract Price in monthly, quarterly, semi-annual, annual installments or lump sum.

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- "PLAN" means the Life Plan covered by this Plan Contract.
- "PLAN ANNIVERSARY" refers to a day recurring on the same date as the Plan's issue date each year.
- "PLAN INSTALLMENT" refers to the monthly, quarterly, semi-annual, annual amounts paid by the Planholder.
- "PLAN TERMINATION VALUE" refers to the amount payable upon the termination of this Plan Contract as indicated in the Plan Termination Value Table attached to this Plan Contract.
- "PLAN VALUE" refers to the value of the benefits which the Company undertakes to administer for the memorial service package which your family may incur by reason of Planholder's death. The Plan Value is [either] the Memorial Service Benefit [or the Reduced Pre-Need Benefit, whichever is applicable] at the time of death of the Planholder.
- "PLANHOLDER" means the person named in the Application for Life Plan who purchases pre-need plans for whom or for whose beneficiaries' benefits are to be delivered, as stipulated and guaranteed by the pre-need company. The term includes the assignee, transferee and any successor-in-interest of the planholder.
- "REINSTATEMENT PERIOD" refers to the two (2)-year period after the end of the Grace Period where a Planholder may re-activate his Lapsed Plan [or his Plan for which the Reduced Pre-Need Benefit Status is in effect].
- Optional – "REDUCED PRE-NEED BENEFIT" refers to the Plan Termination Value at the time of default of payment of the installment due.
- Optional - "REDUCED PRE-NEED BENEFIT STATUS" refers to status of the plan after the Grace Period has expired and installment due was unpaid, for which the Plan Termination Value is available.

III. ELIGIBILITY

If your age was misstated in the application and your true age at that time was beyond the maximum entry age, you or your beneficiary shall not be entitled to any of the benefits of the Plan Contract. All your payments shall be refunded accordingly without interest, provided, that you or your beneficiary surrender your Plan Contract and all supporting documents associated with the same. After all the payments made are paid to you or your beneficiary, we shall be discharged from any liability or obligation under this Plan Contract.

IV. PLAN BENEFITS

1. MEMORIAL SERVICE BENEFIT

In consideration of your full payment of the Gross Contract Price, we guarantee, subject to the terms and conditions of this Plan Contract, to arrange and provide for

the funeral [and cremation] services, casket and such other furnishings for the final rites and burial services, as indicated in this Plan Contract, upon death of the Planholder or his assigns. The administration of such services shall be performed exclusively by the accredited Mortuary [and Crematory hereinafter referred to as "Mortuary"].

2. PROFESSIONAL ADMINISTRATION OF MEMORIAL SERVICE

In case of Planholder's death, we shall render professional administration of the memorial service package through the Mortuary.

PHASE I - FIRST CALL - We will act as the Planholder's administrator to see to it that the servicing mortuary personnel shall coordinate with the authorized family representative for the release of the body from the place of death, assist in processing of the death certificates from the place of death or attending physician and transport the body to the mortuary.

PHASE II – PRESERVATION, COSMETICS AND ARRANGEMENT - We will see to it that the servicing mortuary performs the following initial services: proper preservation of the body, restoration of disfigured features, when possible, and application of needed cosmetics on the body and placement of the body in the chosen casket. For Cremation packages, we will see to it that the servicing mortuary performs a solemn and dignified cremation service.

PHASE III - FINAL ARRANGEMENTS AND VIEWING – We will see to it that the servicing mortuary takes care of the arrangements and provides facilities for the dignified and solemn viewing of the body in the mortuary, church, temple or home. Final consultation with the family will be undertaken on the details of the arrangements.

PHASE IV - INTERMENT - We will see to it that the funeral cortege leaves on time as scheduled, provide an appropriate coach for the deceased, appropriate music upon request, one appropriate vehicle, if needed, to transport flowers to the interment site, and coordinate activities to the satisfaction of all ethnic and religious groups.

3. TRANSPORTATION

If the Planholder's death occurs or his body otherwise requires transport within 25 kilometers from Mortuary, we shall provide transport of the body with no additional charge to the Mortuary premises and facilities. If the aforementioned distance exceeds 25 kilometers, we likewise agree to provide assistance in arranging for the contracted memorial service, provided that any additional expenses for transportation beyond the stated distance shall be borne by the Planholder's family.

4. EXTRA SERVICES AND ITEMS NOT INCLUDED

We will use all reasonable effort to provide such extra services as may be requested by your family to ensure satisfaction, with the understanding that any additional cost for services not included in this Plan Contract or beyond the Memorial Service benefit shall be borne by the Planholder's family, heirs, beneficiary/ies, executor/s or administrator/s.

5. **REQUEST FOR RENDITION OF MEMORIAL SERVICE**

We shall have the sole and exclusive right to make all negotiations and necessary arrangements with Mortuary in connection with the contracted memorial service.

Time being of the essence, it is the responsibility of your family, heirs, beneficiary/ies, executor/s or administrator/s to give immediate notification to us in person or by telephone or other form of communication in order for us to make the necessary arrangements for the rendition of memorial services.

If the Planholder's family will negotiate directly with another mortuary for the rendition of memorial services, we will consider the plan unrendered in accordance with the provision on Unrendered Services

V. **CONTRACT PRICE**

You agree to pay the Contract Price, plus handling and other charges, if any, under this Plan Contract, according to the selected mode of payment on the designated due dates. You may pay at any of our offices or through our authorized representatives or through auto-debit facility without any need of notice or demand. We only honor payments acknowledged by our official receipts. In case death occurs prior to full payment of the Gross Contract Price, the beneficiary may opt to continue to pay the unpaid balance of the Gross Contract Price or surrender this Plan Contract for its Plan Termination Value.

VI. **GRACE PERIOD**

For Pre-Need Plans without Reduced Pre-Need Benefit: You are given a Grace Period of sixty (60) days from due date to pay for any installment due. If the applicable installment is not paid after said period, this Life Plan shall lapse.

For Pre-Need Plans with Reduced Pre-Need Benefit: You are given a Grace Period of sixty (60) days from due date to pay for any installment due. If you do not pay your installment by the end of the Grace Period, the Reduced Pre-Need Benefit Status will take effect unless you opt to reinstate this Plan Contract in accordance with the Reinstatement provision.

VII. **REINSTATEMENT**

You have two (2) years from the end of the grace period to reinstate this Plan Contract. If you do not reinstate this Plan Contract before the end of the two (2) year reinstatement period despite written notice, this Plan Contract shall be automatically cancelled and all payments made shall be forfeited as liquidated damages

To reinstate, you have to submit an application for reinstatement, in a standard Company form provided by us, for our approval.

All overdue installments are paid with surcharge at a rate prevailing at the time of reinstatement, plus processing fee and other charges, if any.

You may also reinstate this Plan Contract by redating; that is, by paying one current installment at the current rate and terms plus processing fee and other charges, if any.

Any payment by you after the Grace Period shall be reimbursed to you unless you duly reinstate this Plan Contract within the Reinstatement Period and in accordance with this Section.

If you are still qualified for insurance, your insurance coverage will be contestable for a period of one (1) year from the date of reinstatement. If you are no longer insurable, you may continue paying without any insurance coverage.

VIII. INSURANCE COVERAGE

We shall enroll you under a Group Life Insurance Policy issued by a reputable insurance company ("Insurer"), provided you are in good health as you represented in your Application and you are not below ___ years old or above ___ years old on the date your coverage for insurance was approved by the Insurer. Your insurance coverage shall be subject to the terms and conditions of the said insurance policy.

You shall be enrolled under the following:

1. CREDIT LIFE

The Credit Life Insurance provides coverage on the unpaid balance of the Gross Contract Price.

This insurance coverage shall terminate upon death of the Planholder during the Paying Period of the Plan or upon your attainment of age __, whichever comes first.

2. DISABILITY BENEFIT

If you become totally and permanently disabled before attaining age __, and such disability continues uninterruptedly for a period of not less than six (6) months, you may apply for a disability claim under this Plan Contract, upon submission of due proof of Total and Permanent Disability within ninety (90) days after the occurrence of such disability. If the disability claim is approved, the proceeds shall be applied to 100% of the balance of the Gross Contract Price.

Pending approval of the disability claim by the Insurer, you shall continue to pay for the installments as they fall due.

Once your claim is approved, all installment payments which you may have made from the date of disability up to the time of approval shall be refunded to you provided that you have not yet attained age __ on the date of disability.

This insurance coverage shall terminate upon approval of the disability claim or upon your attainment of age __, whichever comes first.

3. ACCIDENTAL DEATH AND DISMEMBERMENT

If you suffer, directly and independently of all other causes, any accidental bodily injury which results in any of the specified losses described in the attached benefit schedule within one hundred eighty (180) days after the date of the accident causing the loss, the Insurer shall pay the indemnities if you have not attained age __.

4. TERM INSURANCE

You are also enrolled for Term Insurance Coverage under such terms and conditions of the Insurer. The insurance benefit shall be equal to ___% of the Contract Price.

This insurance coverage shall terminate after ___ years or upon your attainment of age ___, whichever comes first.

IX. INCONTESTABILITY

The contestability period for any of the above insurance benefits shall be one (1) year from the issue date of the contract or from date of last reinstatement.

X. BENEFICIARY

You have the right to change the beneficiary/ies designated in the Application.

If you do not qualify for the insurance benefits under the Group Life Insurance Policy and you die during the Paying Period, or if this Plan Contract is issued with insurance benefits and you die and the claim for insurance is disapproved by the Insurer, your Beneficiary will have the following options to choose from:

1. request for the transfer of the Plan in his/her name and after approval of the request for transfer, your Beneficiary may continue paying the balance of the Gross Contract Price. Your Beneficiary will be entitled to the memorial service benefit only; or
2. terminate this Plan and avail of the Plan Termination Value.

XI. PLAN TERMINATION VALUE

While this Plan Contract is in force, you may surrender this Plan Contract and you will be entitled to Plan Termination Value, if any, as shown in the Plan Termination Value Table attached to this Plan Contract.

After the Plan Termination Value has been paid to you, we shall be discharged from any liability or obligation in this Plan Contract.

XII. TRANSFERABILITY

You may request us to transfer your rights and privileges under this Plan Contract to another person, subject to the following conditions:

1. you must submit your request in writing, in a company form provided by us, plus a new Application for Life Plan signed by the person to whom it is to be transferred;
2. this Plan Contract must be in force at the time of transfer;
3. you must pay the appropriate charges, if any; and
4. the transfer will be subject to the same terms and conditions of this Plan Contract.

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We are not bound by any transfer of this Plan Contract if it is not recorded and approved at our Head Office or any of our authorized branch offices. We cannot be responsible for the validity or effect of such transfer. The transfer shall be effective only upon our approval and the issuance of a new Plan Contract to the new Planholder.

XIII. TRUST FUND

We shall deposit with a Trustee Bank all amounts required by the Insurance Commission. The trust fund shall be administered and maintained in accordance with the trust agreement and the Pre-Need Code.

XIV. TERMINATION

This Plan Contract shall automatically end:

1. upon Surrender of this Plan Contract for its Plan Termination Value [or Reduced Pre-Need Benefit]; or
2. if this Plan Contract remains lapsed at the end of the Reinstatement Period despite written notice, [unless the Plan is under a Reduced Pre-Need Benefit Status]; or
3. after we have rendered the professional assistance and services as provided in this Plan Contract; or
4. after we have paid the corresponding amount to your Beneficiary due to unrendered service; or
5. upon transfer of your Plan Contract to another person.

Any installment received by us after termination of this Plan Contract, shall be refunded to you and shall not create any liability on our part.

XV. FORTUITOUS EVENTS

We shall not be liable for any inconvenience, loss, damage, or delay that you may sustain due to fire, flood, earthquake, war, or civil disturbance, extra-ordinary economic upheaval, strikes or labor disputes, acts of God, government legislation or regulation, or such other conditions that are beyond our control in connection with the implementation of our obligation under this Plan Contract. [However, the Unrendered Service Provision shall still apply. – applicable only to traditional plans]

XVI. TAXES AND FEES

The Gross Contract Price stated in this Plan Contract does not include any tax or fee which any law or regulation may impose in the future. If during the effectivity of this Plan Contract, the Contract Price or the benefits are subjected to any tax or fee, said tax or fee will be charged to you, or your Beneficiary, as the case may be.

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XVII. LIMITATION OF ACTION

No legal action under this Plan Contract may be filed after five (5) years from the time the cause of action accrues.

XVIII. REDUCED PRE-NEED BENEFIT STATUS (OPTIONAL)

The Reduced Pre-Need Benefit Status shall take effect once you fail to pay an installment after the end of the Grace Period provided the Plan Termination Value is available.

After the Reduced Pre-Need Benefit Status has taken effect, all rights will end except the following:

1. surrender of this Plan Contract by you for an amount equal to the Reduced Pre-Need Benefit; or
2. reinstatement of this Plan Contract by you within the Reinstatement Period.

XIX. ASSIGNABILITY

You may assign the privileges and benefits of the memorial services described herein to any deceased third person, subject to the following conditions:

1. The plan must be up-to-date in the payment of installment. A lapsed plan cannot be assigned.
2. The assignment shall be in writing duly signed by you, in proper form, and delivered to the company or its duly authorized representative for confirmation.
3. Any insurance coverage provided herein shall automatically terminate.

XX. WAIVER OF ARTICLE 1250

The provision of Article 1250 of the Republic Act No. 386, otherwise known as the Civil Code of the Philippines which states that 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, unless there is a contract to the contrary, shall be waived in determining the extent of benefits or liabilities under this Plan Contract.

XXI. JURISDICTION AND VENUE

The Insurance Commission shall have the primary and exclusive power to adjudicate any and all claims involving pre-need plans. If the amount of pre-need benefits does not exceed One Hundred Thousand Pesos (P100, 000.00), the decision of the Insurance Commission shall be final and executory.

XXII. UNRENDERED SERVICE (Applicable only to traditional plans)

If we cannot render the memorial service at the time of death of the Planholder, due to circumstances beyond the control of either your family or the Company, or due to the circumstances described in the Fortuitous Events Provision, your Beneficiary will have the following options to choose from:

1. request for the transfer of the Plan in his/her name and after approval of the request for transfer, your Beneficiary may continue paying the balance of the Contract Price. Your Beneficiary will be entitled to the memorial service benefit only; or
2. terminate this Plan and avail of the Plan Termination Values.

XXIII. EXTENDING PROFESSIONAL ASSISTANCE TO RENDER MEMORIAL SERVICES
(Applicable only to fixed value plans)

Upon immediate notification, we will provide professional assistance to any member of your family for free. You will pay directly to the servicing mortuary the total cost of the funeral services before such services are performed.

XXIV. IMPORTANT NOTICE

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to pre-need and insurance and has supervision over pre-need and insurance companies and intermediaries. It is ready at all times to assist the general public in matters pertaining to pre-need and insurance. For any inquiries or complaints, please contact the Public Assistance and Mediation Division (PAMD) of the Insurance Commission at 1071 United Nations Avenue, Manila with telephone numbers +632-5238461 to 70 and email address pubassist@insurance.gov.ph. The official website of the Insurance Commission is www.insurance.gov.ph.

STANDARD PRE-NEED CONTRACT PROVISIONS

(Pension Plans)

I. AGREEMENT

This Plan Contract is issued in consideration of your Application and payment of the first Plan installment, including handling and other charges, and is conditioned on our approval of your application.

This Plan Contract including the Application, together with any annexes, riders or endorsements duly signed by any of our authorized officers constitutes the entire contract. No statement, promise or inducement made by any person or through any agent, employee or representative not contained herein shall be binding or valid.

This Plan Contract may not be amended, endorsed or otherwise changed except through a written document signed by the President, Corporate Secretary, or other officers duly authorized by the Company at the time of the amendment. Any such modification must be made in writing and submitted to the Insurance Commission for prior approval.

II. DEFINITION OF TERMS

- In this Plan Contract the words "you" or "your" refer to the Planholder named in the Application. The words "we", "us" and "our" or the "Company" refer to <Name of Company>.
- "AVAILMENT DATE" refers to the date when the Maturity Benefit can be availed of as provided under this Plan Contract. The Availment Date is counted from the issue date or the adjusted date of effectivity in case of reinstatement of this Plan Contract by redating.
- "BENEFICIARY" means the person indicated as such in the Application and is the designated recipient of the pre-need benefit and/or insurance proceeds whenever applicable.
- "CONTRACT PRICE", refers to the stipulated price paid by the Planholder for the purchase of this Plan Contract, net of handling and other charges, if any.
- "GROSS CONTRACT PRICE", refers to the stipulated price paid by the Planholder for the purchase of this Plan Contract including handling and other charges.
- "GRACE PERIOD" refers to the sixty (60)-day period counted from the due date of the first unpaid installment within which the Planholder may settle his account. During the Grace Period, this Plan Contract is still considered in force.
- "LAPSED PLAN" refers to a delinquent Plan that has remained unpaid beyond the Grace Period. A Lapsed Plan has no force and effect.
- "MATURITY BENEFIT" refers to the lump sum amount of actual cash benefits payable as indicated in this Plan Contract.

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- "PAYING PERIOD" refers to the number of years you have to pay for the Gross Contract Price in monthly, quarterly, semi-annual, annual installments or lump sum.
- "PLAN" means the Pension Plan covered by this Plan Contract.
- "PLAN ANNIVERSARY" refers to a day recurring on the same date as the Plan's issue date each year.
- "PLAN INSTALLMENT" refers to the monthly, quarterly, semi-annual, annual amounts paid by the Planholder
- "PLAN TERMINATION VALUE" refers to the amount payable upon the termination of this Plan Contract as indicated in the Plan Termination Value Table attached to this Plan Contract.
- "PLANHOLDER" means the person named in the Application for Pension Plan who purchases this plan. The term includes the transferee and any successor-in-interest of the planholder.
- "REINSTATEMENT PERIOD" refers to the two (2)-year period after the end of the Grace Period where a Planholder may re-activate his Lapsed Plan [or his Plan for which the Reduced Pre-Need Benefit Status is in effect].
- Optional - "FULL AVAILMENT DATE" refers to the _____th (___th) Plan Anniversary, as indicated in the Plan Contract, when you, if living, otherwise your beneficiary shall be entitled to receive the Return of Payment.
- Optional - "REDUCED PRE-NEED BENEFIT" refers to the Plan Termination Value at the time of default of payment of the installment due.
- Optional - "REDUCED PRE-NEED BENEFIT STATUS" refers to status of the plan after the Grace Period has expired and installment due was unpaid, for which the Plan Termination Value is available.
- Optional - "RETURN OF PAYMENT" refers to the amount equal to the Contract Price payable on the Full Availment Date, as indicated in the Plan Contract.

III. PLAN BENEFITS

In consideration of your full payment of the Contract Price of the pre-need plan chosen, plus handling charges, if any, we guarantee to pay to you, if living, otherwise to your designated Beneficiary the following benefits in accordance with the terms of this Contract.

1. MATURITY BENEFIT

We will pay the Maturity Benefit as defined in this Plan Contract.

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2. PERIODIC CASH BENEFITS – Optional

We will pay guaranteed periodic cash benefits of ___% of the Contract Price starting on the ___ (___th) Plan Anniversary up to _____.

3. RETURN OF PAYMENT – Optional

We will pay ___% of the Contract Price on the Full Availment Date.

At Availment Date, we will pay the Maturity Benefit:

- a. To you if living, or
- b. In case of death of the planholder, to his beneficiary if living, otherwise, to his estate.

IV. **CONTRACT PRICE**

You agree to pay the Contract Price, plus handling and other charges, if any, under this Plan Contract, according to the selected mode of payment on the designated due dates. You may pay at any of our offices or through our authorized representatives or through auto-debit facility without any need of notice or demand. We only honor payments acknowledged by our official receipts. In case death occurs prior to full payment of the Gross Contract Price, the beneficiary may opt to continue to pay the unpaid balance of the Gross Contract Price or surrender this Plan Contract for its Plan Termination Value.

V. **GRACE PERIOD**

For Pre-Need Plans without Reduced Pre-Need Benefit: You are given a Grace Period of sixty (60) days from due date to pay for any installment due. If the applicable installment is not paid after said period, this Pension Plan shall lapse.

For Pre-Need Plans with Reduced Pre-Need Benefit: You are given a Grace Period of sixty (60) days from due date to pay for any installment due. If you do not pay your installment by the end of the Grace Period, the Reduced Pre-Need Benefit Status will take effect unless you opt to reinstate this Plan Contract in accordance with the Reinstatement provision.

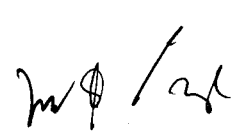
VI. **REINSTATEMENT**

You have two (2) years from the end of the grace period to reinstate this Plan Contract. If you do not reinstate this Plan Contract before the end of the two (2) year reinstatement period despite written notice, this Plan Contract shall be automatically cancelled and all payments made shall be forfeited as liquidated damages.

To reinstate, you have to submit an application for reinstatement, in a standard Company form provided by us, for our approval.

All overdue installments are paid with surcharge at a rate prevailing at the time of reinstatement, plus processing fee and other charges, if any.

You may also reinstate this Plan Contract by redating; that is, by paying one current installment at the current rate and terms plus processing fee and other charges, if any. We shall adjust the Availment Date and payment schedule, accordingly.



Any payment by you after the Grace Period shall be reimbursed to you unless you duly reinstate this Plan Contract within the Reinstatement Period and in accordance with this Section.

If you are still qualified for insurance, your insurance coverage will be contestable for a period of one (1) year from the date of reinstatement. If you are no longer insurable, you may continue paying without any insurance coverage.

[In the event the Planholder dies while the Reduced Pre-Need Benefit is in effect according to the provisions of the following section the named Beneficiary may apply to reinstate and continue paying the Plan without any insurance coverage.]

VII. INSURANCE COVERAGE

We shall enroll you under a Group Life Insurance Policy issued by a reputable insurance company ("Insurer"), provided you are in good health as you represented in your Application and you are not below ___ years old or above ___ years old on the date your coverage for insurance was approved by the Insurer. Your insurance coverage shall be subject to the terms and conditions of the said insurance policy.

You shall be enrolled under the following:

1. CREDIT LIFE

The Credit Life Insurance provides coverage on the unpaid balance of the Gross Contract Price.

This insurance coverage shall terminate upon death of the Planholder during the Paying Period of the Plan or upon your attainment of age __, whichever comes first.

2. DISABILITY BENEFIT

If you become totally and permanently disabled before attaining age __, and such disability continues uninterrupted for a period of not less than six (6) months, you may apply for a disability claim under this Plan Contract, upon submission of due proof of Total and Permanent Disability within ninety (90) days after the occurrence of such disability. If the disability claim is approved, the proceeds shall be applied to 100% of the balance of the Gross Contract Price.

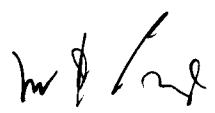
Pending approval of the disability claim by the Insurer, you shall continue to pay for the installments as they fall due.

Once your claim is approved, all installment payments which you may have made from the date of disability up to the time of approval shall be refunded to you provided that you have not yet attained age __ on the date of disability.

This insurance coverage shall terminate upon approval of the disability claim or upon your attainment of age __, whichever comes first.

3. ACCIDENTAL DEATH AND DISMEMBERMENT

If you suffer, directly and independently of all other causes, any accidental bodily injury



which results in any of the specified losses described in the attached benefit schedule within one hundred eighty (180) days after the date of the accident causing the loss, the Insurer shall pay the indemnities if you have not attained age ___.

4. TERM INSURANCE

You are also enrolled for Term Insurance Coverage under such terms and conditions of the Insurer. The insurance benefit shall be equal to ___% of the Contract Price.

This insurance coverage shall terminate on Availment Date or upon your attainment of age __, whichever comes first.

VIII. INCONTESTABILITY

The contestability period for any of the above insurance benefits shall be one (1) year from the issue date of the contract or from date of last reinstatement.

IX. BENEFICIARY

You have the right to change the beneficiary/ies designated in the Application.

If you do not qualify for the insurance benefits under the Group Life Insurance Policy and you die during the Paying Period, or if this Plan Contract is issued with insurance benefits and you die and the claim for insurance is disapproved by the Insurer, your Beneficiary will have the following options to choose from:

- a. request for the transfer of the Plan in his/her name and after approval of the request for transfer, your Beneficiary may continue paying the balance of the Gross Contract Price. Your Beneficiary will be entitled to all the rights and benefits in this Plan Contract except the insurance benefits; or
- b. terminate this Plan and avail of the Plan Termination Values.

If you are qualified for the insurance benefit under the Group Life Insurance Policy and you die during the Paying Period, your Beneficiary will be entitled to all rights and benefits in this Plan Contract.

X. PLAN TERMINATION VALUE

While this Plan Contract is in force, you may surrender this Plan Contract and you will be entitled to Plan Termination Values, if any, as shown in the Plan Termination Value Table attached to this Plan Contract.

After the Plan Termination Value has been paid to you, we shall be discharged from any liability or obligation in this Plan Contract.

XI. TRANSFERABILITY

You may request us to transfer your rights and privileges under this Plan Contract to another person, subject to the following conditions:

