

"Any of the foregoing provisions or portions thereof not applicable to single premium or term policies shall to that extent not be incorporated therein; and any such policy may be issued and delivered in the Philippines which in the opinion of the Commissioner contains provisions on any one or more of the foregoing requirements more favorable to the policyholder than hereinbefore required.

"This section shall not apply to policies of group life or industrial life insurance.

"SEC. 234. No policy of group life insurance shall be issued and delivered in the Philippines unless it contains in substance the following provisions, or provisions which in the opinion of the Commissioner are more favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholders:

"(a) A provision that the policyholder is entitled to a grace period of either thirty (30) days or of one (1) month for the payment of any premium due after the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable for the payment of a *pro rata* premium for the time the policy is in force during such grace period;

"(b) A provision that the validity of the policy shall not be contested, except for nonpayment of premiums after it has been in force for two (2) years from its date of issue; and that no statement made by any insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two (2) years during such person's lifetime nor unless contained in a written instrument signed by him;

"(c) A provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued, that all statements made by the policyholder or by persons insured shall be deemed representations and not warranties, and that no statement made by any insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary;

"(d) A provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage;

"(e) A provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event that the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used;

"(f) A provision that any sum becoming due by reason of death of the person insured shall be payable to the beneficiary designated by the insured, subject to the provisions of the policy in the event that there is no designated beneficiary, as to all or any part of such sum, living at the death of the insured, and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding Five hundred pesos (P500.00) to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the person insured;

"(g) A provision that the insurer will issue to the policyholder for delivery to each person insured a statement as to the insurance protection to which he is entitled, to whom the insurance benefits are payable, and the rights set forth in paragraphs (h), (i) and (j) following;