

PRODUCT BULLETIN
Term Shield 1
ANNUAL RENEWABLE TERM PLAN

ACTL-PDB-210006

NOV 2021

I. PLAN FEATURES

Term Shield 1 is a Non-participating Yearly Renewable Term Insurance Plan. This plan may also be converted to any permanent plan as determined by the Company while it is inforce.

A. Insurance Coverage

The plan provides for payment of 100% of the face amount less indebtedness, if any, in case the insured dies while it is inforce.

B. Payment Period

Each term of this plan is payable for one year.

C. Term of Coverage

The coverage period of each term of this plan is one year.

D. Renewability

The plan is renewable every year provided that the insured's attained age at the time of renewal is less than 70 years old. No proof of insurability will be required upon renewal.

The plan shall expire upon the insured reaching attained age 70.

E. Conversion

This plan is convertible to any non-participating permanent plan without submission of any proof of insurability before the insured reaches age 70 provided the plan is not being paid under the waiver of premium benefit at the time of conversion. The face amount of the new policy should not exceed that of the term plan and should not be less than the minimum allowed by the Company for such plan on conversion date. The premiums on the new policy are based on the attained age of the insured at the conversion date and on the risk class to which the insured belongs.

Partial conversion shall not be allowed for this plan.

Unlike the previous ART Plan where it will automatically convert the plan to the existing Whole Life Plan of the Company upon the expiration of the term plan, Term Shield 1 shall not convert the policy automatically a Whole Life Plan. If the Policyowner does not convert the plan prior to its expiration, the plan shall expire upon the insured reaching attained age 70, provided that it has been renewed continuously.

II. DISTRIBUTURION CHANNEL

This plan is intended to be distributed through Retail Distribution Channels – IMD, Bancassurance.

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III. UNDERWRITING RULES

A. Issue Ages

Premiums are available for issue ages 5 to 60. Issue ages are based on the insured's age nearest birthday.

B. Face Amount Limits

The minimum and maximum Face Amount for this plan is P500,000.00 and P15,000,000.00, respectively.

C. Underwriting Selection

For Term Shield 1, this plan shall now consider Non-Medical Limit for its underwriting. All cases shall be underwritten following the rules for term insurance. The Underwriting Department reserves the right to require additional evidence of insurability as it deems necessary to evaluate and properly classify the applicant for cases under regular underwriting.

D. Substandard Issues

Substandard ratings shall be assessed on each life, as the case may be. This plan allows substandard ratings up to Table P for all issue ages.

E. Flat Extra

The maximum flat extra allowed is five per thousand (5/k) of sum assured.

F. Other Underwriting Rules

This plan is not issuable to policemen, military personnel, and pregnant woman.

G. Beneficiaries

The usual rules on beneficiary designation shall apply

IV. RIDERS

A. Accidental Death Benefit Rider

The Accidental Death Benefit is a comprehensive rider providing a wide range of benefits from death caused by accidents. Accidental coverage is provided until age 65, or until the termination of the policy, to which the rider is attached, whichever comes first.

Issue Age of Insured	:	10 to 55 years old
Payment Terms	:	premium payment period or insured attains age 64, whichever is sooner
Coverage	:	until the maturity of the plan or until insured attains age 65, whichever is sooner

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B. Accidental Death and Dismemberment Rider

The Accidental Death and Dismemberment is a comprehensive rider providing a wide range of benefits from death to injuries caused by accidents. Accidental coverage is provided until age 65, or until the termination of the policy, to which the rider is attached, whichever comes first.

Issue Age of Insured	:	10 to 55 years old
Payment Terms	:	premium payment period or insured attains age 64, whichever is sooner
Coverage	:	until the maturity of the plan or until insured attains age 65, whichever is sooner

C. Waiver of Premium Upon Disability

This rider will pay the future premiums of the policy in the event that the insured is unable to perform work due to disability. The rider doesn't reduce or otherwise affect the amount payable in any settlement of the policy or any dividend or any non-forfeiture or loan values under the policy.

Issue Age of Insured	:	18 to 55 years old
Payment Terms	:	premium payment period or insured attains age 59, whichever is sooner
Coverage	:	until the end of the payment period or until insured attains age 60, whichever is sooner

D. Payor's Benefit Rider

1. Payor's Benefit Rider Due to Death of the Payor

This Rider waives future premiums due if the Payor dies before the policy anniversary nearest his 60th birthday or prior to the termination of this rider

2. Payor's Benefit Rider Due to Death and Disability of the Payor

This Rider waives future premiums due if the Payor, before the policy anniversary nearest his 60th birthday, dies or becomes totally disabled and has been continuously so disabled for at least six months.

Issue Age of Insured/Child	:	10 to 17 years old
Issue Age of Payor	:	18 to 55 years old
Payment Terms	:	premium payment period or until Payor attains age 59 or until Child attains age 24, whichever is soonest
Coverage	:	until the end of the payment period or until Payor attains age 60 or until Child attains age 25, whichever is soonest

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E. Critical Illness Benefit Rider

Critical Illness Benefit Rider is a regular-pay term product which provides for the payment of the rider face amount in the event that the Insured is diagnosed with a covered critical illness before age 65 and survives for at least thirty (30) days from the date of initial diagnosis.

Issue Age of Insured : 20 to 60 years old

Payment Term : until age 65

Coverage/Benefit Period : until insured attains age 65

The premium for this rider changes every five (5) years based on the attained age of the Insured and the schedule of premium rates then in effect.

(Kindly refer to Critical Illness Benefit Rider for Traditional Products Product bulletin for CIBR's complete rider features, guidelines and premium rates.)

V. PREMIUMS

A. Schedule of Gross Premium Rates

The gross rates depend on the issue age based on the insured's age nearest birthday and on the payment period chosen.

B. Modal Factor

Annual	1.0000
Semi-Annual	0.5300
Quarterly	0.2750
Monthly	0.0975

C. Premium Bands

Discounts for larger volumes of insurance coverage are provided through three (3) different premium bands which correspond to certain face amount groups/ranges as shown in the table below:

Premium Band		Face Amount	
Band 1	500,000	to less than	1,000,000
Band 2	1,000,000	to less than	2,000,000
Band 3	2,000,000	and above	

D. Policy Fee

The usual policy fee of Ps 400.00 shall be charged.

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E. Gross Premium Computation

1. Term Shield 1 (Base Plan)

Issue Age : Age Nearest Birthday of the Insured
Premium Rate : expressed as per thousand of the basic plan's face amount
Computation : Premium Rate x Basic Plan's Face Amount ÷ 1000 + Policy Fee

2. Accidental Death Benefit Rider

Issue Age : Age Nearest Birthday of the Insured
Premium Rate : expressed as per thousand of the AD&D face amount
Computation : ADB Rate x ADB Face Amount ÷ 1000

3. Accidental Death and Dismemberment Rider

Issue Age : Age Nearest Birthday of the Insured
Premium Rate : expressed as per thousand of the AD&D face amount
Computation : AD&D Rate x AD&D Face Amount ÷ 1000

4. Waiver of Premium Upon Disability

Issue Age : Age Nearest Birthday of the Insured
Premium rate : expressed as per hundred of total gross premiums
Computation : WPD Rate x (Basic Plan's Premium + AD&D/ADB Premium) ÷ 100

5. Payor's Benefit Rider (Death Only or Death and Disability)

Issue Age : Age Nearest Birthday of the Payor and Child Insured
Premium Rate : expressed as per hundred of total gross premiums
Computation : Dependent on Payor's Age
Computation : PBR Rate x (Basic Plan's Premium + AD&D/ADB Premium) ÷ 100

F. Sample Computation

Example 1

Age of Insured	:	30
Age of Payor	:	55
Riders	:	AD&D
		WPD
Face Amount	:	500,000

1. Term Shield 1 (ART)

Basic Rate	=	6.51
Annual Premium	=	6.51 x 500,000 /1000 + 400
	=	Rs 3,655.00

2. Accidental Death and Dismemberment Rider (AD&D)

AD&D Rate	=	1.47
AD&D Premium	=	1.47 x 500,000/1000
	=	Rs 735.00

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3. Waiver of Premium Upon Disability (WPD)

WPD Rate	=	6.11
Premiums to be Waived	=	Term Shield 1 + AD&D Premium
	=	3,655.00 + 735.00
	=	4,390.00
WPD Premium	=	6.11 x (4,390.00)/100
	=	Ps 268.23

4. Total Annual Premium

Total Annual Premium	=	ART + AD&D + WPD Premium
	=	3,655.00 + 735.00 + 268.23
	=	Ps 4,658.23

Example 2

Age of Insured	:	15
Age of Payor	:	55
Plan	:	Term Shield 1
Riders	:	AD&D
	:	PBR Death and Disability
Face Amount	:	1,000,000

1. Term Shield 1

Basic Rate	=	3.60
Annual Premium	=	3.60 x 1,000,000 / 1000 + 400
	=	Ps 4,000.00

2. AD&D

AD&D Rate	=	1.76
AD&D Premium	=	1.76 x 1,000,000 / 1000
	=	Ps 1,760.00

3. Payor's Benefit – Death and Disability

PBR Term of Coverage	=	min (Yrs to Pay, 60–Age of Payor, 25–Insured's Age)
	=	min (10, 5, 10)
	=	5
PBR Rate	=	11.69
Premiums to be Waived	=	Basic Plan Premium + AD&D Premium
	=	4,000.00 + 1,760.00
	=	5,760.00
PBR Premium	=	11.69 x (5,760.00 / 100)
	=	Ps 673.34

4. Total Annual Premium

Total Annual Premium	=	Basic Plan Premium + ADD Premium + PBR Premium
	=	4,000.00 + 1,760.00 + 673.34
	=	Ps 6,433.34

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VI. NON-FORFEITURE

This plan has no cash value.

VII. COMMISSION AND OVERWRITES

A. Agent's Commission

Base Plan

The following commission schedule shall be followed:

Basic Commission			
Policy Year	Band 1	Band 2	Band 3
1	10%	10%	10%
2	10%	10%	10%
3	0%	10%	10%

Overriders

Follow channel Overrides

Riders

All attachable riders will follow commission schedule of the base plan

Extra Premiums

Extra premium due to substandard medical rating will follow the commission schedule of the base plan. However, flat extra premiums are not commissionable.

B. Agency Managers and Branch Managers Overwrites

The existing Agency Manager's Overwrites and Branch Manager's Management Fee schemes shall apply.

C. Production Credits

Production credits will follow the current schedule and compensation guidelines in effect and subject to specific rules of contests and drives.

VIII. POLICY CHANGES

A. Decreases in Face Amount

If the policy's face amount falls below the existing minimum coverage set for the ART, the policy shall be terminated.

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B. Increases in Face Amount

Increases in face amount shall be treated as new issues, and as such subject to the same underwriting rules as new issues.

C. Partial Conversion of Policy

This is not allowed for this plan.

IX. TERMS FOR CONVERSION

A. Proof of Insurability

No proof of insurability shall be required of the policyholder when he converts to a permanent plan.

B. Qualification

The request should be made while the policy is inforce and before the policy's anniversary nearest the insured's seventieth (70th) birthday

C. Submission of a Written Request for Conversion

A written request for conversion together with the policy must be received at the Head Office. The effectivity of the permanent plan shall coincide with the immediately following policy anniversary.

D. Effectivity Date

The Effective Date of the new policy will be the date of conversion.

E. Amount of Coverage under Permanent Plan

The amount of coverage under the permanent plan should not be more than the existing coverage under the policy on the conversion date. Furthermore, the new coverage must not be less than the minimum amount allowed by the company for such plan on the conversion date.

F. Premium under Permanent Plan

1. Determination of Risk Class

The new premium rate applicable to the permanent plan will be based on the class of risk to which the Insured belongs and to the form and amount of the permanent plan at his attained age

2. Restriction on the Amount of Modal Premium

The new premium rate must not be less than the minimum required by Cocolife for the mode of premium payment selected

3. Inclusion of Waiver of Premium

If, however, premiums under this Policy are being waived through the Waiver of Premium Rider, if any, premiums payable under the new policy shall not be waived and will be payable in accordance with the provisions of the new policy.

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G. Waiver of Premium under Permanent Plan

If applied for, a Waiver of Premium Rider will be included in the new policy, provided that:

1. The policy includes such a Waiver of Premium Rider which is in force on the conversion date ;
2. The insured is not then totally disabled as defined in such provision, and as evidenced by satisfactory proof to Cocolife; and
3. The insured's age is not more than fifty-five (55) on the conversion date.

H. Accidental Death Benefit Rider under Permanent Plan

If applied for, an Accidental Death benefit Rider will be included in the new Policy provided:

1. The policy includes an Accidental Death Benefit Rider which is inforce on the conversion date; and
2. The Insured's age is not more than sixty (60) on the conversion date.

I. Automatic Conversion at age 70

Term Shield 1 shall not have the feature of Automatic Conversion to a Whole Life Plan at age 70, in contrast to the previous ART Plan.

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CHANGE HISTORY

08OCT2021 Created by JBC

26NOV2021 Modified by NAG

Added *Premium Bands Section*

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<i>Band 2</i>	<i>1,000,000</i>	<i>to less than</i>	<i>2,000,000</i>
<i>Band 3</i>	<i>2,000,000</i>	<i>and above</i>	