

**PRODUCT BULLETIN**  
**LIFEVEST**  
**LIMITED PAY AND SINGLE PAY VARIABLE LIFE PLAN**  
*(For Savings and Protection)*

ACTL-PDB-220001

February 2021

**1. BASIC PRODUCT FEATURES**

LifeVest - Variable Life Plan for Savings and Protection is a Limited Pay, with 5 Pay and 7 Pay option, and a Single Pay Variable Life Plan with focus on providing balance between savings and protection. The amount of benefits under the variable plan is based on the performance of one or more separate investment funds, as chosen by the Policyholder

This plan is available with two options.

Level Death Benefit (**Option 1**), The amount of death benefit is equal to the higher of the Face Amount or the Account Value.

Increasing Death Benefit (**Option 2**), Death benefit is increasing and expressed as the total of the Account Value and the Face Amount up to attained age 65. Thereafter, the death benefit is equal to the higher of the Account Value or the Face Amount.

The Death Benefit Option cannot be changed after the Policy is issued.

The following are the three variants of **LifeVest** depending on the payment period with their corresponding Marketing Names:

- **5-Pay Variable Life For Savings and Protection Plan – “LifeVest 5”** (payable for 5 years)
- **7-Pay Variable Life For Savings and Protection Plan – “LifeVest 7”** (payable for 7 years)
- **Single Pay Variable Life For Savings and Protection Plan – “LifeVest SP”** (payable for a single premium)

In this product, the policyholder specifies the amount of Basic Annual Premium he wishes to pay every year, subject to the minimum premium set by the Company. The Face Amount for the Limited Pay variant will be equal to 7 times the Basic Annual Premium. For the Single Pay variant, this will be equal to 2 times (200%) of the Single Premium.

**BONUSES**

The plan will provide Loyalty Bonus and Allocation Bonus.

1. The Loyalty Bonus will be equal to 2% of the average fund value over the past 120 months prior to the bonus, and this will be given starting on the 10<sup>th</sup> policy year, and every 10 years thereafter.

The bonus will only be credited to the investment funds provided that:

**Limited Pay**

- (a) all Regular Premium are paid;
- (b) Regular Premiums in arrears are paid when the Policy is reinstated;
- (c) Regular Premiums in arrears are paid when the Policy resumes premium payment; and
- (d) all withdrawals made do not exceed all the Top-up premiums paid under the policy.

**Single Pay**

- (a) all withdrawals made do not exceed all the Top-up premiums paid under the policy.

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2. The Allocation Bonus will credit 100% of the total Premium Charge deducted to the policy and will follow the schedule provided below.

Single Pay		5 Pay		7 Pay	
Policy Year	Allocation Bonus (%Single Basic Premium)	Policy Year	Allocation Bonus (% Regular Basic Premium)	Policy Year	Allocation Bonus (%Regular Basic Premium)
10	4%	15	70%	12	80%
		18	30%	15	30%
		20	10%	17	10%

The bonus will only be credited to the investment funds provided that:

**Limited Pay**

- (a) all Regular Premium are paid;
- (b) Regular Premiums in arrears are paid when the Policy is reinstated;
- (c) Regular Premiums in arrears are paid when the Policy resumes premium payment; and
- (d) all withdrawals made do not exceed all the Top-up premiums paid under the policy.

**Single Pay**

- (a) all withdrawals made do not exceed all the Top-up premiums paid under the policy.

**AVAILABLE RIDERS**

The following previously approved traditional riders can be attached to this plan with rates depending on chosen payment period.

Limited-Pay:

- Accidental Death and Dismemberment (AD&D)
- Waiver of Premium Upon Disability (WPD)
- Critical Illness Benefit Rider (CIBR)
- Payor's Benefit Rider Due to Death of the Payor (PBR-DO)
- Payor's Benefit Rider Due to Death and Disability of the Payor (PBR-DD)

Single-Pay:

- Accidental Death and Dismemberment (AD&D)
- Critical Illness Benefit Rider (CIBR)

**1.1 FUND OPTIONS**

**Unitized Funds**

A Unitized Variable Fund is an investment fund divided into equal values known as Units. It is segregated from the Company's life funds and individually managed for the exclusive interest of its unit holders. The fund is measured by the value of the assets it holds. The performance of the fund is reflected by the Net Asset Value (NAV) computed at the end of each day. The company is not liable for any losses that the Policyholder may incur if the fund he chose performs poorly.

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**Peso Fixed Income Fund**

The Peso Fixed Income Fund seeks to provide regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments, through a diversified portfolio of high grade bonds and/or evidences of debt of the Philippine government or government-controlled and owned corporation or solvent corporations and institutions.

**Peso Equity Fund**

The Peso Equity Fund seeks to maximize income consistent with its policy to preserve capital and to maintain liquidity of its investments through a diversified portfolio of high-quality listed equity issues - blue chips and growth stocks listed in the Philippine Stock Exchange.

**Peso Bond Fund**

The Peso Bond Fund seeks to provide regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments, through a diversified portfolio such as Treasury Notes/Bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas and other government securities or bonds and evidences of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines or any of its instrumentalities.

**1.2 THE VARIABLE LIFE PREMIUM AND TOP-UP PREMIUM**

A variable life premium is the Regular Premium (for Limited-Pay) or the Single Premium (for Single-Pay) for the basic benefit and for the rider(s) indicated in the policy data page plus any additional premium paid by the Policyholder by way of Top-Ups. Additional premium or top-ups may be put in by the policyholder at any point in time.

A variable life premium has two components: the unallocated part which is the portion of the premium that goes to the insurance company as premium charge and rider charge, if any, and the allocated part which is used to buy units from the available Unitized Variable Fund. The Policyholder chooses where to invest the allocated premium. It can be to one or combination of funds offered by the insurance company through allocation percentages specified by the Policyholder. .

Premium details are in Section 2.

**1.3 THE FACE AMOUNT**

The Initial Face Amount is the Face Amount stated in the Policy Data Page. This amount is adjusted by all partial withdrawals and top-ups made by the Policyholder.

The Face Amount (FA) for Option 1 is equal to

$$\text{Face Amount} = \text{Initial Face Amount (as indicated in the Policy Data Page)} + 125\% \text{ of all Top-up Premiums} - 125\% \text{ of all Partial Withdrawals}$$

On the other hand, Face Amount for Option 2 is equal to

$$\text{Face Amount} = \text{Initial Face Amount (as indicated in the Policy Data Page)} + 25\% \text{ of all Top-up Premiums} - 25\% \text{ of all Partial Withdrawals}$$

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**1.4 INSURANCE COMMISSION'S PRESCRIBED MINIMUM DEATH BENEFIT**

The death benefit payable for an inforce plan should not be less than the following amount:

**Limited Pay**

- i. 500% of the Annual Basic Premium; plus
- ii. 125% of all Top-up premiums paid; less
- iii. 125% of all partial withdrawals made

**Single Pay**

- i. 125% of Single Premium; plus
- ii. 125% of all Top-up premiums paid; less
- iii. 125% of all partial withdrawals made

**1.5 ACCOUNT VALUE**

The allocated premium, which is the premium paid by the Policyholder less the appropriate premium charges, may be used to buy units from the Unitized Variable Fund/s. The Total Account Value is the sum of the values in the Unitized Variable Funds as of the relevant valuation dates.

The value in the Unitized Variable Funds is the aggregate of the number of outstanding Units of each Investment Fund allocated to the policy multiplied by their respective Unit Prices on the relevant Valuation Date.

The account value and the death benefit are fully dependent on the return generated by the chosen fund. The company is not liable for any losses that the Policyholder may incur if the fund he chose performs poorly.

**2. PREMIUMS**

**Limited Pay – Regular Premium**

The Regular Premium is the premium for basic benefit (Basic Premium) and for the rider(s) (Rider Premium), if any. The amount and due dates of the Regular Premium are stated in the Policy Data Page.

**Single Pay – Single Premium**

The Single Premium is the premium for the basic benefit as shown in the Policy Data Page.

**Rider Premium**

The Rider Premium is the premium for the attached rider(s), if any and is shown in the Policy Data Page.

**Top-up Premium**

While this Policy is inforce, you may in addition to the Single Premium or Regular Premium, pay Top-up Premiums subject to our then current administrative rules regarding minimum and maximum amounts. The Company reserves the right to require evidence of insurability on the Life Insured satisfactory to us with respect to payment of any Top-up Premium. Any Top-up Premium is considered as such only after the Basic and Rider Premiums have been fully paid.

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**Allocated Premium**

Any premium paid, after deducting the relevant Premium Charges, Rider Charges, and any policy debt, is used to create Units in the relevant Unitized Fund(s) for allocation to the Policy in accordance with the Fund Allocation Instruction. The Units will be created on the Valuation Dates of the relevant Investment Funds immediately following the date of receipt of the premium at the Company's Home Office in cleared fund. In the case of Top-Up Premiums, the creation of Units in the Unitized Variable Fund(s) will be on the Valuation Dates of the relevant Investment Fund(s) immediately following the date we receive and approve the policyowner's application for top-up.

**2.1 Modal Factor**

Regular Premiums can be paid annually, semi-annually or quarterly. The monthly mode may also be elected subject to an approved collection or payment arrangement (e.g., thru ADA, credit card, PDC). The following modal factors will apply.

Annual	1.0000	<i>If with payment arrangement:</i>	
Semi-Annual	0.5300	Monthly	0.0975
Quarterly	0.2750		

**2.2 Minimum Single/Annual Basic Premium**

The minimum single/annual basic premium for this product depends upon the chosen payment term (or plan variant):

<u>LifeVest Variant</u>	<u>Minimum Premium</u>
LifeVest 5 and LifeVest 7	Php 30,000
LifeVest Single Pay	Php 60,000

**2.3 Substandard Premiums**

There will be no extra basic premium for substandard cases. Instead, the company will be collecting extra insurance charge to cover the substandard risk. Extra rider premiums may be charged for substandard risks.

**3. INITIAL FACE AMOUNT**

The initial face amount for this product depends upon the chosen payment term (or plan variant):

<u>LifeVest Variant</u>	<u>Initial Face Amount</u>
LifeVest 5 and Life Vest 7	7 times the Annual Premium
LifeVest Single Pay	2 times the Single Premium

**4. CHARGES**

All Charges may be changed by the Company subject to approval of the Insurance Commission.

**4.1. Premium Charges**

A Premium Charge is imposed on the Single Premium or Regular Premium starting on the first policy year. For purposes of Premium Charge computation, the Single Premium or Regular Premium shall exclude any Top-up Premium and rider premiums.

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The Premium Charge for the Basic Premium varies depending on the payment period (or plan variant) chosen.

Plan Variant	Payment Period	Premium Charge on the Basic Premium		
		Year 1	Year 2	Year 3
LifeVest 5	5-pay	70 %	30 %	10 %
LifeVest 7	7-pay	80 %	30 %	10 %
LifeVest Single Pay	Single Pay	4 %	0 %	0 %

A 4% Premium Charge is imposed on all Top-up Premiums.

The Premium Charge will be deducted from the Basic Premium and Top-up Premium, and the remaining amount of premium will then be allocated to fund/s chosen by the owner in accordance with the Fund Allocation instruction.

#### 4.2. Rider Charge

A Rider Charge equivalent to 100% of rider premiums is imposed on all riders attached to this plan.

After the basic plan's paying period, the Rider Charge due shall be deducted from the Total Account Value by deducting it proportionately from the Unitized Variable Funds according to the latest fund allocation instruction.

#### 4.3. Insurance Charge

An Insurance Charge is imposed monthly in respect of the Basic Benefit starting on the first policy year and in respect of any attached Riders upon its effectivity.

The Insurance Charge for the Basic Benefit is calculated by multiplying the difference between the Death Benefit and Account Value to the Insurance Rate determined by the Company from time to time applicable to the Life Insured with reference to attained age and risk class of the Life Insured.

The Account Value is based on the Unit Prices of the relevant Unitized Variable Fund(s) on the due date of the Insurance Charge (if the due date is a Valuation Date of the relevant Investment Fund(s) or otherwise on their Valuation dates immediately before the due date). The total account value is the aggregate amounts in the Unitized Variable Fund.

The Insurance Charge is due monthly in advance on the same day of the calendar month as the Effective Date. It is deducted proportionately from the Unitized Variable Funds according to your latest fund allocation instruction. Units will be cancelled in proportion to the respective values of Units of the relevant Unitized Variable Funds allocated to the Policy based on the latest fund allocation instruction.

For the first deduction of the insurance charge, the cancellation of units from the Unitized Variable Funds will be made based on the Account Values and unit prices in the Valuation Dates of the relevant Investment Account(s) immediately following the date of receipt of premiums at the Company's Home Office in cleared fund, in accordance with the Company's administrative rules. After the first deduction of the Insurance Charge, the units are cancelled on the due date for the Insurance Charge (if the due date is a Valuation Date of the relevant Investment Fund(s) or otherwise on their Valuation dates immediately before the due date) in accordance with the Company's administrative rules.

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#### **4.4. Monthly Administrative Charge**

A Monthly Administrative Charge is imposed on the policy starting on the first month of its effectivity and every month thereafter. For the Limited-Pay, the Annualized Administrative Charge is equal to Php 3,600 if within the paying period, and Php 1,200 thereafter. For the Single-Pay, the Annualized Administrative Charge is equal to Php 1,200 for all years.

The Administrative Charge is due monthly in advance on the same day of the calendar month as the Effective Date. It is deducted proportionately from the Unitized Variable Funds according to your latest fund allocation instruction. Units will be cancelled monthly in proportion to the respective values of Units of the relevant Unitized Variable Funds allocated to the Policy based on the latest fund allocation instruction.

For the first deduction of the Monthly Administrative charge, the cancellation of units from the Unitized Variable Funds will be made based on the Account Values and unit prices in the Valuation Dates of the relevant Investment Account(s) immediately following the date of receipt of premiums at the Company's Home Office in cleared fund, in accordance with the Company's administrative rules. After the first deduction of the Monthly Administrative Charge, the units are cancelled on the due date for the Administrative Charge (if the due date is a Valuation Date of the relevant Investment Fund(s) or otherwise on their Valuation dates immediately before the due date) in accordance with the Company's administrative rules.

#### **4.5. Asset Management Charge**

An Asset Management Charge is imposed on each Investment Fund as determined by the Company from time to time. It is deducted monthly and reflected in the calculation of the net asset value of each Investment Fund in accordance with the Valuation provision.

Investment Fund	Charge
Peso Equity Fund	2.25%
Peso Fixed Income Fund	1.75%
Peso Bond Fund	1.96%

### **5. COOLING OFF PERIOD**

If the Policyholder is not completely satisfied with the Policy, he may return it, together with a letter signed by him signifying his intention to cancel his coverage, within 15 days from the date of receipt of the Policy.

The Policy will then be cancelled starting on the Effective Date, as stated in the Policy Data Page and we will refund to the owner the total Premium Charges, Rider Charges, Insurance Charges, and Administrative Charges paid, and the Account Value.

The Account Value is the total value of the Unitized Variable Funds based on the Unit Price as computed on the Valuation Date covering the effectivity of the cancellation. The Units of the relevant separate variable funds will be cancelled and the appropriate values will be refunded on the Valuation Dates immediately following the date that we receive at our Home Office the written request for policy cancellation.

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The cooling off period will commence at the date that the Policy was received by the owner or any of his authorized representatives.

Under this period no refund will be made if a claim has been admitted.

## **6. FUNDS**

The Contract offers choices from a number of Unitized Variable Funds. The Policyowner may choose to allocate its premium net of premium charges to any one or more of the Investment Funds available through the Fund Allocation Instruction submitted to us.

Each Investment Fund is segregated from the Company's life funds and individually managed for the exclusive interest of the policyholders. Investment Funds and all assets in the Investment Funds are solely, legally and beneficially owned by the Company at all times.

### **6.1 Unitized Variable Funds – Units**

Each Unitized Variable Fund is divided into equal values known as Units. The allocation of Units in the Unitized Variable Funds to the policy is notional and is solely for the purpose of determining the Account Value.

#### **6.1.1. Creation of Units**

While the policy is in force, Units of a Unitized Variable Fund are created using the Unit Price of the Unitized Variable Fund on the relevant Valuation Date immediately following the date of receipt of premiums at the Company's office in cleared funds or the date we approved the application for Top-Up premium, if applicable. An amount equal to the number of Units created multiplied by the Unit Price on such Valuation Date is added to the Unitized Variable Fund accordingly.

No Unit of a Unitized Variable Fund may be created other than on a Valuation Date of the Unitized Variable Fund.

Units are created when premiums are paid, top-up premiums are made, when loyalty bonus and allocation bonus accrue to the Policyholder, and when funds are switched into a Unitized Variable Fund..

#### **6.1.2. Unitized Variable Fund Options**

The following Unitized Variable funds are available:

##### **6.1.2.1 Peso Fixed Income Fund**

The Peso Fixed Income Fund seeks to provide regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments, through a diversified portfolio of high grade bonds and/or evidence of debts of the Philippine government to controlled and owned corporation or solvent corporations and institutions.



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**6.1.2.2. Peso Equity Fund**

The Peso Equity Fund seeks to maximize income consistent with its policy to preserve capital and to maintain liquidity of its investments through a diversified portfolio of high-quality listed equity issues – blue chips and growth stock listed in the Philippine Stock Exchange.

**6.1.2.2. Peso Bond Fund**

The Peso Bond Fund seeks to provide regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments, through a diversified portfolio such as Treasury Notes/Bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas and other government securities or bonds and other evidences of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines or any of its instrumentalities.

**6.1.3. Cancellation of Units**

While the policy is in force, Units of a Unitized Variable Fund are cancelled using the Unit Price of the Unitized Variable Fund on the Valuation Date on which the Units are cancelled. An amount equal to the number of units cancelled multiplied by the Unit Price is deducted from the Unitized Variable Fund accordingly.

No Unit of a Unitized Variable Fund may be cancelled other than on a Valuation Date of such Fund.

Units may be cancelled when the insurance charge, rider charge (if applicable) and administrative charge are due, upon partial/full withdrawal, when funds are switched out, and when premiums are in default beyond the allowable grace period, in which case, premium charges and rider charges, if applicable, are paid by cancelling units from the fund. Units are cancelled at the maturity date or when the death benefit becomes payable.

**6.2. Fund Allocation**

**6.2.1.** The owner may choose to invest his premium or top-up premium payments in any of the given fund above by accomplishing the Fund Allocation Instruction Form.

**6.2.2.** The minimum allocation percentage to a fund is 5%, if the specific fund is chosen by the policyowner. The policyowner may choose to invest 100% to one fund.

Fund Type	Minimum Allocation Percentage (if chosen)
Peso Fixed Income Fund	5%
Peso Equity Fund	5%
Peso Bond Fund	5%

**6.2.3.** The fund allocation instruction is to be used not only for premium payments but also for the following transactions:

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1. for canceling units to pay insurance charge
2. for canceling units to pay premium charge and rider charge when deducted from the account value
3. for canceling units to pay administrative charge
4. for allocating Loyalty Bonus and Allocation Bonus, and
5. for partial withdrawal when the owner did not specify the source fund.

### **6.3. Fund Additions and Closures**

We may establish additional Investment Fund(s) to be made available for the Policy. All Provisions of the Policy will apply to the additional Investment Fund(s) unless stated otherwise.

We have the right at any time to close any Investment Fund. We will give the Policyholder not less than three (3) months written notice of our intention to close an Investment Fund. We will cease to allow the Policyholder to create or cancel Units in the closing Unitized Variable Fund after its closure.

Upon the closure of a Unitized Variable Fund, Units in the closing Unitized Variable Fund allocated to the policy will be cancelled on the last Valuation Date of the closing Unitized Variable Fund. The Policyholder must notify the Company in a form prescribed by us to be sent to the Company's Home Office before the date specified in the written notice given by the Company, the Investment Fund he wishes to replace the closing Variable Fund.

Upon receipt of such valid notification from the Policyholder at the Company's Home Office before the date specified in the written notice given by the Company, we will replace the closing fund with the Investment Fund the Policyholder selected by allocating the net proceeds to the selected Investment Fund(s) for allocation to the Policy, with proceeds from the cancellation of Units in the closing Unitized Variable Fund, on the Valuation Dates of the replacing Investment Fund(s) immediately following the date of closure of the closing Investment Funds.

If we have not received the valid notification from the Policyholder at the Company's Home Office before the date specified in the written notice given by the Company, we will select the Investment Fund to replace the closing Investment Fund on the Policyholder's behalf.

### **6.4. Valuation of Unitized Fund**

The Company will determine the Net Asset Value and the Unit Price of an Investment Fund at the Valuation Date of the Investment Fund. Daily valuation will be used.

### **6.5. Fund Switching**

While the policy is in force, the owner may apply to switch funds from one Investment Fund allocated to the policy to another Investment Fund subject to the following conditions:

1. A valid written application in the form prescribed by the company is furnished; and
2. The amount to be switched must not be less than Php 10,000.00 ; and
3. Balance of the source fund after switching must not be less than Php 20,000.00; and
4. Also after the fund switching, the number of Investment Funds for which Units are allocated to the policy must not be more than the maximum number of Investment Funds

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for allocation to the policy determined by the Company from time to time, subject to a minimum allocation percentage in each Investment Fund determined by the Company from time to time; and

4. The amount to be switched from are cancelled on the Valuation Date of the Investment Fund immediately following the date we receive and approve the owner's application for fund switching; and
5. Amounts to be switched to are created for allocation to the policy, with the proceeds from the withdrawal of amounts in the case of cancellation of Units of the Investment Fund switched from, on the Valuation Date immediately following the date we receive and approve the owner's application for fund switching; and
6. If the balance of the source fund will be less than the minimum balance above, all units must be switched out; and
7. A fund switching fee of 1% of the amount switched will be charged. It is deducted from the proceeds of the source fund before units from the target fund are bought. However, he will be given a chance to switch fund twice in a policy year for free.

#### **6.6. Partial Withdrawal**

The Owner may apply to withdraw part of the Account Value by specifying the amount or the number of Units to be withdrawn and the Investment Fund(s) from which such amount or Units shall be withdrawn. The owner's application for withdrawal must be filed with, and received by, us at the Company's office in the form prescribed by us.

The amount of withdrawal is the aggregate of the amount withdrawn from the Unitized Variable Fund. This is determined based on the number of outstanding Units of the Investment Fund(s) to be withdrawn multiplied by the respective Unit Prices on the Valuation Date on which the Units are cancelled. If there are more than one Investment Funds and the owner does not specify the Investment Fund(s) from which the amount requested is to be withdrawn, then the same shall proportionately be taken from each Investment Fund based on latest fund allocation instruction. The Units of the relevant Investment Fund(s) will be cancelled on the relevant Valuation Date immediately following our approval of the owner's application. No withdrawal will be allowed if the amount of withdrawal, or the resultant Account Value of the policy after withdrawal, will be less than the minimum amounts set by the Company from time to time.

##### **6.6.1. Minimum Amount of Withdrawal/Minimum Balance**

The withdrawal amount must not be less than Php 10,000.00. No withdrawal will be allowed if the resultant Account Value of the policy after withdrawal will be less than Php 20,000.00.

##### **6.6.2. Withdrawal Charges**

Should the Owner opt to withdraw, he may do so but the following charges will apply depending on the fund he chooses. This withdrawal charge schedule is also applicable to Full Withdrawal transactions. The withdrawal charge is outright deducted from the withdrawal proceeds.

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Upon partial or full withdrawal within the first 4 years, the following schedule of withdrawal charges shall be imposed:

Policy Year	<b>LIMITED-PAY</b> Withdrawal Charge (For All Funds) % of amount withdrawn	<b>SINGLE-PAY</b> Withdrawal Charge (For All Funds) % of amount withdrawn
1	75%	7.5%
2	50%	5%
3	20%	2%
4	10%	1%

For 5<sup>th</sup> year and onwards, withdrawal charge is 1% of the amount withdrawn, in excess of 1 free withdrawal per year, shall be imposed for Unitized Funds:

**6.7. Full Withdrawal**

The owner may fully withdraw his Total Account Value, less any withdrawal charges following the schedule indicated above, and surrender the Policy subject to the receipt of the following by us at the Company's Home Office:

1. a valid written application in the form prescribed by Us;
2. the Policy Contract;
3. identification card of Owner; and
4. Identification card of irrevocable beneficiaries.

The effective date of full withdrawal or surrender is the date that we receive and approve the owner's request for full withdrawal. Once the Total Account Value is fully withdrawn, it will no longer be eligible for reinstatement.

Under this provision, the Total Account Value is calculated on the Valuation dates of the relevant Investment Funds immediately following the date on which our approval of the owner's full withdrawal is dated and signed in the Company's Home Office.

**6.10. Change of Fund Allocation Instruction**

The owner may provide the Fund Allocation Instruction to us at the time of application for the policy.

The Fund Allocation Instruction shall comply with the minimum allocation percentage in an Investment Fund and maximum number of Investment Funds to which the premiums may be allocated as determined by us from time to time.

While the policy is in force, the owner may apply to change his Fund Allocation Instruction. The owner's application for change of Fund Allocation Instruction must be filed with, and received by us at the Company's Home Office in the form prescribed by us. Such change will be effective on the Valuation Date immediately following the date of our approval of his application.

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**7. GRACE PERIOD**

If the Regular Premium is unpaid for 31 days after the due date, any outstanding Premium Charge and Rider Charge, if applicable, will be deducted from the Account Value by deducting it proportionately from the Unitized Variable Funds according to the latest fund allocation instruction.

If the total Account Value in the Unitized Variable Funds is insufficient to cover the Premium Charges, Rider Charges, Insurance Charges, Administrative Charges, and Other Charges, due, including any outstanding policy debt becoming due at the end of the no-lapse guarantee period, the Policyholder is allowed a grace period of 31 days from the due date to pay for the relevant charges. The policy will continue to be in effect during the grace period.

In any event, the Account Value will be reduced by the relevant charges due or becoming due in accordance with the terms of the policy so that the policy will be in effect for the longest possible period.

Any overdue charges will be deducted from the Death Proceeds and other benefits payable under the policy.

**8. NO-LAPSE-GUARANTEE FOR THE FIRST 2 POLICY YEARS**

If at any time within the first two (2) years that the Policy is in force, the Account Value becomes insufficient to meet the monthly charges due on that date, the insurance coverage equal to the Face Amount under the Policy continues provided:

1. all premiums due were paid by the owner; and
2. the sum of all the withdrawals made is not greater than the sum of all Top-up Premiums paid.

In this case, we will create a policy debt corresponding to the unpaid monthly charges which will accumulate in the owner's account without interest. Such policy debt shall be paid off from any premium paid on the policy, after deducting the relevant Premium Charge and Rider Charge, if any. Any outstanding policy debt will be deducted from the Death Proceeds and other benefits payable under the policy.

**9. TERMINATION**

The Policy will automatically terminate on the earliest of the following events:

1. when the Total Account Value is fully withdrawn or the Policy is surrendered;
2. on the death of the insured;
3. at the end of the grace period during which the relevant Premium Charges, Rider Charges, Insurance Charges, and Administrative Charges can no longer be covered by the Account Value in accordance with the Grace Period Provision except under No-Lapse-Guarantee period;
4. when the outstanding policy debt is not paid within thirty-one (31) days after the end of the No-Lapse Guarantee Period; and
5. on the Expiry Date of the Policy as shown in the Policy Data Page.

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## **10. REINSTATEMENT**

Subject to the approval of the Company, the Policy and/or Riders, and/or endorsements, if any, may be reinstated at any time within three (3) years from the date when the Total Account Value becomes insufficient to cover the relevant Premium Charges, Rider Charges, Insurance Charges and Administrative Charges due in accordance with the Grace Period provision, provided:

1. the Total Account Value has not been fully withdrawn in accordance with the Full Withdrawal provision;
2. a written application for reinstatement is submitted to the Company together with evidence of insurability of the Life Insured satisfactory to the Company; and
3. all amounts necessary to put the Policy in force are received by the Company.

Any reinstated Policy will only cover loss occurring after the effective date of the last reinstatement, subject to Incontestability Provision of the Policy. Kindly refer to VL reinstatement guidelines of the Company for details.

## **11. NEW BUSINESS**

### **11.1. Validation of Applications**

**11.1.1.** The following application requirements must be submitted before any Variable Life (VL) application can be evaluated:

- a. Completed Application Form
- b. Complete Full Modal Premium Payment
- c. Signed Variable Life Proposal
- d. Signed Acknowledgement of Variability Form
- e. Additional Underwriting Requirements (as applicable)

**11.1.2.** The application form should be submitted together with the proof of complete payment and the signed proposal. All documents will be returned to the agents if submission of any of the above is incomplete.

**11.1.3.** Only VL licensed agents are allowed to solicit and service Variable Life policies. Submitted applications with servicing agents that are not licensed to sell Variable Life Plan should be forwarded to the concerned Unit or Agency Managers for assignment to a qualified agent.

### **11.2. Policy Effective Date**

**11.2.1.** The policy effective date shall be the underwriting approval date of application.

**11.2.2.** Approved application takes effect upon completion of all the underwriting requirements and payment-clearing period, whichever is later.

**11.2.3.** Backdating and forward dating of the effective date shall not be allowed.

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**11.3. Premium Payment**

- 11.3.1.** For Limited-Pay peso-denominated policies, initial premium payments in cash, in check or thru credit card will be accepted. For Single-Pay peso-denominated policies, premium payment in cash or check will be accepted. Top-up Premiums are payable in cash or check.
- 11.3.2.** Payment of VL premiums through other collection arrangements offered by the company may be possible. Refer to current guidelines of Policy Administration Department.
- 11.3.3.** Partial payments are not allowed.
- 11.3.4.** Premium payment should match the premium amount indicated in the application form and VL proposal.
- 11.3.5.** No agent's commission netting is allowed for the initial premium payment.

**12. UNDERWRITING**

**12.1. Issue Ages**

Plan variants for LifeVest are available for Issue Ages specified below.

Variant	Option 1	Option 2
Single-Pay	0 to 50	0 to 50
5-Pay	0 to 45	0 to 45
7-Pay	0 to 55	0 to 55

The Policyowner should be at least age 18.

**12.2. Underwriting Requirement**

All applicants shall be underwritten on an individual basis. The existing non-medical and medical limits shall apply depending on the age nearest birthday and the amounts to be underwritten for each application based on the initial face amount or the top up premium paid, as follows:

- a. For Limited Pay, 100% of the Face Amount
- b. For Single-Pay (Option 1), 52% of the Face Amount
- c. For Single-Pay (Option 2), 100% of the Face Amount
- d. For Top-up, 25% of the Top-up Premium

**12.3. Substandard Classification**

Substandard risks (Ratings from A to P) may be accepted based on the issue age of the insured and subject to the maximum ages allowed corresponding to his substandard classification. The

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table below will follow the maximum age allowed for the specified substandard classification under each plan variants.

Substandard Table	LIFVEST 5		LIFVEST 7		LIFVEST SP	
	Option 1	Option 2	Option 1	Option 2	Option 1	Option 2
Table A	45	40	55	55	50	45
Table B	45	40	55	55	50	45
Table C	45	35	55	55	50	40
Table D	45	30	55	50	50	40
Table E	40	30	55	45	45	35
Table F	40	25	55	45	45	35
Table H	40	20	50	40	45	30
Table L	35	-	50	30	40	20
Table P	30	-	45	20	35	-

This, however, does not guarantee acceptance of the risk at face amounts being applied for. The schedule just sets the maximum face amount and extra mortality for which the application may be accepted. Acceptable sum-at-risk depends on underwriting evaluation of the case and/or acceptance of the reinsurer.

#### 12.4. Substandard Premiums and Insurance Charges

For the allowable risk classes, no additional basic premium is necessary.

Extra Cost of Insurance Rate will be applied to Insurance Charge (InsChrg) in case of substandard risks.

Table	Rate (% of InsChrg)
A	125%
B	150%
C	175%
D	200%
E	225%
F	250%
H	300%
L	400%
P	500%

Extra Insurance Charge will also be applied in case of substandard risks with flat extras.

#### 12.5. Beneficiary

The usual rules on beneficiary designation shall apply.



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**12.6. Misstatement of Age**

If the age of the Insured has been misstated, we shall adjust the Face Amount, Account Value and other benefits payable under the Policy to any amount which the premiums paid would have purchased if the correct age had been given.

The Account Value and insurance charge will be recomputed from the effective date of the policy.

However, if according to the correct age of the Insured, he is not eligible for coverage under the Policy or its Riders, the liability of the Company shall be limited to the refund of the total Premium Charges, Rider Charges, Insurance Charges, and Administrative Charges paid and the Account Value. The Account Value is calculated in accordance with the Death Benefit provision.

**12.7. Cancellation of Application**

**12.7.1. Two kinds of Cancellation**

**12.7.1.1. Requested by applicant**

If requested prior to policy issue, applicant has to submit a "Request of Cancellation of VL Application" duly signed by the proposed insured and/or owner.

If requested after the policy has been issued, the policy is subject to the Cooling Off provision.

**12.7.1.2. Due to non-fulfillment of requirement**

Failure to comply with requirements within 120 days from the date of the application will make the application cancelled.

**12.7.2.** Premium refund shall be done equal to payments made by proposed insured or owner, without interest, less any expenses

**12.7.3.** The applicable cancellation fee/s shall be charged to the agent

**12.7.4.** All paid commissions will be clawed back from the agent and his managers

**12.8. Incontestability**

After the Policy has been in force during the lifetime of the Insured for two years from its Effective Date or date of last reinstatement, we cannot contest the Policy, except for non-payment of Premium Charges, Rider Charges, Insurance Charges, Administrative Charges, and Other Charges, or any other grounds recognized by law or jurisprudence.

Where the death benefit is not payable, we will only pay the Total Account Value plus the total Premium Charges, Rider Charges, Insurance Charges, Administrative Charges, and Other

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Charges paid, where such charges are calculated from the Effective Date or date of last reinstatement, whichever is later.

The two-year contestability period also applies to any increase in the Face Amount from the effective date of such increase. If the death benefit is reduced due to an excluded increase in Face Amount, the company will refund the portion of the Insurance Charges paid corresponding to the benefit reduction.

**12.9. Suicide**

Suicide committed by the Insured within the first two (2) years from the Effective Date of the Policy or of its last reinstatement, if any, is not compensable. However, suicide committed in the state of insanity shall be compensable regardless of the date of commission.

Where the suicide is not compensable, the liability of the Company shall be limited to the refund of the Account Value plus the total Premium Charges, Rider Charges, Insurance Charges, Administrative Charges, and Other Charges paid, where such charges are calculated from the Effective Date or date of last reinstatement, whichever is later.

The two-year suicide exclusion period also applies to any increase in the Face Amount from the effective date of such increase. If the death benefit is reduced due to an excluded increase in Face Amount, the company will refund the portion of the Insurance Charges paid corresponding to the benefit reduction.

**12.10. Child's Lien**

In the event of the Insured's death prior to attaining age 6, the amount payable under this Policy shall be the Total Account Value plus the following:

<b><i>Age Upon Death</i></b>	<b><i>Amount Payable</i></b>
One (1) Year or less	10% x (Death Benefit – Total Account Value)
Two (2) Years	20% x (Death Benefit – Total Account Value)
Three (3) Years	40% x (Death Benefit – Total Account Value)
Four (4) Years	60% x (Death Benefit – Total Account Value)
Five (5) Years	80% x (Death Benefit – Total Account Value)