

# PRODUCT BULLETIN COCOLIFE LIFE MAX

## Non-Participating Limited Pay 20-Year Endowment Plan with Anticipated Endowments

ACTL-PDB-230003

JULY 2023

### I. PLAN FEATURES

- ❖ **COCOLIFE Life Max** is a non-participating limited pay 20-Year Endowment Plan which provides insurance benefit in case of death of the insured during the term for the policy, or anticipated endowments and maturity benefit if the insured is alive when the benefit payouts become due.

#### A. Death Benefit

The Death Benefit for this Plan is equal to the 200% of the Face Amount, which is to be given to the beneficiaries if the insured dies while his policy is in force.

#### B. Maturity Benefit

The plan provides a Maturity Benefit which is equal to 100% of the Face Amount if the Insured is alive on the maturity date of the policy.

#### C. Anticipated Endowment Benefits

The plan also provides Anticipated Endowment Benefits equal to 10% of the Face Amount at the end of the 10th, 12th, 14th, 16th, and 18th policy year, and 15% at the end of the 15th policy year.

- ❖ The plan will be available in the following premium payment period options:
  - a. 5-Pay
  - b. 10-Pay

- ❖ The coverage period of this plan is 20 years.

- ❖ Available premium payment modes & corresponding modal factors:

No additional modal factor shall be considered for the basic plan, i.e., the plan will consider pro-rata premium for pay modes other than annual mode.

Basic Premium (including Extra Premium):

- Annual: 1.0000
- Semi-Annual: 0.5000
- Quarterly: 0.2500
- Monthly: 0.0834 (1/12 Rounded-up)

Riders:

- Annual: 1.0000
- Semi-Annual: 0.5300
- Quarterly: 0.2750
- Monthly: 0.0975

### II. DISTRIBUTION CHANNEL

This plan is intended to be distributed through the Agency - Promo Sales Operations Distribution Channel.

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**III. UNDERWRITING RULES**

**A. Issue Ages**

The basic plan is issuable to insurance ages 5 to 50.  
Issue ages are based on the insured's age nearest birthday.

**B. Face Amount Limits**

The minimum face amount of this plan is P150,000.

**C. Underwriting Selection**

The plan will be available under Regular Underwriting. The Underwriting Department reserves the right to require additional evidence of insurability as it deems necessary to evaluate and properly classify the applicant.

**D. Substandard Issues**

Substandard ratings shall be assessed on each life, as the case may be. This plan allows substandard ratings as shown in the table below.

Plan	Rating class	Maximum Issue Age
5-Pay	A to P	50
10-Pay	A to D	50
	E to H	45
	L to P	40

**E. Flat Extra**

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

**F. Beneficiaries**

The usual rules on beneficiary designation shall apply.

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#### IV. RIDERS

##### A. 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 50 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

##### B. 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 50 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

##### C. 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 60<sup>th</sup> 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 60<sup>th</sup> birthday, dies or becomes totally disabled and has been continuously so disabled for at least six months.

Issue Age of Insured/Child	:	5 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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### 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

No additional modal factor shall be considered for the basic plan, i.e., the plan will consider pro-rata premium for pay modes other than annual mode.

Basic Premium (including Extra Premium):

- Annual: 1.0000
- Semi-Annual: 0.5000
- Quarterly: 0.2500
- Monthly: 0.0834 (1/12 Rounded-up)

Riders:

- Annual: 1.0000
- Semi-Annual: 0.5300
- Quarterly: 0.2750
- Monthly: 0.0975

#### C. Policy Fee

Policy Fee of Ps 400 is considered for this product, and this has been imputed already in the Gross Premium.

#### D. Gross Premium Computation

##### 1. Cocolife Life Max (Base Plan)

- Issue Age : Age Nearest Birthday of the Insured  
Premium Rate : expressed as per thousand of the basic plan's face amount  
Computation :  $\text{Premium Rate} \times \text{Basic Plan's Face Amount} \div 1000 + \text{Policy Fee}$

##### 2. 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 :  $\text{AD\&D Rate} \times \text{AD\&D Face Amount} \div 1000$

##### 3. Waiver of Premium Upon Disability

- Issue Age : Age Nearest Birthday of the Insured  
Premium rate : expressed as per hundred of total gross premiums  
Computation :  $\text{WPD Rate} \times (\text{Basic Plan's Premium} + \text{AD\&D/ADB Premium}) \div 100$

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#### 4. 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
	:	Dependent on Payor's Age
Computation	:	$PBR \text{ Rate} \times (\text{Basic Plan's Premium} + AD\&D) \div 100$

#### E. Compensation

Commission banding shall be applicable for this product. Refer to Retail Distribution Division (RDD) for complete details of the commission structure for this plan for your channel.

#### F. Sample Computation

##### Example 1

Age of Insured	:	30
Age of Payor	:	30
Plan	:	Cocolife Life Max 10
Riders	:	AD&D WPD
Face Amount	:	500,000
Mode	:	Annual

##### 1. Cocolife Life Max 10

Basic Rate	=	148.00
Annual Premium	=	$148.00 \times 500,000 / 1000 + 400$
	=	Ps 74,400.00

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

AD&D Rate	=	2.77
AD&D Premium	=	$2.77 \times 500,000 / 1000$
	=	Ps 1,385.00

##### 3. Waiver of Premium Upon Disability (WPD)

WPD Rate	=	2.77
Premiums to be Waived	=	Basic Premium + AD&D Premium
	=	$74,400.00 + 1,385.00$
	=	75,785.00
WPD Premium	=	$2.77 \times (75,785.00) / 100$
	=	Ps 2,099.24

##### 4. Total Annual Premium

Total Annual Premium	=	Basic Premium + AD&D + WPD Premium
	=	$74,400.00 + 1,385.00 + 2,099.24$
	=	<b>Ps 77,884.24</b>

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#### Example 2

Age of Insured	:	40
Age of Payor	:	40
Plan	:	Cocolife Life Max 5
Riders	:	None
Face Amount	:	1,000,000
Mode	:	Quarterly
Basic Rate	=	251.60
Annual Premium	=	$251.60 \times 1,000,000 / 1000 + 400$
Total Annual Premium	=	Ps 252,000.00
Total Quarterly Premium	=	Total Annual Premium x Modal Factor
	=	$252,000.00 \times 0.25$
	=	<b>Ps 63,000.00</b>

## VI. NON-FORFEITURE

### A. Cash Value

The plan may be surrendered for its Cash Value derived from the Table of Cash Values.

Cash values are available starting at the end of policy year 2.

The appropriate cash values can be read off from the table, and depend on:

- (a) the issue age;
- (b) the policy year in which the cash value will be availed.

The Cash Values in the table are based on completed policy years, and on the assumption that there is no indebtedness. When the policy is surrendered for cash, the policy automatically terminates and the Cash Value of this plan, if available, less any indebtedness, is paid to the policyowner.

### B. Reduced Paid-Up Insurance

If the plan is converted under this option, the Cash Surrender Value, if any, will be used as a net single premium to buy a Non-Participating Paid-Up Plan for a reduced face amount. All benefits stated under the Benefits Provisions of the Policy, including any anticipated endowment benefits, will be payable at the same time and under the same conditions as the original plan. The amount of these benefits shall be based on the reduced face amount of the paid-up plan.

If there is no loan on the policy, then the amount of the Reduced Paid-Up Insurance will follow from the Table of Non-Forfeiture Values in the policy contract.

### C. DEFAULT OPTION

If a premium due remains unpaid and no option is chosen by the Policyowner by the end of the grace period, the policy shall automatically continue to be in force based on Non-Participating Reduced Paid-Up Plan for both standard and rated policies.

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#### **VII. POLICY LOAN / PREMIUM LOAN**

##### **A. POLICY LOAN**

When the Cash Value becomes available while the Policy is in force, the Policyowner may obtain a loan for an amount not exceeding the applicable percentage of the Cash Value of the basic Policy, as determined by the Company, less interest on the loan to the date of the next policy anniversary.

The loan will be charged interest at a rate as communicated to the Policyowner on the date the loan took effect. The loan, together with interest, is payable on or before the next Policy anniversary, but if it is not paid, both loan and interest automatically become a new loan on the Policy anniversary, on which the interest will be charged at the rate in effect from that date.

The Company may postpone granting of a loan for not more than six (6) months after our receipt of the written request for the loan.

The Company will deduct all loans and their interest from any money payable under the Policy. If at any time the total debt under the policy becomes more than the available Cash Value, the policy will automatically end without any value on that date.

##### **B. PREMIUM LOAN**

Under Premium Loan option, any premium remaining unpaid at the end of the grace period will first be paid as a Policy Loan.

However, if the Cash Value is insufficient to cover the premium, the next smaller modal premium is paid instead, provided this is not less than a quarterly premium for which Cash Value may be sufficient.

When the available Cash Value is no longer sufficient to cover at least a quarterly premium, we shall keep this Policy in force for that proportion of the quarter of a year for which such available Cash Value bears to a quarterly premium.

When the available Cash Value becomes less than the quarterly mode premium due, the Policyowner will be informed in writing of the remaining term of coverage.

#### **VIII. POLICY CHANGES**

##### **A. Change of Payment Term**

Change of payment term is not allowed for this.

##### **B. Increases in Face Amount**

Increases in face amount is allowed within 90 days from policy inception, and as such subject to the same underwriting rules as new issues and effect as from policy inception.

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## CHANGE HISTORY

APR2023      Created by NAG/KEH/JBC