

I. **BASIC PRODUCT FEATURES**

This plan is a peso single pay variable product that provides life insurance protection and investment alternatives to the Policyowner. 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 variation of the single pay variable life plan has no premium charge. However, any withdrawal made within the first five (5) years shall be assessed a withdrawal charge according to the schedule specified in Section 5.

Payment of top-up premiums shall not be allowed for this plan.

1.1 The Death Benefit

The death benefit of the plan is equal to the Face Amount or the Account Value, whichever is higher. Since top-up premiums are not allowed, the Face Amount is defined as:

$$\begin{aligned} \text{Face Amount} &= \text{Initial Face Amount (as indicated in the Policy Data Page)} \\ &\quad - 125\% \text{ of all Partial Withdrawals} \end{aligned}$$

1.2 Fund Options and Fund Allocation

The Policyholder selects where his premium will be allocated to depending on his risk appetite – it can be among the available Unitized Variable Funds or to the Guaranteed Fund or a combination of each fund. The degree of risk the Policyholder assumes depends on the fund(s) he chooses.

The following are the investment funds currently available. Details on these funds are discussed in Section 5:

1.2.1 Peso Guaranteed Fund – This fund provides fixed rate earnings based on the interest rate declared by the Company on new premium allocated to the Fund and to the fund balances for the given period. The interest rate declared by the company is net of any fees necessary to manage the funds.

1.2.2 Peso Fixed Income Fund – This is a unitized variable fund where performance of the fund is reflected by the Net Asset Value (NAV) computed at the end of each day.

1.2.3 Peso Equity Fund – This is a unitized variable fund where performance of the fund is reflected by the Net Asset Value (NAV) computed at the end of each day.

1.2.4 Peso Bond Fund – This is a unitized variable fund where performance of the fund is reflected by the Net Asset Value (NAV) computed at the end of each day.

The company may establish other funds in the future which may be made available to this product.

The owner will declare a fund allocation instruction to choose what percentage of his premium will go to a specific separate fund. Each fund has a minimum allocation of 5%, if chosen. The maximum allocation to any of the unitized funds is 100%, while the maximum allocation to the Guaranteed Fund is up to 90% only.

1.3 The Single Premium and the Basic Premium

The Single Premium is defined as the Basic Premium and the premium for riders, if any. The Basic Premium is the premium for the basic benefit under this plan, including any extra premium. These premiums are indicated in the policy data sheet.

The zero premium charge will apply only to the Basic Premium.

Currently, no riders may be attached to this plan. If riders will be allowed in the future, a different schedule of premium charge or a rider charge will be imposed on the rider premiums as appropriate.

The unallocated part of the premium is the portion of the Single Premium that goes to the insurance company as premium charge or rider charge. The allocated part is either allocated to Guaranteed Fund or used to buy units from the available Unitized Variable Fund/s, as instructed by the Policyholder.

Additional premiums or top-ups are not allowed under this plan.

Premium details are in Section 2.

1.4 The Account Value

The allocated premium may either be allocated to Guaranteed Fund or used to buy units from the Unitized Variable Fund/s chosen by the Policyholder. The Account Value is the sum of the values in the Guaranteed Fund and 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 value of the Guaranteed Fund at the valuation date is equal to the total amount allocated to the Guaranteed Fund plus any amount transferred from the Unitized Variable Fund to the Guaranteed Fund plus all interest accruing to the Guaranteed Fund based on the appropriate interest rates declared by the Company less any amount transferred or withdrawn from Guaranteed Fund, including all the applicable fees and charges.

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

The Basic Premium of the Zenith plan is either allocated to Guaranteed Fund, if chosen by the policyowner, or used to create Units in the relevant Unitized Fund(s) for allocation to the Policy in accordance with the Fund Allocation Instruction. The amount is allocated to the Guaranteed Fund immediately following the date of receipt of the single premium in cleared funds. The Units will be created on the Valuation Dates of the relevant Unitized Investment Funds immediately following the date of receipt of single premium at the Company's Home Office in cleared fund.

Premiums received by the company will be acknowledged by issuing a Transaction Confirmation Advice. Turn around time for the clearing of funds and creation of units will usually follow the schedule found in Table 1 below.

2.1 Gross Premium Rate

The Basic Premium rates are set at 800 per 1000 of Initial Face Amount for all issue ages.

2.2 Sample Computation

Issue Age : Age Nearest Birthday of the Insured
 Premium Rate : Expressed as per thousand of the Initial Face Amount
 Computation : Premium Rate \times Initial Face Amount / 1000

Plan	:	Zenith
Face Amount	:	500,000
Age of Insured	:	35
Basic Rate	=	800
Basic Premium	=	$800 \times 500,000 / 1,000$
	=	Rs 400,000.00

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.

3. CHARGES

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

3.1 Premium Charges

No Premium Charge will be deducted from the Basic Premium upon payment of single premium. The whole amount of Basic Premium will be allocated to fund/s chosen by the owner in accordance with the Fund Allocation instruction.

3.2 Insurance Charge

An Insurance Charge is imposed monthly in respect of the basic benefit starting on the first policy year.

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 the amount in the Guaranteed Fund accruing to the Policyholder as of the due date of the Insurance charge. For the Unitized Variable Funds, 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 account value is the aggregate amounts in the Guaranteed Fund and the Unitized Variable Fund, if applicable.

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 Guaranteed Fund and the Unitized Variable Funds according to your latest fund allocation instruction. For the Guaranteed Fund, the corresponding amount is deducted directly from the Account Value. For the Unitized Variable Funds, 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 deduction from the Guaranteed Fund or 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 amounts are deducted from the Guaranteed Fund and in case of Unitized Variable Fund, 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.

Please see Annex B below for the basic benefit's annual insurance charge for standard risks, and Section 11.5 for the extra insurance charges for substandard risks.

3.4 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 %
Dollar Bond Fund	1.75%
Guaranteed Fund	0.00%(*)

(*) interest declared is already net of the management charge

3.5 Sample Computation

Issue Age : 35
Initial Face Amount : Ps 500,000.00

Basic Premium : Ps 400,000.00
Total Payment : Ps 400,000.00

Premium Charge and Allocated Premium

$$\begin{aligned} \text{Premium Charge for Basic Premium} &= 0\% \times 400,000 \\ &= \text{Ps } 0.00 = \text{Unallocated Premium} \end{aligned}$$

$$\begin{aligned} \text{Allocated Premium} &= \text{Total Premium} - \text{Unallocated Premium} \\ &= \text{Ps } 400,000.00 \text{ (amount to be invested)} \end{aligned}$$

Fund Allocation

If the Fund Allocation Instruction : 20% Peso Equity Fund
0% Peso Fixed Income Fund

0% Peso Bond Fund
80% Peso Guaranteed Fund

Peso Equity Fund : $20\% \times 400,000 = \text{Ps } 80,000.00$ (rounded to 2 decimal places)
 If unit price = Ps 1.0641/unit (rounded down to 4 decimal places)
 No. of units = $80,000.00 / 1.0641 = 75,180.9$ (rounded down to 1 decimal place)

Peso Fixed Income Fund : $0\% \times 400,000 = \text{Ps } 0.00$ (rounded to 2 decimal places)
 If unit price = Ps 1.0545/unit (rounded down to 4 decimal places)
 No. of units = $0.00 / 1.0545 = 0.0$ units (rounded down to 1 decimal place)

Peso Bond Fund : $0\% \times 400,000 = \text{Ps } 0.00$ (rounded to 2 decimal places)
 If unit price = Ps 1.05/unit (rounded down to 4 decimal places)
 No. of units = $0.00 / 1.05 = 0.0$ units (rounded down to 1 decimal place)

Peso Guaranteed Fund : $80\% \times 400,000 = \text{Ps } 320,000.00$ (rounded to 2 decimal places)

Net Amount at Risk (NAAR) for Basic Plan

$$\text{NAAR} = \max(\text{Death Benefit} - \text{Account Value}, 0)$$

where:

$$\text{Death Benefit} = \max(\text{Face Amount}, \text{Account Value})$$

Note that in computing NAAR, Death Benefit used in the formula is gross of any indebtedness.

Then,

$$\begin{aligned}\text{Face Amount} &= \text{Initial Face Amount} - 125\% \text{ of all Partial Withdrawals} \\ &= 500,000 - (125\% \times 0) \\ &= 500,000 - 0 \\ &= 500,000\end{aligned}$$

Account Value is based on actual fund performance. For illustration purposes, we will assume that we are computing for the initial NAAR and Account Value is equal to Ps 400,000.00.

$$\begin{aligned}\text{Death Benefit} &= \max(500,000, 400,000.00) \\ &= \text{Ps } 500,000\end{aligned}$$

$$\begin{aligned}\text{NAAR} &= \max(500,000 - 400,000.00, 0) \\ &= \text{Ps } 100,000.00\end{aligned}$$

Insurance Charge for Basic Plan

The Annual Insurance Charge rate is based on the attained age of the Insured and the risk class. For illustration purposes, we shall assume that we are computing for the initial Insurance Charge for a standard risk.

Annual Insurance Charge rate for Age 35 (per 1000 of Net Amount at Risk)
 Basic = 2.79

$$\begin{aligned}\text{Insurance Charge for Basic Plan} &= 2.79 \times 100,000.00 / 1000\end{aligned}$$

= Ps 23.25

If there are two funds: 20% Peso Equity Fund and 80% Peso Guaranteed Fund (Insurance Charge will be deducted proportionately according to latest fund allocation instruction):

Peso Equity Fund : $20\% \times 23.25 = \text{Ps } 4.65$ (rounded to 2 decimal places)
 If unit price = Ps 1.0641/unit (rounded down to 4 decimal places)

No. of units to be cancelled	= $4.65 / 1.0641$
	= 4.4 units (rounded up to 1 decimal place)

Remaining Units	= $75,180.9 - 4.4$
	= 75,176.5 units

Peso Guaranteed Fund: $80\% \times 23.25 = \text{Ps } 18.60$ (rounded to 2 decimal places)

Remaining Guaranteed Fund	= $320,000 - 18.60$
	= Ps 319,981.40

4. 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 Insurance Charges paid and the Account Value.

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

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.

5. FUNDS

The Zenith plan offers choices from among one Guaranteed Fund and a number of Unitized Variable Funds. The Policyowner may choose to allocate its premium to any one or more of the Investment Funds available through the Fund Allocation Instruction submitted to us.

5.1 Unitized Variable Funds – Units

Each Investment Fund is divided into equal value known as Units. It is segregated from the Company's life funds and individually managed for the exclusive interest of its unit holders. The investment funds and all assets in the investment funds are solely, legally and beneficially owned by the Company at all times. The allocation of Units in the investment funds to the Policy is notional and is solely for the purpose of determining the Account Value.

5.1.1 Creation of Units

While the policy is inforce, Units of an investment fund are created using the Unit Price of the investment fund on the relevant Valuation Date immediately following the date of receipt of premiums at the Company's office in cleared funds. An amount equal to the number of Units created multiplied by the Unit Price on such Valuation Date is added to the investment fund accordingly.

No Unit of an investment may be created other than on a Valuation Date of the investment fund.

Units are created when premiums are paid, funds are transferred into the investment fund, and when loyalty bonus accrues to the Policyholder.

5.1.2 Unitized Variable Fund Options

The following funds will be available for this plan:

5.1.2.1 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 evidences of debt of the Philippine government to government-controlled and owned corporations or solvent corporations and institutions.

5.1.2.2 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 stocks listed in the Philippine Stock Exchange.

5.1.2.3 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.

5.2 Guaranteed Fund

This fund provides fixed-rate earnings based on the rate declared by the company. The company's interest rate is based on the performance of the fund.

Every interest-resetting date, the Company declares the interest rate to be credited to the Guaranteed Fund for a given period. The Company also declares the initial rate of interest to be applied to the new premium allocated to the Guaranteed Fund Option. The allocated amount to the Guaranteed Fund and all interest accrues to the Policyholder less any amount transferred or withdrawn from the Guaranteed Fund including all applicable fees and charges on each valuation date.

The premium allocated to the Guaranteed Fund is invested in a portfolio of investments approved by the Insurance Commission. The Peso Guaranteed Fund is guaranteed to earn at an annual interest rate not lower than 0.5%.

5.3 Fund Allocation

- 5.3.1 The owner may choose to invest his premium in any of the given funds above by accomplishing the Fund Allocation Instruction Form.
- 5.3.2 The minimum allocation percentage to a fund is 5%, if the specific fund is chosen by the policyowner. The policyowner may choose to invest only (or 100%) to one fund except for Guaranteed Fund, which has a ninety percent (90%) maximum allocation.

Fund Type	Minimum Allocation Percentage
Peso Fixed Income Fund	5%
Peso Equity Fund	5%
Peso Bond Fund	5%
Peso Guaranteed Fund	5%

- 5.3.3 The fund allocation instruction is to be used not only for premium payments but also for the following transactions :
 - 1. for canceling units to pay insurance charge
 - 2. for allocating Loyalty Bonus, and
 - 3. for partial withdrawal when the owner did not specify the source fund.

5.4 Fund Additions and Closures

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

We have the right at any time to close any Unitized Variable 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 the 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. The Investment Fund that will replace the closing Unitized Variable Fund may be the Guaranteed Fund or any other Unitized 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, in case of transfer to Guaranteed Fund, by allocating the net proceeds to the Guaranteed Fund or by creating Units in the replacing Variable Unitized Funds for allocation to the Policy, with proceeds from the cancellation of Units in the closing Investment Fund, on the Valuation Dates of the replacing Investment Fund(s) immediately following the date of closure of the closing Unitized Variable 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 Guaranteed Fund to replace the closing Investment Fund on the Policyholder's behalf.

5.5 Valuation

5.5.1 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.

5.5.2 Valuation of Guaranteed Fund

The value of the Guaranteed Fund at the valuation date is equal to the total amount allocated to the Guaranteed Fund plus any amount transferred from the Unitized Variable Fund to the Guaranteed Fund plus all interest accruing in the Guaranteed Fund based on the appropriate interest rates declared by the Company less any amount transferred or withdrawn from Guaranteed Fund, including all the applicable fees and charges.

5.6 Cancellation of Units

While the policy is inforce, Units of an Investment Fund are cancelled using the Unit Price of the Investment 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 Investment Fund accordingly.

No Unit of an Investment Fund may be cancelled other than on a Valuation Date of the Investment Fund.

Units may be cancelled when insurance charge is due, when rider charge is due and to be deducted from the account value, when funds are switched out of the investment fund, upon partial/full withdrawal and when premiums are in default beyond the allowable grace period, in which case, premium charges and/or rider charges are paid by cancelling units from the fund. Units are cancelled at the maturity date or when the death benefit becomes payable.

5.7 Fund Switching

While the policy is inforce, the owner may apply to switch Units of 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 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
5. 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 (See Table 2 below); and

6. Amounts to be switched to are created for allocation to the Policy, with the proceeds from the withdrawal of amounts in the case of switching from Guaranteed Fund or 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
7. In case of fund switch from a Unitized Variable Fund to Guaranteed Fund, the amount switched will accrue interest from the time of switch based on the initial rate of interest determined by the Company during the period; and
8. If the balance of the source fund will be less than the minimum balance above, all units must be switched out; and
9. 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.

5.8 Loyalty Bonus

A loyalty bonus will be credited to owner's fund at the end of the 10th Policy Anniversary and every 5 years thereafter, based on 1% of the average monthly fund balance of the past 5 years prior to the bonus payout. The amount of bonus will be determined by the company from time to time but is currently set at 1%.

5.9 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 Guaranteed Fund and the amount from the Unitized Variable Fund, where the latter 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.

5.9.1 Minimum Amount of Withdrawal/Minimum Balance

The withdrawal amount must not be less than Php 10,000.00 for this plan. No partial withdrawal will be allowed if the resultant Account Value of the Policy after withdrawal will be less than Php20,000.00.

5.9.2 Withdrawal Charges

Should the owner opt to withdraw, the following charges will apply to amounts withdrawn from any of the investment funds. This withdrawal charge schedule is also applicable to Full Withdrawal transactions. The withdrawal charge is outright deducted from the withdrawal proceeds.

For Guaranteed and Unitized Fund(s):

Policy Year	Withdrawal Charge
1 st Year	5% of amount withdrawn
2 nd Year	4% of amount withdrawn
3 rd Year	3% of amount withdrawn
4 th Year	2% of amount withdrawn
5 th Year	1% of amount withdrawn
6 th Year onwards	1% of amount withdrawn in excess of 1 free withdrawal per year

5.10 Full Withdrawal

The owner may fully withdraw his Account Value, less any withdrawal charges (see *schedule in Section 5.9.2*), 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 Account Value is fully withdrawn, it will no longer be eligible for reinstatement.

Under this provision, the Account Value is calculated with the respective Unit Price of the relevant Investment Fund(s) on their Valuation Dates on which outstanding Units allocated to the Policy are cancelled. The units will be cancelled 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.

5.11 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 inforce, 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.

6. GRACE PERIOD

The Policy Data Sheet shows the date of the owner's premium due, the amount of premium and the frequency of premium payments. He must pay us the premiums within thirty-one (31) days of the date they are due.

We will send the owner a notice when his premium is due. However, he must ensure that his premiums are paid on time even if he does not receive the notice.

We will send the owner a reminder notice if his premium is not received by a particular date. However, he must ensure that his premiums are paid within thirty-one (31) days after they are due even if he does not receive the reminder notice.

If the total Account Value in the Guaranteed Fund and the Unitized Variable Funds is insufficient to cover the relevant 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.

7. NO-LAPSE-GUARANTEE FOR THE FIRST 2 POLICY YEARS

If at any time within the first two (2) years that the Policy is inforce, 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 all premiums due were paid by the owner and no withdrawals were made.

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 his Account Value as soon as there are units in his account by canceling the number of units allocated to the Policy equal in value to the amount of the debt. Any policy debt will be deducted from the Death Proceeds and other benefits payable under the policy.

8. TERMINATION

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

1. when the 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 charges can no longer be covered by the Account Value in accordance with the Grace Period Provision except under No-Lapse-Guarantee period; and
4. on the Expiry Date of the Policy as shown in the Policy Data Sheet

9. 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 Account Value becomes insufficient to cover the relevant charges due in accordance with the Grace Period provision, provided:

- 9.1 the Account Value has not been fully withdrawn in accordance with the Full Withdrawal provision;

9.2 a written application for reinstatement is submitted to the Company together with evidence of insurability of the Life Insured satisfactory to the Company; and

9.3 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.

10. NEW BUSINESS

10.1 Validation of Applications

10.1.1 The following application requirements must be submitted before application for this plan 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)

10.1.2 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.

10.1.3 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 plans should be forwarded to the concerned Unit or Agency Managers for assignment to a qualified agent.

10.2 Policy Effective Date

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

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

10.2.1 Backdating and forward dating of the effective shall not be allowed.

10.3 Premium Payment

10.3.1 For peso-denominated policies, premium payment in cash or check will be accepted.

10.3.2 Payment of variable life premiums through credit card is not allowed.

10.3.3 Partial payments are not allowed.

10.3.4 Premium payment should match the premium amount indicated in the application form and proposal.

10.3.5 No premium tolerance limit for variable life policies. The exact premium amount as indicated in the application form and proposal must be paid.

10.3.6 Currency of the premium payment must match the currency of the chosen variable life plan.

10.3.7 No agent's commission netting is allowed.

11. UNDERWRITING

11.1 Issue Ages

This plan will be offered to issue ages 1 to 70. Issue ages are based on the Insured's age nearest birthday.

The Policyholder should be aged 18 and above.

11.2 Minimum Initial Face Amount / Minimum Basic Premium

The minimum Initial Face Amount for this plan is Php 500,000, corresponding to a minimum of Php 400,000 Basic Premium.

11.3 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. The amount to be underwritten for each application based on the initial face amount is 25% of the face amount.

11.4 Substandard Classification

Substandard risks (Ratings from A to P) may be accepted based on the issue age of the insured subject to the following maximum substandard classifications:

Issue Age	Maximum Risk Class
1 – 50	P
51 – 55	L
56 – 60	F
61 – 65	D
66 – 70	A

The table above does not guarantee acceptance of the risk at face amounts being applied for. The above just sets the maximum 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.

11.5 Substandard Premiums

For the allowable risk class, 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.

11.6 Beneficiary

The usual rules on beneficiary designation shall apply.

11.7 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, the liability of the Company shall be limited to the refund of the total Insurance Charges paid and the Account Value. The Account Value is calculated in accordance with the Death Benefit provision.

11.8 Cancellation of Application

11.8.1 Two kinds of Cancellation

12.6.1 Requested by applicant

An applicant has to submit a "Request of Cancellation of VL Application" duly signed by the proposed insured and/or owner.

12.6.2 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.

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

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

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

11.9 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 Insurance Charges or any other grounds recognized by law or jurisprudence.

Where the death benefit is not payable, we will only pay the total Insurance Charges paid and the Account Value.

11.10 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 total Insurance Charges paid and the Account Value.

11.11 Child Lien

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

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

12. AGENTS COMPENSATION

- 12.1 The basic commission for Single Premium shall be 2.0%.
- 12.2 Commissions and overrides paid on a policy that is cancelled within the cooling-off period shall be subject to clawback regardless of the policy's refund value.
- 12.3 No commission and overrides shall be paid for policies on grace period.
- 12.4 Commissions are not subject to clawback on partial and full withdrawals.
- 12.5 No commission netting shall be allowed.
- 12.6 For Single Premium, overrides and production credits will follow the current schedule and compensation guidelines in effect and subject to specific rules of contests and drives.
- 12.7 Partial withdrawal does not affect the production credit
- 12.8 Production credits earned from cancelled applications within the cooling-off period shall be deducted in full.
- 12.9 Persistency

The same guidelines for Collection Efficiency Ratio (CER) as traditional.

13. INVESTMENT ACCOUNTING

- 13.1 Technistock Fund Administration System shall handle the investment accounting and generate all the investment reports essential to the Investment & Treasury Department of the Company.
- 13.2 For unitized funds, in case the valuation day falls on holiday or a non-working day, the dealing day is the next business day.
- 13.3 Approval of application is not allowed on a non-working day.
- 13.4 The Net Asset Valuation report will be provided on a daily basis on unitized funds.

ANNEX A. SINGLE PAY VARIABLE LIFE PLAN WITH ZERO PREMIUM CHARGE

The premiums are set at 800 per 1000 of Face Amount for all issue ages.

**ANNEX B. COST OF INSURANCE (ANNUALIZED)
FOR BASIC PLAN (PER 1000 OF NET AMOUNT AT RISK)**

Issue Age	COI per 1000	Issue Age	COI per 1000	Issue Age	COI per 1000
01	1.65	40	3.34	80	113.67
02	1.65	41	3.56	81	128.47
03	1.65	42	3.80	82	145.73
04	1.65	43	4.07	83	162.61
05	1.65	44	4.39	84	175.01
06	1.65	45	4.71	85	188.00
07	1.65	46	5.08	86	201.62
08	1.65	47	5.46	87	215.99
09	1.65	48	5.87	88	231.29
		49	6.34	89	247.87
10	1.65	50	6.85	90	266.16
11	1.67	51	7.43	91	286.73
12	1.74	52	8.10	92	310.25
13	1.82	53	8.84	93	337.52
14	1.92	54	9.68	94	369.44
15	2.03	55	10.57	95	409.78
16	2.13	56	11.52	96	467.32
17	2.21	57	12.47	97	569.82
18	2.27	58	13.45	98	779.51
19	2.31	59	14.48	99	1,000.00
20	2.36	60	15.60		
21	2.40	61	16.84		
22	2.44	62	18.24		
23	2.53	63	19.82		
24	2.64	64	21.61		
25	2.70	65	23.65		
26	2.77	66	25.91		
27	2.82	67	28.49		
28	2.81	68	31.31		
29	2.79	69	34.51		
30	2.75	70	38.14		
31	2.71	71	42.22		
32	2.68	72	46.94		
33	2.68	73	51.89		
34	2.71	74	58.29		
35	2.79	75	64.76		
36	2.93	76	72.56		
37	3.09	77	80.19		
38	3.10	78	89.88		
39	3.28	79	100.93		

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Table 1: FOR PAYMENTS OF PREMIUM AND TOP-UP

Premium Payment (Regular or Top-Up)	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9
a. Cash	received, with cashier cleared	invest(*) using price of Day 2	release Transaction Confirmation						
b. Cheques									
1. Local Cheque (Approx. 3 banking days)	with cashier	collected by bank	clearing period	cheque cleared	invest(*) using price of Day 5	release Transaction Confirmation			
2. Regional Cheque (Approx. 6 banking days)	with cashier	collected by bank	***** *****	** clearing period **	***** *****	***** *****	cheque cleared	invest(*) using price of Day 8	release Transaction Confirmation

(*) invest means create units, net of premium charges already.

Note :

1. The schedule above assumes the policy is settled, i.e. the application is approved and the cash/cheque is cleared.
2. If the application is approved after the cash/cheque is cleared, investment into the funds will be on the day after such application is approved.
3. Clearing of cheque payments and counterfeit US\$ bills will depend on the no. of banking days as required by the bank.
4. All unit price is assumed to be the closing Net Asset Value (NAV) for the day.
5. Approval Date = Clearing Date

Table 2: INSURANCE CHARGES, CANCELLATION OF UNITS AND FUND SWITCHING

Insurance Charges	Day 1	Day 2	Day 3	Day 4
a. Insurance Charge (IC)				
1. First IC - Single Pay	Cleared funds (whether cash or cheque)	cancel units using day 2 price (note that investment is also done here)		
2. First IC - Regular Pay	Cleared funds (whether cash or cheque)	create policy debt since no fund invested		
3. After first IC	Due Date cancel units using Net Asset Value (NAV) of Day 1			
b. Cancellation of Units	application filed at the company's office (approval can also be done here)	application is approved	cancel units using price of Day 3 (corresponding to amount withdrawn)	Release Withdrawal (net of withdrawal charges) with Transaction Confirmation Advice
c. Fund Switching	application filed at the company's office (approval can also be done here)	application is approved	cancel units using price of Day 3 of fund 1 proceeds from cancellation (net of switching fee) be invested using price of Day 3 of fund 2	- release Transaction Confirmation Advice

Note :

1. All unit price is assumed to be the closing Net Asset Value (NAV) for the day.
2. Cancellation of units would be applicable for both partial and full withdrawal and for cooling-off.
3. Approval Date = Clearing Date
4. ASSET MANAGEMENT CHARGE - NO NEED TO CANCEL UNITS, already in NAV

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CHANGE HISTORY

06FEB2015 Revised by HAL

12. Agents Compensation

- Change overrides and production credits to new schedule and guidelines.
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01APR2020 Revised by NAG

Changed Minimum Guaranteed Interest Rate from 3% to 0.5%
(Applicable to Policies Issued on and after April 1, 2020)