

## Governing Rules and Regulations

Subject to the TSPI MBA Inc. Articles of Incorporation, By-Laws and all existing laws as may be pertinent thereto, the Member to whom the Certificate is issued, shall be entitled to the following rights, privileges and benefits and liable to the obligations under this Governing Rules and Regulations as follows:

**Objectives:**

1. To extend financial assistance to the Members and immediate members of their families in the form of death benefits, funeral assistance, loan redemption assistance, disability benefit and other services for the benefit of the Members
2. To engage in any lawful business towards the realization for which the Association was formed.

**Membership:**

The following shall be eligible for membership:

- Members of the Board of Trustees of Tulay sa Pag-unlad, Inc. (TSPI);
- Regular Employees of Tulay sa Pag-unlad, Inc. (TSPI);
- Clients of Tulay sa Pag-unlad, Inc. (TSPI);
- Regular Employees of the TSPI Mutual Benefit Association, Inc.

**Dependents:**

The following shall be eligible as dependents:

- Legal spouse – must not be over 65 years
- Four (4) legitimate or illegitimate or legally adopted children who are at least 1 year but less than 21 years old, single and unemployed.

**Beneficiaries:**

The following shall be eligible as beneficiaries:

- Legal spouse
- Legitimate or illegitimate or legally adopted children
- Parents
- Legitimate brothers/sisters
- Or any other individual/group or entities the applicant will declare as long as the individual/group or entities is/are not illegal or accomplice of any crime.

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
INSURANCE COMMISSION  
MANILA

**APPROVED**

UNDER THE PROVISION OF SEC. 225 OF PRESIDENTIAL DEGREE NO. 1460 OTHERWISE KNOWN AS THE INSURANCE CODE OF 1978.

June 25 2012  
*[Signature]*  
INSURANCE COMMISSIONER 7.6

**IMPORTANT NOTICE:** The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to insurance and has supervision over mutual benefit associations and intermediaries. It is ready at all times to assist the general public in matters pertaining to insurance. For any inquiries or complaints, please contact the Public Assistance and Information Division (PAID) at the Insurance Commission at 1071 United Nations Avenue, Manila with the telephone numbers +632-5238461 to 70, and with email address [pubassist@insurance.gov.ph](mailto:pubassist@insurance.gov.ph). The official website of the Insurance Commission is [www.insurance.gov.ph](http://www.insurance.gov.ph).

**Application:**

Applicants for membership should file the prescribed application form.

**Membership Contribution:**

Upon admission for membership, the member shall pay membership dues as follows:

- a. Under Mandatory Benefits: P240.00 per annum
- b. Under Borrower's benefits: P1,00 per week for every P1,000 of loan availed.

Payments and/or instruments for payment of the contributions made and executed not in accordance with rules and regulations of TSPI MBA Inc. shall not be acceptable and if inadvertently accepted shall be considered null and void and will be refunded.

**Termination of Membership:**

Membership in the TSPI MBA Inc. shall be terminated, together with all the privileges and benefits due to the Member, by the following:

- a. Death or total permanent disability of the Member; or
- b. The absolute severance of the Member from the Tulay sa Pag-unlad, Inc. (TSPI) or TSPI MBA Inc. either by resignation, termination or dismissal/removal; or
- c. Voluntary withdrawal of Member's Equity Value and surrender of the Membership Certificate; or
- d. Violation by the Member of the TSPI MBA Inc.'s Governing Rules and Regulations or commission of an infraction which is found to be prejudicial to the interests of the TSPI MBA Inc.; or,
- e. Upon expiration of the grace period if no payment is received by then; or
- f. Upon reaching the age of 66.

Upon termination of membership, the Equity Value less any outstanding obligations under this certificate shall be paid to the member.

The legal dependent's coverage is co-terminus with the Member's coverage. Termination of coverage shall be without prejudice to any claim arising prior to such termination.

**Termination Benefits:**

Every Outstanding Membership Certificate must have an Equity Value equal to 50% of the total mandatory membership dues collected thereon plus interest earnings. The Equity Value shall earn interest at a rate determined by the Board of Trustees annually and shall not be changed more frequently than once a year. However, TSPI MBA Inc. reserves the right to

impose a surrender charge not to exceed twenty percent (20%) of the Equity Value for certificates paid for less than three (3) continuous years.

**BENEFIT PACKAGE:**

All benefits are for Members 18 to 60 years old, renewable up to age 65. Coverage for both Member and legal spouse is halved at age 61 to 65.

**1- MANDATORY BENEFITS**

*TERM LIFE:* The sum insured is P10,000 for each Member, P5,000 for her/his legal spouse and P2,500 for every qualified child.

However, any death due to an illness occurring within one (1) year from date of membership to date of death, will be settled by a gratuity sum of TWO THOUSAND FIVE HUNDRED PESOS (P2,500.00).

When cause of death is due to an illness generally known to be existent before or at the time of application and member failed to disclose the same, the member will not be entitled to the gratuity sum of P2,500.00 except for return of contribution. Failure of member to disclose material facts about his/her poor health condition even in the absence of inquiry at the time of application entitles the TSPI MBAI to rescind the contract upon knowledge of the existence of the member's health condition during the time of application subject to the Incontestability Provision under Sec. 8 of the General Provisions.

Term life benefit is not available in the case of dependent's death in the first year due to sickness.

*ACCIDENTAL DEATH, DISMEMBERMENT AND DISABLEMENT (ADD & D).* Coverage is limited to Members and legal spouse only. For certificates paid for less than three years, the sum insured for each Member is P10,000, otherwise, the sum insured is P50,000 for those with at least three (3) years of continuous membership. The sum insured is P5,000 for the legal spouse from date of effectivity. Upon dismemberment and disablement due to accident the sum insured is based upon attached Schedule of Losses due to Accidental Dismemberment and Disablement. Total permanent loss of the use of a body part shall be treated as loss of such body part.

*TOTAL AND PERMANENT DISABILITY (TPD).* Coverage is limited to Members only and the sum insured for each Member is P10,000.

*EQUITY VALUE:* Every Outstanding Membership Certificate must have an Equity Value equal to 50% of the total mandatory membership dues collected

thereon plus interest earnings. The Equity Value shall earn interest at a rate determined by the Board of Trustees annually and shall not be changed more frequently than once a year. However, TSPI MBA Inc. reserves the right to impose a surrender charge not to exceed twenty percent (20%) of the Equity Value for certificates paid for less than three (3) continuous years.

- 2- **BORROWER'S BENEFITS** - On top of the mandatory benefits, TSPI MBA Inc. Members who are borrowers of good standing of Tulay sa Pag-unlad, Inc. (TSPI) will also receive the following benefits:

**CREDIT LIFE:** The sum insured is equal to the outstanding loan amount.

**TERM LIFE:** The Term Life for Borrower's Benefit is as follows:

(5)  
2x - member

Loan (L)	Sum Insured
Up to 20K	3x of Loan or 25K, whichever is higher
More than 20K up to 25K	65K
More than 25K up to 30K	70K
More than 30K up to 35K	75K
More than 35K up to 50K	2x of Loan or maximum 100K
More than 50K	2x of Loan but not to exceed 200K

For Members in between loan availments, the coverage is equal to the coverage provided under the immediately preceding loan.

**ACCIDENTAL DEATH DISMEMBERMENT AND DISABLEMENT (ADD & D rider).** The ADD & D benefit for Members with loan availments is equal to the percentage of the term life benefits of Members with loan availments. The percentage of the sum insured of the ADD & D benefits with loan availments is identical to the schedule of ADD & D benefits for the mandatory benefits. Total permanent loss of the use of a body part shall be treated as loss of such body part.

**FUNERAL EXPENSE:** Upon death of the Member - borrower, a lump sum payment of P10,000 pesos shall be paid to the beneficiaries to defray the cost of funeral expenses.

**DEFINITION OF TERMS:**

**Total and Permanent Disability (TPD)**

Total and permanent disability shall mean disability caused by bodily injury or disease which prevents the Member from engaging in any gainful activity and must continue uninterruptedly for at least six (6) months.

(6)

Disability can be due to dismemberment like the loss of arms, or both legs, of one arm and one leg, or of both eyes, shall be considered total and permanent disability. Loss of both arms and both legs shall mean dismemberment by amputation of the entire hand or foot; with respect to eyes, entire and irrecoverable loss of sight.

If a Member becomes sick or meets an accident without dismemberment resulting in complete inability to engage in any gainful employment and becomes bedridden, she/he can be considered as total and permanently disabled if after six (6) months the health condition has not improved.

### **Accidental Death, Dismemberment and Disablement (ADD & D)**

*An Accident is defined as a loss, a direct result independently or exclusively of all other causes of bodily injury effected solely by external, violent and accidental means of which, except in the case of drowning or if internal injury revealed by an autopsy, there is evidence of visible contusion or wound on the exterior of the body occurring within 180 days from date of such injury.*

*Accidental Death* is a loss of life and it occurs during or after the accident.

① *Accidental dismemberment* is a loss of a body part caused by *accidental bodily injury*.

*Accidental Disablement* is a permanent loss of the use of a body part caused by *accidental bodily injury*.

### **LIMITATIONS OF ACCIDENT BENEFIT**

1. In any year where the Certificate is in-force, the aggregate benefits payable under the contract in respect of any one accident resulting in loss(es) within 180 days from date of accident(s) shall not exceed the sum insured (e.g., loss of life, loss of both hands and feet, loss of sight of both eyes and either hand or foot, etc.).
2. In any year where the Certificate is in-force, the aggregate benefits payable under the Dismemberment/Disability Benefit of the contract in respect of one or more accident(s) resulting in loss(es) within 180 days from date of accident(s) shall not exceed the sum insured (i.e., for subsequent accident resulting in any loss(es) which would make the aggregate benefits exceed the sum insured, the amount(s) payable under the Dismemberment/Disability Benefit shall be the sum insured less the amount(s) paid for previous loss(es). However, the payment of the sum insured for such loss(es) shall not terminate the contract in so far as accidental death benefit is concerned.
3. In any year where the Certificate is in-force, the amount of benefit payable for loss of life arising from independent/unrelated accident/event shall always be the sum insured.

4. Any partial benefit already paid for any loss(es) shall not be carried over in the subsequent year where the Certificate is in force (i.e., the amount of benefits to be paid in the succeeding year where the Certificate is in-force shall not be reduced by any amount paid in the preceding year.)

**GENERAL PROVISIONS:**

**1. ENTIRE CONTRACT**

TSPI MBA Inc. issues the Certificate in consideration of its application and the receipt of its initial membership contribution. The Governing Rules and Regulations, Membership Certificate and its Application Form, a copy of which is attached and all attached riders and endorsements constitute the entire contract.

Only the Chairman of the Board of Trustees, the President, the General Manager or Officers duly recognized in writing by the Board of Trustees have the authority to modify this contract. Any such modification must be in writing and duly signed by the authorized officer.

**2. EFFECTIVITY DATE OF INSURANCE** <sup>upon</sup> <sub>payment</sub>

The Certificate becomes effective only upon the payment of its initial membership contribution. The Effective Date of Insurance, shown in the Membership Application Form will be used to determine membership contribution due dates and the effectivity of insurance.

**3. BENEFICIARY**

The Beneficiaries are the persons designated to receive the proceeds of the insurance upon the death of the Member. Unless otherwise changed, the Beneficiaries are as designated in the attached application for this insurance.

If all Beneficiaries are designated as "revocable", the Member may delete any Beneficiary or designate new Beneficiaries and exercise any and all other rights and privileges under the Certificate while in-force.

If any beneficiary is designated "irrevocable", notwithstanding any contrary provision, the consent of all such irrevocable Beneficiaries is required before the Member can exercise any and all other rights and privileges under the Certificate.

Beneficiaries are classified either as a primary Beneficiary or as a secondary (or contingent) Beneficiary. Surviving Beneficiaries in the same Beneficiary classification share equally in the death benefit proceeds for that Beneficiary classification, unless otherwise specified. The death benefit proceeds are payable to primary Beneficiaries surviving at the death of the Member; if no primary Beneficiary survives the Member, to secondary Beneficiaries surviving at the death of the Member; or if no Beneficiary survives the Member, to the estate of the Member.

The Member can change any beneficiary or beneficiary designation by written notice satisfactory to TSPI MBA Inc., together with the written consent of all irrevocable Beneficiaries, subject to any assignment of the Certificate in the records of the TSPI MBA Inc.

#### 4. GRACE PERIOD

After the payment of the initial membership contribution, any membership contribution due must be paid not later than forty-five (45) days after its due date. Any unpaid membership contribution is deductible from the benefits that may arise during the 45-day grace period.

If after the forty-five (45) day grace period and no payment is received, the membership shall lapse and in the event of subsequent death or total and permanent disability of Member, no benefit accrues to the Member or to the beneficiaries of the deceased Member other than the Member's Equity Value.

#### 5. FEES AND CONTRIBUTION

The fees and contributions may be adjusted by the Board of Trustees as may be necessary to maintain the funds of TSPI MBA Inc. at a level adequate to meet its benefit obligations or commitments under the insurance program. Any change in the contribution or fee is subject to approval by the Insurance Commission.

#### 6. REINSTATEMENT

Member's Certificate may be reactivated provided the Member is in good health as certified to by a government physician. The reinstatement shall take effect upon payment of the required weekly mandatory benefit contributions in arrears with interest at the rate of five per cent (5%) per annum.

Reinstatement can only be performed within a period of three (3) years from the date of lapse. After the three year period, the member's certificate can no longer be reinstated.

Upon reinstatement of the certificate, the Member shall once again be subjected to the contestability provision of the Mandatory Benefits from the date of reinstatement.

#### 7. MISSTATEMENT OF AGE

The age at issue of the Member is her/his age on the nearest birthday as of the date of effectivity.

If at the correct age, the Member is not eligible for any coverage under the Certificate or its riders, the TSPI MBA Inc. will refund the corresponding membership contributions actually received less any indebtedness under the Certificate.

#### **8. INCONTESTABILITY**

Except for non-payment of membership contributions or any other grounds recognized by law and jurisprudence, the TSPI MBA Inc. cannot contest the Death Benefits under the Certificate of membership after it has been continuously in-force during the lifetime of the Insured for one (1) year from effective date of the Certificate or date of last reinstatement.

#### **9. SUICIDE**

TSPI MBA Inc. will not be liable if the Member dies by suicide within one (1) year after the effective date or date of last reinstatement of the Certificate of Membership, provided, however, that suicide committed in the state of insanity will be compensable regardless of the date of commission. Where suicide is not compensable, the liability of TSPI MBA Inc. will be limited to the return of all weekly membership contributions paid.

#### **10. NOTICE OF CLAIM**

When a Member dies or becomes totally and permanently disabled or upon death of the Member's legal dependents, the Member or beneficiary shall notify the concerned Branch. The Branch will give a list of documents that the Member/beneficiary needs to accomplish. Upon submission of complete and accurate documents, the Branch will forward the documents to the Claims Unit of the TSPI MBA Inc. The claims for benefits should be filed within thirty (30) days after death or disability.

The benefits described above shall be paid upon presentation of death or total and permanent disability certificate, sworn statement of the beneficiaries establishing their lawful status as such, and the special power of attorney executed by the beneficiaries as to whom among them shall receive the payment in the event that there is more than one beneficiary.

Failure to give notice and proof as required, will not invalidate nor diminish the claim if it is shown not to have been reasonably possible to give such notice or proof and that such was given as soon as was reasonably possible.

#### **11. CLAIMS SETTLEMENT**

Claims under the Certificate shall be settled within ten (10) working days upon submission of complete documents.



## **12. LIMITATION OF COMPLAINTS**

Any complaint or grievance on the Certificate must be filed with the proper authorities within ten (10) years from the time of rejection or denial of the claim. The venue for filing of complaints and grievances on the Certificate must not be limited to the place of issue of contract.

## **13. DISPUTE RESOLUTION**

All disputes arising in connection with the Certificate shall be initially settled through alternative dispute resolution mechanism.

## **14. ASSIGNMENT OF CERTIFICATE OF MEMBERSHIP**

TSPI MBA Inc. will not be bound by any assignment of Certificate of Membership, unless a copy of the assignment and the written consent of every assignee, or other similarly affected person, if any, are filed at the Branch or TSPI MBA Inc. and duly endorsed on the certificate. TSPI MBA Inc. assumes no responsibility for the effect, sufficiency or validity of any assignment.

## **15. NON-TRANSFERABILITY CLAUSE**

The Certificate of Membership is not transferable.

## **16. PENAL PROVISION**

Any Member of TSPI MBA Inc., who through malfeasance, misfeasance, or nonfeasance allows a spurious claim to be paid, including the claimant, will be punished accordingly to whatever penalty the Board of Trustees may so decide and the amount of indemnity paid must be refunded to TSPI MBA Inc.

## **17. WAIVER OF ARTICLE 1250 OF THE CIVIL CODE**

It is hereby declared and agreed that the provision of Article 1250 of the Civil Code of the Philippines which reads:

*"In case of extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of establishment of the obligation shall be the basis of payment..."*

shall not apply in determining the extent of the liability under the provisions of the Certificate of Membership.

### **18. AMENDMENT TO GOVERNING RULES AND REGULATIONS**

Any amendments made to this Rules and Regulations are subject to approval by the Insurance Commission.

### **19. IMPORTANT NOTICE**

The Rules and Regulations of TSPI MBA Inc. embodies the terms and conditions of the insurance described above. A copy of the Rules and Regulations is kept in the office of TSPI MBA Inc. and is available to the member for inspection during its regular office hours.

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to insurance and has supervision over mutual benefit associations and intermediaries. It is ready at all times to assist the general public in matters pertaining to insurance. For any inquiries or complaints, please contact the Public Assistance and Information Division (PAID) at the Insurance Commission at 1071 United Nations Avenue, Manila with the telephone numbers +632-5238461 to 70, and with email address [pubassist@insurance.gov.ph](mailto:pubassist@insurance.gov.ph). The official website of the Insurance Commission is [www.insurance.gov.ph](http://www.insurance.gov.ph).

### Schedule of Losses due to Accidental Dismemberment and Disablement

Loss of	Percent of Sum Insured
Loss of Life	100%
Loss of two limbs	100%
Loss of both hands, or all fingers and both thumbs	100%
Loss of both feet	100%
Total loss of sight (both eyes)	100%
Injuries resulting to being permanently bedridden	100%
Any other injury causing permanent total disablement	100%
Loss of arm or above elbow	70%
Loss of arm between elbow and wrist	60%
Loss of hand	50%
Loss of four fingers and thumb and one hand	50%
Loss of four fingers	35%
Loss of thumb	15%
Loss of index finger	10%
Loss of middle finger	6%
Loss of ring finger	5%
Loss of little finger	4%
Loss of metacarpals – 1st and 2nd (addt'l)	3%
Loss of metacarpals – 3rd , 4th and 5th (addt'l)	2%
Loss of leg at or above knee	60%
Loss of leg below knee	50%
Loss of one foot	50%
Loss of toes- all of one foot	25%
Loss of big toe	5%
Loss of any toe other than big toe, each	1%
Loss of sight of one eye	50%
Loss of hearing – both ears	50%
Loss of hearing – one ear	25%