



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



October 4, 2016

Mr. Eduardo A. Mendoza
President
TSPI Mutual Benefit Association, Inc.
3/F TSPI Building, 2363 Antipolo St.
Guadalupe Nievo
Makati City

SUBJECT: Credit Life Insurance Plan (CLIP)

Dear Mr. Mendoza:

Please be advised that your Group Credit Life Insurance Plan, a single pay group term insurance plan that provides an insurance coverage equal to the insured loan amount is hereby approved.

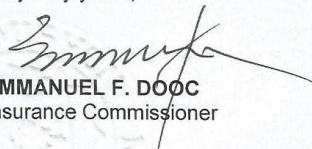
Attached are the duly approved specimen copies of the following forms to be used for the said plan:

1. **Master Policy Contract**
2. **Credit Life Insurance Plan Application Form**
3. **Credit Life Insurance Plan Certificate of Insurance**

It is understood that:

1. they have exactly the same text as the forms previously found in order under our letter dated, September 15, 2016; and
2. approval of the said plan and forms shall be recalled at anytime if there is a finding of violation of or non-compliance with the New Insurance Code and pertinent circulars and guidelines, without prejudice to the authority of the Insurance Commission to impose the applicable penalties and other administrative sanctions provided in the same Code.

Very truly yours,


EMMANUEL F. DOOC
Insurance Commissioner

Act/

**CREDIT LIFE INSURANCE PLAN (CLIP)
MASTER POLICY CONTRACT**

TSPI Mutual Benefit Association, Inc. (TSPI MBAI) subject to the provisions of the Master Policy Contract issued to the CREDITOR, shall pay the insurance benefits as provided in Section 6 below in accordance with the following provisions:

SECTION 1. CREDIT LIFE INSURANCE PLAN (CLIP)

- 1.1. CLIP is insurance on the life of a BORROWER which provides benefit payment equivalent to the insured loan amount.

SECTION 2. CREDITOR

- 2.1. CREDITOR is the lender of money or vendor or lessor of goods, services and property for which payment is arranged through a credit transaction.

SECTION 3. BORROWER

- 3.1. BORROWER means a client who borrows money from the CREDITOR or a purchaser or lessee of goods, services, and property for which payment is arranged through a credit transaction.
- 3.2. A BORROWER shall be eligible for insurance and other benefits granted under this Master Policy Contract for CLIP upon meeting the following requirements and qualifications:
 - 3.2.1. BORROWER must be an active client of the CREDITOR and an active member of TSPI MBAI in order to be eligible for coverage.
 - 3.2.2. BORROWER must be at least eighteen (18) years old but not more than sixty (60) years old at the first loan release date.
 - 3.2.3. BORROWER applying for renewal of coverage must be at least eighteen (18) years old but not more than seventy (70) years old at the loan release date.
 - 3.2.4. Borrowers aged 18 to 65 must be enrolled in BLIP and Borrowers aged 66 to 70 years old must be enrolled in GLIP to be eligible for CLIP.

SECTION 4. MAXIMUM BENEFIT FOR EACH CERTIFICATE OF INSURANCE

- 4.1. The maximum sum of guaranteed benefits is not more than one thousand (1,000) times the current daily minimum wage rate for non-agricultural workers in Metro Manila.



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
INSURANCE COMMISSION
MANILA

APPROVED

UNDER THE PROVISION OF SECTION 272 OF P.D. NO. 812 OTHERWISE KNOWN AS THE
INSURANCE COMMISSION LAW, 1977

OCT 04 2016

DATE


EMMANUEL F. DOOC
INSURANCE COMMISSIONER

SECTION 5. MAXIMUM PREMIUM FOR EACH CERTIFICATE OF INSURANCE

- 5.1. The maximum amount of premiums computed on a daily basis shall not exceed seven and a half percent (7.5%) of the daily minimum wage rate for non-agricultural workers in Metro Manila.

SECTION 6. GUARANTEED BENEFITS

- 6.1. Upon death or total and permanent disability (TPD) of the BORROWER, TSPI MBI will pay the Loan Amount insured during the period of coverage in the following manner:
- 6.1.1. The outstanding balance of the loan amount excluding interest charges shall be payable to the primary beneficiary, CREDITOR.
- 6.1.2. The excess from the guaranteed benefit less the outstanding balance of the loan shall be payable to the secondary beneficiary/ies declared in the BORROWER's Application for CLIP.
- 6.2. TSPI MBI shall not be liable for any deaths or TPD due to Pre Existing Conditions (PECs) occurring less than one (1) year from Effective Date of membership other than the return of premium.
- 6.2.1. Pre Existing Condition (PEC) is a condition which the member received treatment or has consulted a physician for medical treatment or has been taking medications during the twelve (12) months prior to the Effective Date of coverage or six (6) months prior to the date of last reinstatement.

SECTION 7. TOTAL AND PERMANENT DISABILITY

- 7.1. Total and Permanent Disability (TPD) shall mean disability caused by injury or disease which prevents the Principal Member from engaging in any gainful activity and must continue uninterruptedly for at least six (6) months.
- 7.2. TPD due to sickness or disease is subject to PEC.
- 7.3. There are two (2) types of TPD coverage:
- 7.3.1. **Disability with Dismemberment**
The loss of both arms, and 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, it shall mean entire and irrecoverable loss of sight. This type of TPD can be settled immediately upon submission of complete claims documents.

7.3.2. Disability without Dismemberment

If a Principal Member becomes sick or meets an accident resulting to complete inability to engage in any gainful employment and becomes bedridden, the Principal Member can be considered totally and permanently disabled if after six (6) months the health condition has not improved and such condition has been confirmed by a licensed physician, the Principal Member will receive the full amount for TPD.

SECTION 8. PRIMARY AND SECONDARY BENEFICIARIES

- 8.1. CREDITOR is the primary beneficiary and the secondary beneficiary/ies are those declared by the BORROWER in the CLIP Application Form.
- 8.2. The right to change the secondary beneficiary/ies is reserved to every BORROWER of TSPI MBAI, who may, at any time, designate a new secondary beneficiary/ies. Such request for change of secondary beneficiaries must be in writing, signed by the BORROWER, then submitted to TSPI MBAI.
- 8.3. Only those listed as secondary beneficiary/ies on the CLIP Application Form have the right to receive the benefits. When a BORROWER dies without any designated secondary beneficiary/ies, the benefits shall be awarded to the legal heirs according to existing laws.

SECTION 9. PREMIUMS AND CHARGES

- 9.1. BORROWER shall pay the following for the benefits described in Section 6:
 - 9.1.1. Processing fee of TWENTY PESOS (P20) per loan application;
 - 9.1.2. Single premium of TEN PESOS (P10) per ONE THOUSAND PESOS (P1,000) of the Loan amount per year.
- 9.2. The Borrower shall pay the premium and the manner of payment shall be through deduction from the loan proceeds or cash.
- 9.3. TSPI MBAI will review the premium rates on a yearly basis. TSPI MBAI reserves the right to change the premium rate at any time it deems appropriate to maintain the funds of the TSPI MBAI at a level adequate to meet its benefit obligations or commitments. TSPI MBAI reserves the right to change the premium rate as warranted by emerging experience subject to the approval of the Insurance Commission (IC).
- 9.4. Payments and/or instruments for payment of the premiums made and executed not in accordance with the Master Policy Contract for CLIP of TSPI MBAI shall not be acceptable and if inadvertently accepted shall be considered null and void and will be refunded to the borrower.

SECTION 10. EFFECTIVITY OF INSURANCE COVERAGE

- 10.1. The effectivity of CLIP coverage shall be subject to the following:
 - 10.1.1. Approval of CLIP Application Form; and,
 - 10.1.2. Payment of single premium.
- 10.2. The insurance coverage shall not exceed the term of loan as indicated in the Certificate of Insurance. Any loan amount beyond the expiration date of cover shall not be payable.

SECTION 11. INCONTESTABILITY

- 11.1. Except for non-payment of premiums or any other grounds recognized by law and jurisprudence, TSPI MBI cannot contest the CLIP Certificate of Insurance including its renewals after the Basic Life Insurance Plan (BLIP) Membership has been continuously in-force during the lifetime of the BORROWER for one (1) year from the Effective Date of BLIP Coverage;

SECTION 12. EVIDENCE OF INSURABILITY

- 12.1. Except for the Declaration of Good Health and Insurability by the BORROWER, no medical examination shall be required upon application for CLIP coverage. However, TSPI MBI reserves the right to decline the BORROWER's application if found to be uninsurable.

SECTION 13. TERMINATION OF BENEFIT

- 13.1. Insurance coverage shall be terminated whichever of the following conditions comes first:
 - 13.1.1. Upon death or total and permanent disability of the BORROWER; or,
 - 13.1.2. Upon expiration of the term of the loan; or,
 - 13.1.3. Upon expiration/termination of the BLIP Coverage except if the Principal Member decides to enroll under the Golden Life Insurance Program as described in Section 27 of the BLIP GRR; or,
 - 13.1.4. Upon attainment of age seventy (70) years old; or,
 - 13.1.5. Upon full payment of the loan.
- 13.2. If the BORROWER decides to fully pay the outstanding loan balance before the expiration of the term of loan, the unearned portion of the premium shall be refunded to the BORROWER.
- 13.3. Termination of coverage shall be without prejudice to any claim arising prior to such termination.

SECTION 14. SUICIDE

- 14.1. TSPI MBI shall not be liable if the Principal Member commits suicide within one (1) year from the Effective Date or six (6) months from the date of last reinstatement of the Certificate of Insurance. 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 MBI will be limited to the return of premium.

SECTION 15. MISSTATEMENT OF AGE

- 15.1. The age at issue of the BORROWER is the age on the nearest birthday as of the date of effectivity.
- 15.2. If the age has been misstated and at the correct age, the BORROWER is not eligible for any coverage under the CLIP Certificate of Insurance or its riders, the TSPI MBI will refund the corresponding premiums actually received less any indebtedness under the CLIP Certificate of Insurance.

SECTION 16. ENTIRE CONTRACT

- 16.1. The Master Policy Contract, Certificate of Insurance, CLIP Application Form, and any attached endorsements constitute the entire contract. . In case of any discrepancy between the CLIP Master Policy Contract and CLIP Certificate of Insurance, the provisions of the Master Policy Contract shall prevail.
- 16.2. TSPI MBI issues the Certificate of Insurance in consideration of the application and the receipt of its single premium payment. The Master Policy Contract of TSPI MBI embodies the terms and conditions of the CLIP. A copy of the Master Policy Contract is kept in the office of TSPI MBI and all TSPI branches and is available to the BORROWER for inspection during its regular office hours.
- 16.3. Only the Chairman of the Board of Trustees, the President, the Vice President, the General Manager or Officers has the authority to modify this Master Policy Contract. Any such amendments/modification must be in writing and duly signed by the authorized officer subject to IC approval.

SECTION 17. NOTICE OF CLAIM

- 17.1. When a BORROWER dies or becomes totally and permanently disabled, the Insured BORROWER or Beneficiary shall notify the concerned TSPI Branch. The TSPI Branch will give a list of documents that the BORROWER/Beneficiary needs to accomplish. Upon submission of

complete documents, the TSPI Branch will forward the documents to the Claims Unit of the TSPI MBAI. The claims for benefits should be filed within thirty (30) days after death or disability.

- 17.2. 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 notice or proof was given as soon as was reasonably possible.

SECTION 18. CLAIMS SETTLEMENT

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

SECTION 19. CERTIFICATE OF INSURANCE

- 19.1. TSPI MBAI will issue to TSPI, for delivery to each BORROWER, a CLIP Certificate of Insurance setting forth a summary of the outstanding loans and essential features of the insurance coverage to which each BORROWER is entitled.

SECTION 20. LIMITATION OF COMPLAINTS

- 20.1. Any complaint or grievance on the CLIP Certificate of Insurance must be filed with the proper authorities within five (5) years from the time of rejection or denial of the claim. The venue for filing of complaints and grievances on the CLIP Certificate of Insurance must not be limited to the place of issue of contract

SECTION 21. DISPUTE RESOLUTION

- 21.1. All disputes arising in connection with the CLIP Certificate of Insurance shall be initially settled through alternative dispute resolution mechanism for Mutual Benefit Associations as provided in the Microinsurance Alternative Dispute Resolution Framework.

SECTION 22. ASSIGNMENT OF CLIP CERTIFICATE OF INSURANCE

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

SECTION 23. NON-TRANSFERABILITY CLAUSE

- 23.1. The CLIP Certificate of Insurance is not transferable.

SECTION 24. RECORDS OF TSPI

- 24.1. The TSPI shall make available to TSPI MBAI, on request, any books or records pertaining to the accounts of the BORROWER. The TSPI shall also furnish TSPI MBAI with records, data, proofs or other information which the latter may deem necessary for the proper administration of this insurance policy.

SECTION 25. PENAL PROVISION

- 25.1. Any BORROWER of TSPI MBAI, 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 MBAI.

SECTION 26. WAIVER OF ARTICLE 1250 OF THE CIVIL CODE

- 26.1. 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 CLIP Certificate of Insurance.

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 Mediation Division (PAMD) at the Insurance Commission at 1071 United Nations Avenue, Manila with the telephone numbers +632-5238461 to 70, and with email address publicassistance@insurance.gov.ph. The official website of the Insurance Commission is www.insurance.gov.ph.

CREDIT LIFE INSURANCE PLAN (CLIP) APPLICATION FORM

Form No.: _____

Branch: _____

A. APPLICANT'S DATA

Last Name		<input type="checkbox"/> Male <input type="checkbox"/> Female		<input type="checkbox"/> Single <input type="checkbox"/> Married		<input type="checkbox"/> Widowed <input type="checkbox"/> Separated	
First Name		Birthday (mm/dd/yyyy)		Age			
Middle Name		Birth Place		Nationality			
Home Phone	Cell Phone	TIN	SSS/GSIS/Valid ID	Occupation/Source of Income			
(A) Present Address		(B) Permanent Address		(C) Mailing Address (if different from A or B)			

B. PRIMARY BENEFICIARY/IES – Shall be paid the outstanding balance of the loan amount excluding interest

TSPi

C. SECONDARY BENEFICIARY/IES – Shall be paid the amounts based on the CLIP Table of Benefits

I would like to designate as my secondary beneficiary/ies those beneficiaries indicated in my Membership Application Form.

I would like to designate new secondary beneficiary/ies (Please use the space below):

Name of Beneficiary(ies)			Date of Birth			Gender	Relationship to the Applicant	Percentage Share of Benefits
Last Name	M.I.	First Name	Month	Day	Year			

D. DESIGNATION OF TRUSTEE

I hereby designate: _____

Name of Trustee	Date of Birth	Relationship to Applicant

as trustee of minor beneficiary(ies) named above. Trustee is authorized to receive for and in behalf of said beneficiary(ies) an insurance proceeds due during the minority of said beneficiary(ies). The receipt of said trustee of the insurance proceeds shall constitute full acquittal of TSPi MBI from any claim. The designation shall remain in full force until written notice of revocation or amendment is filed and received by TSPi MBI.

E. APPLICANT'S HEALTH DECLARATION

I hereby declare to the best of my knowledge and belief that I am in good health condition.

THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature of Borrower _____ Signature of Insurance Officer _____
 Signature of Branch Manager _____ Date of Application _____



REPUBLIC OF THE PHILIPPINES
 DEPARTMENT OF FINANCE
 INSURANCE COMMISSION
 MANILA

APPROVED

UNDER THE PROVISION OF SECTION 232 OF P.D. NO. 812 OTHERWISE KNOWN AS "THE INSURANCE CODE" AS AMENDED BY R.A. NO. 10607.

OCT 04 2016

DATE

EMMANUEL F. DOOC
 INSURANCE COMMISSIONER