

FAMILY SHIELD INSURANCE POLICY

PRUDENTIAL GUARANTEE AND ASSURANCE, INC. (hereinafter called “The Company”), hereby insures the Named Insured(s) against loss covered by this Policy, subject to and in accordance with the exceptions, limitations, provisions and forms herein contained, subject Insured(s) has paid the premiums as considerations for on account of such indemnity.

The insurance provided under this Policy is only with respect to such and so many of the coverages as are indicated by a specific amount set opposite thereto in the Schedule of the attached Application.

PART I – DEFINITIONS

“Insured” wherever used in this Policy shall mean the Proposed Insured Person(s) as stated in the Application, with age between one (1) to sixty-five (65) years old.

“Named Insured(s)” wherever used in this Policy shall mean the:

- 1) Proposed Insured Person; and/or
- 2) The Spouse of the Insured Person; and/or
- 3) The child or children of the Insured Person and/or of the Insured Person’s spouse, under nineteen (19) years (or under twenty-three (23) years of age if a full-time student) unmarried and primarily dependent on the Insured Person for support; and/or
- 4) The Insured Person’s parents; and/or
- 5) The Insured Person’s brother or sister, under nineteen (19) years (or under twenty-three (23) years of age, if a full-time student), unmarried and primarily dependent on the Insured for support.

“Acts of Nature” wherever used in this Policy shall refer to earthquake, seaquake, tidal waves, volcanic eruption, typhoon, hurricane, flood, windstorm, hailstorm, rainstorm, tornado, or other catastrophe, brought about by nature.

“Eligible Dependent Children” are all the Policyholder’s dependent children under nineteen (19) years (or under twenty-three (23) years of age if a full-time student) unmarried and primarily dependent on the Insured Person for support.

“Schedule” and “Application” wherever used in this Policy means the Application and the Schedule set forth thereon which is attached hereto and which forms a part of this Policy as fully as though it appeared over the signatures hereto affixed.

“Bodily Injury” wherever used in this Policy means accidental bodily injury occurring while this Policy is in force as to the Named Insured whose injury is the basis of claim, and resulting directly and independently of all other causes, in loss covered by the Policy.

“Accident” whenever used in their Policy shall mean an unforeseen and involuntary event which causes a bodily injury.

“Principal Sum” wherever used in this Policy means the amount stated in the Application under Schedule as respects each Named Insured(s).

“Loss” wherever used in this Policy with reference to hand or foot means complete and permanent severance at or above the wrist or ankle joint; as used with reference to eyes, means the entire and irrecoverable loss of sight; as used with reference to speech or hearing, entire and irrecoverable loss of either; and as used with reference to thumb and index finger means complete severance of both fingers of either hand through or above the metacarpophalangeal joints.

“Totally and Permanently Disabled” wherever used in this Policy applies only to the Insured and means the Insured is unable to engage in any occupation or employment for compensation or profit for which the Insured is reasonably qualified by education, training or experience

“Physician” wherever used in this Policy means a person legally licensed to practice medicine and/or surgery other than the Insured or a member of the Insured’s immediate family.

“Waiting Period” wherever used in this Policy means a period of time after the effectivity of the contract which must pass before some or all of the health care services or a select list of disease or illness start getting covered under the contract. The waiting period on benefits of pre-existing condition in the contract should not exceed one (1) year prior to the date of effectivity of the contract. Renewal contract of a previous contract with one (1) year or more effectivity period, or continuous coverage exceeding one year, shall no longer contain an exclusion on pre-existing condition for such previously covered disease or illness. For newly covered disease or illness, the one (1) year maximum waiting period for such disease or illness applies.

“Hospital” wherever used in this Policy means an establishment which meets all of the following requirements:

- (1) holds a license as a hospital, if licensing is required in the country or governmental jurisdiction;
- (2) operates primarily for the reception, care and treatment of sick, ailing or injured persons as in patients;
- (3) provides twenty-four (24) hour a day nursing service by registered or graduate nurses;
- (4) has a staff of one or more physicians available at all times;
- (5) provides organized facilities for diagnosis and major surgical procedures;
- (6) is not primarily a clinic, nursing, rest or convalescent home or similar establishment and is not, other than incidentally, a place for alcoholics or drug addicts; and
- (7) maintains x-ray equipment and operating room facilities.

“Reasonable and Customary” wherever used in this Policy shall mean an expense which:

- (1) is charged for treatment, supplies or medical services medically necessary for caring of an injured or sick Insured Person under the care, supervision or order of a Physician;
- (2) does not exceed the usual level of charges for similar treatment, supplies or medical services in the locality where the expense is incurred; and
- (3) does not include charges that would have been made if no insurance existed.

“Terrorist Purpose” means the use or threatened use of any unlawful means, including the use of force or violence against any person(s) or property(s), for the actual apparent purpose of intimidating, coercing, punishing or affecting some or some portion of society or government.

“Pre-Existing Conditions” means condition for which an Insured has been diagnosed, received medical advice, consultation, treatment or prescribed drugs by currently a licensed Physician or surgeon within a six (6) month period prior to the effective date of such Insured’s Policy. “Conditions” as used herein means any specific injury, disease or infirmity requiring medical treatment, advice or medication, including or underlying or related conditions.

PART II – BENEFITS

ACCIDENTAL LOSS OF LIFE BENEFIT

When bodily injury due to an accident results in loss of life of the Insured Person or a Named Insured within one hundred-eighty (180) days after the date of the accident, the Company will pay the Loss of Life Indemnity stated in the Schedule. For each Named Insured Child, the accidental loss of life benefit shall not exceed ten percent (10%) of the adult/Insured Person’s benefit limit as stated in the Schedule.

PERMANENT TOTAL DISABILITY

When bodily injury due to an accident results in the Permanent Total Disablement of the Insured Person or a Named Insured within one hundred-eighty (180) days after the date of the accident the Company will pay the Permanent Total Disablement Indemnity stated in the Schedule. This amount will be paid less any other amount paid under the Permanent Disablement Benefit. The following definition shall apply: Permanent Total Disablement shall mean disablement which entirely prevents the Insured Person or a Named Insured from attending to any business or gainful occupation, of any and every kind, for compensation or profit for which he is reasonably qualified by reason of his education, training or experience; or if he has no business or occupation from attending to any duties, which would normally be carried out by him in his daily life; Permanent shall mean lasting twelve (12) consecutive months from the date of the accidental bodily injury and at the expiry of the period remain beyond hope of improvement.

PERMANENT PARTIAL DISABLEMENT BENEFIT.

When bodily injury due to an accident of the Insured Person or a Named Insured results in one or more injuries as defined in the following Table of Benefits within one hundred-eighty (180) days after the date of the accident, the Company will pay an amount equal to the Permanent Disablement Indemnity stated in the Schedule multiplied by the corresponding Percentage of Benefit Amount per the following Table of Benefits.

INJURY	PERCENT OF INDEMNITY
Permanent and Incurable Paralysis of All Limbs	100%
Permanent Total Loss of Sight of Both Eyes	100%
Permanent Total Loss of Sight of One Eye	100%
Loss of or the Permanent Total Loss of Use of Two Limbs	100%
Loss of or the Permanent Total Loss of Use of One Limb	100%
Loss of Speech and Hearing	100%
Permanent Total Loss of Hearing in Both Ears	75%
One Ear	25%
Permanent and Incurable Insanity	100%
Loss of Speech	50%
Permanent Total Loss of the Lens of One Eye	50%
Loss of or the Permanent Total Loss of Four Fingers and Thumb of Right Hand	70%
Left Hand	50%
Loss of or the Permanent Total Loss of Use of Four Fingers of Right Hand	40%

Four Fingers of Left Hand	30%
Loss of or the Permanent Total Loss of Use of	
One Thumb Both Right Phalanges	30%
One Right Phalanx	15%
Both Left Phalanges	20%
One Left Phalanx	10%
Loss of or the Permanent Total Loss of Use of	
Fingers Three Right Phalanges	10%
Two Right Phalanges	7.5%
One Right Phalanx	5%
Three Left Phalanges	7.5%
Two Left Phalanges	5%
One Left Phalanx	2%
Loss of or the Permanent Total Loss of Use of Toes	
All of one Foot	15%
Great, Both Phalanges	5%
Great, One Phalanx	3%
Fractured Leg or Patella with Established Non-Union	10%
Shortening of Leg by at least 5 cm	7.5%

In the event of partial loss of any member or members specified above a proportionately lower percentage of compensation shall be payable.

If the Insured Person or a Named Insured is left-handed, the percentages relating to the right arm or right hand shall apply to the left hand or left arm respectively, and the percentages relating to the left arm or left hand shall apply to the right arm or right hand respectively.

When more than one infirmity arises from one accident the Company shall pay only one loss being the greatest one. The following definitions shall apply: Permanent shall mean lasting twelve (12) calendar months from the date of Accident and at the expiry of that period being beyond hope of improvement; Loss of Sight of Eyes shall mean the entire and irrecoverable loss of sight; Loss of Speech shall mean the disability in articulating any three of the four sounds which contribute to the speech such as the Labial sounds, the Alveolabial sounds, the Palatal sounds and the Velar sounds or total loss of vocal cord or damage of speech center in the brain resulting in Aphasia; Loss of Hearing means permanent irrecoverable loss of hearing; Loss of Limb means loss by physical severance of a hand at or above the wrist or of foot above the ankle; Loss of Fingers or Toes means complete severance through or above the metacarpophalangeal joints or metatarsophalangeal joints; Loss of Use means total functional disablement/loss of use of a limb or organ and is treated like the total loss of said limb or organ.

INCLUSION OF UNPROVOKED MURDER OR ASSAULT

(Applies only to the Insured as stated in the Application under Schedule).

When, by reason of death or permanent disablement caused by murder or assault or any attempt thereof provided such murder or assault shall not have been provoked by the assured and provided such murder or assault shall not have been occasioned by or shall not have happened through:

War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil war, Rebellion, Revolution, Insurrection, Mutiny, Military or Usurped Power, Riots, Strikes, Military or Popular Rising.

However, there shall be no recovery hereunder in any of the following cases:

1. If the Insured, at the time of loss due to such unprovoked murder or assault is:
 - a) holding any government position; or
 - b) engaging activity in political activities; or
 - c) performing investigative, security or political function.

2. If the unprovoked murder or assault occurs in any of the following places:
- a) Lanao del Norte;
 - b) Lanao del Sur;
 - c) South Cotabato;
 - d) North Cotabato;
 - e) Maguindanao;
 - f) Sultan Kudarat;
 - g) Sulu Archipelago ;
 - h) Zamboanga Sibugay Municipalities;
 - i) Zamboanga del Sur Municipalities;
 - j) (except Zamboanga City);
 - k) Zamboanga del Norte Municipalities.

The maximum liability of the Company hereunder for loss caused by unprovoked murder or assault is deemed limited to Php100,000.00 only per person.

ACCIDENT MEDICAL EXPENSE REIMBURSEMENT

(Applies only to the Insured as stated in the Application under Schedule).

When, by reason of bodily injury due to an Accident, and commencing within thirty (30) days after the date of the accident, the Insured Person or any Named Insured shall require treatment by a Physician, use of Hospital facilities, or the employment of a licensed or graduate nurse while at the Hospital, the Company will pay the Reasonable and Customary medical expenses necessarily incurred within fifty-two (52) weeks from the date of the accident for such Physician's treatment, Hospital charges and nurses' fees, which are in excess of the deductible (if any) stated in the Schedule, but not to exceed the amount payable stated in the Schedule as the result of any one accident.

DAILY HOSPITAL INCOME

(Applies only to the Insured as stated in the Application under Schedule).

The Company will pay for each day (at least twenty-four (24) hours) up to thirty (30) days that the Insured Person is confined in a hospital due to a covered injury or sickness (including COVID-19), up to the limit specified in the Policy Schedule.

ACCIDENTAL DEATH BURIAL EXPENSE

(Applies only to the Insured as Stated in the Application Under Schedule).

If bodily injury due to an Accident should result in accidental death of the Insured Person or any Named Insured, the Company will, in addition to all other benefits payable under this Policy, pay for all actual burial expenses incurred, subject to the maximum amount of reimbursement stated in the Schedule.

MOTORCYCLING INCLUSION

(Applies only to the Insured as stated in the Application under Schedule).

Notwithstanding anything contained herein to the contrary, motorcycling coverage is deemed extended to the insured person (s) under this policy while operating, riding, or alighting from a motorcycle, except while participating in any form of racing, competition, pace making, reliability trial or speed testing.

The maximum liability of the company under this benefit provision is deemed limited to twenty-five percent (25%) of the applicable amounts stated in the policy schedule.

CASH ASSISTANCE BENEFIT (OFW ONLY)

(Applies only to the Insured as stated in the Application under Schedule).

If, during the period of insurance the Insured suffered from mental or nervous illness or anxiety, which require treatment by a Physician, or use of Hospital facilities as supported by clinical diagnosis, the Company will reimburse the actual amount incurred for such Physician's treatment, Hospital charges and other medical charges up to the limit specified in the policy schedule.

PART III – FLYING COVERAGE

Coverage as respect flying is limited to loss occurring while the Named Insured is riding solely as a passenger, not as an operator or crew member, in, boarding, or alighting from:

a certified passenger aircraft provided by a commercial airline on any regular, scheduled or non-scheduled, special or chartered flight, and operated by a properly certified pilot flying between duly established and maintained airports.

PART IV – SCOPE OF COVERAGE

The Insured Person/s named herein is/are protected against all covered risks, twenty-four (24) hours a day, three hundred sixty-five (365) days a year, whether at home or at play, anywhere in the world. It includes while the Insured/s is/are traveling as a fare-paying passenger in any air, land or sea transport licensed to carry passengers between two established port or terminal.

PART V – EXCLUSIONS

The Company will not pay any benefit if the Insured Person or any other Named Insured shall suffer bodily injury due to an Accident resulting from:

- a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), including action in hindering, combating or defending against an actual, impending or expected attack: (a) by government or sovereign power (dejure or de facto) or by any authority maintaining or using military, naval or air forces; or (b) by military, naval, or air forces; or (c) by an agent of any such government, power, authority or force; any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental; insurrection, mutiny, civil commotion assuming the proportion of or amounting to a popular rising, rebellion, revolution, sabotage, civil war, usurped power, or action taken by the government authority in hindering, combating, or defending against such an occurrence, seizure, or destruction; any act of one or more persons, whether known or unknown and whether or not agents of a sovereign power, for terrorist purposes; Hijacking or any unlawful seizure or wrongful exercise or control of any mode of

transportation, including but not limited to aircraft, watercraft, trucks(s), train(s) or automobile(s), including any attempt, seizure of control, made by any person or persons.

- b) AIDS or any illness or disability in the presence of a sero-positive test for HIV. "AIDS" or "Acquired Immune Deficiency Syndrome" wherever used in this policy shall have the meanings assigned to it by the World Health Organization. A copy of the definition is maintained in the Company's Head Office in the Philippines of issue of the policy. AIDS includes Opportunistic Infection, Malignant Neoplasm or any disease or sickness in the presence of sero-positive test for HIV. "Opportunistic Infection" shall include but not be limited to pneumocystic carinii pneumonia, organism or chronic enteritis, virus and/or disseminated fungi infection. "Malignant Neoplasm" shall include but not be limited to Kaposi's sarcoma, central nervous system lymphoma and/or other malignancies now known or which become known as immediate causes of death, an illness, or disability, in the presence of Acquired Immune Deficiency. "Acquired Immune Deficiency Syndrome" shall include HIV (Human Immune Deficiency Virus) encephalopathy (dementia) and HIV (Human Immune Deficiency) Wasting Syndrome.
- c) any loss or expense in which a proximate cause was the Insured Person's or Named Insured's attempted commission of or willful participation in any crime punishable under the Revised Penal Code of the Philippines except crimes of reckless imprudence as defined in Article 365 or under similar laws of any country in which the crime was attempted, or resistance to lawful arrest;
- d) any loss or expense sustained while the Insured Person or a Named Insured is flying except as a fare paying passenger in any properly licensed private or commercial aircraft or device for aerial navigation;
- e) any loss or expense sustained during any period the Insured Person or Named Insured is serving in the Armed Forces of any country or international authority, whether in peace or war, and in such an event the Company, upon written notification by the Insured Person or Named Insured(s), shall return the pro-rata premium for any such period of service;
- f) intentionally self-inflicted injury, suicide or any attempt thereat or from deliberate exposure to exceptional danger (except in an attempt to save human life), while sane or insane;
- g) driving or riding in any kind of race involving motorized vehicles and/or while engaged in the use of motorcycles for the purpose of professional use; engaging in motorcycle riding or driving, without a sidecar;
- h) sickness or disease of any kind, any gradually operating cause, naturally occurring condition or degenerative process;
- i) osteoporosis (porosity and brittleness of the bones due to loss of protein from the bone matrix) or pathological fracture (any fracture in an area where pre-existing disease has caused weakening of the bone) if the osteoporosis or bone disease was diagnosed prior to the Effective Date of this Policy;
- j) pregnancy, childbirth, miscarriage or any complications related thereto, whether due to accidental bodily injury or sickness;
- k) alcoholism or drug addiction or any loss or expense sustained while under the influence of alcohol or unprescribed drugs or medications;
- l) congenital anomalies and conditions arising therefrom;
- m) any bacterial infections, except pyogenic infections which occurred through accidental cut or wound;
- n) any medical or surgical treatment, except such is necessary in the treatment of injuries covered by the policy;
- o) plastic or reconstructive surgery, unless as a result of an accidental bodily injury;
- p) poison or any poisonous substances accidentally or otherwise taken, administered, absorbed or inhaled;

- q) routine eye test, dental treatment or other examination or test not incidental to treatment or diagnosis of an insured injury;
- r) any dental treatment except for the repair or alleviation of damage caused solely by accidental injuries covered by the policy;
- s) any loss or expense sustained consequent on the Insured Person or Named Insured engaging in a sport in a professional capacity or where the Insured Person or Named Insured could or would earn income or remuneration from engaging in such sport; Insured is engaging in hunting, racing, of all kinds, steeple chasing, polo playing, mountaineering, winter sports, ice hockey, football, motorcycle racing or yachting;
- t) any loss or expense resulting from hernia;
- u) underground exploration, or underwater activities involving the use of compressed air or gas;
- v) any pre-existing conditions.

PART VI – SABOTAGE AND TERRORISM EXCLUSION

The Policy does not cover loss or damage to the Insured caused by, or resulting from, contributed to aggravated by any of the following perils, whether such loss or damage is accidental or intentional, intended or unintended, direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any perils insured by the Policy.

- 1) War, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating or defending against an actual, impending or expected attack;
 - a) by government or sovereign power (dejure or de facto) or by any authority maintaining or using military, naval or air forces; or
 - b) by military, naval, or air forces; or
 - c) by an agent of any such government, power, authority or force.
- 2) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental;
- 3) Insurrection, mutiny, civil commotion assuming the proportion of or amounting to a popular rising, rebellion, revolution, sabotage, civil war, usurped power, or action taken by the government authority in hindering, combating, or defending against such occurrence, seizure or destruction;
- 4) Any act of one or more persons, whether known or unknown and whether or not agents of a sovereign power, for terrorist purposes;
- 5) Hijacking or any unlawful seizure or wrongful exercise or control of any mode of transportation, including but not limited to aircraft, watercraft, truck(s), train(s), or automobile(s), including any attempt, seizure, of control, made by any person or persons.

Such loss or damage is excluded regardless of any cause, event or intervention that contributes concurrently or in any sequence to the loss or damage.

Terrorist purpose means the use or threatened use of any unlawful means, including the use of force or violence against any person(s) or property(s), for the actual apparent purpose of intimidating, coercing, punishing or affecting society or some portion of society or government.

PART VII – POSTPONEMENT OF EFFECTIVE DATE

In no event shall any insurance provided by this Policy shall become effective as to an Insured Person if such Insured Person or any Named Insured is confined to a hospital, disabled, or receiving payment for a claim when such insurance would otherwise take effect according to the effective date stated in the Application. The coverage on such person shall take effect thirty-one (31) days after such hospital confinement or disability terminates, or payment of claim ceases, whichever is the latest.

PART VIII – GENERAL PROVISIONS

1. ENTIRE CONTRACT – CHANGE IN POLICY

This policy includes the endorsements and attached papers if any, and with the application on file with the Company or attached hereto, contains the entire contract of insurance. No agent has authority to change this policy or to waive any of its provisions. No change in this policy shall be valid unless approved by an executive officer of the Company and such approval be endorsed hereon. None of the provisions, conditions and terms of this policy shall be waived or altered except in accordance with the pertinent provisions of Section 50 of the Insurance Code.

2. PREMIUM PAYMENT

This policy shall not be valid and binding unless and until the premium stated wherein is paid and the company issues a receipt duly signed by its official or authorized agent for the payment made by the Insured.

3. EFFECTIVE DATE

This policy takes effect on the Effective date stated on the Application. After taking effect, this policy continues in effect until the Expiry Date stated on the Application and may continue in effect thereafter subject to the “Grace Period” and “Renewal Conditions” set forth herein. All period of insurance shall begin and end at 12:00 Noon, Manila Standard Time.

4. EXPIRATION OF COVERAGE

Individual coverage under this form will expire on the renewal date following the date when the: (a) Insured attains seventy-two (72) years of age; (b) Spouse attains seventy-two (72) years of age; (c) Spouse ceases to be the spouse of the Insured; (d) Insured’s children attains nineteen (19) years of age, or if a full-time student attains twenty-three (23) years of age or becomes married or is no longer primarily dependent on the Insured for support; (e) Insured’s parents attains seventy-two (72) years of age; (f) Insured’s brother or sister attains nineteen (19) years of age, or if full-time student attains twenty-three (23) years of age or becomes married or is no longer primarily dependent on the Insured for support.

5. RENEWAL CONDITIONS

This policy may be renewed for further consecutive periods by the payment of premium on the date of the renewal at the Company’s premium rate in force at the time of renewal, subject to the Company’s right to decline renewal of this policy on any anniversary date of the policy upon giving forty-five (45) days prior written notice mailed or delivered to the Insured at the address shown in the policy of the Company’s intention not to renew the policy or to condition its renewal upon reduction of limits, increase in premium, or elimination of coverages. The Company’s acceptance of premium shall constitute its consent to renewal. Unless renewed as herein provided, this policy shall terminate at the expiration of the grace period if the renewal premium is not paid.

In any event, this policy shall terminate on the premium due date next following attainment of age sixty-five (65) by the Insured unless otherwise provided elsewhere in this policy.

The Company reserves the right to change, at any time and from time to time, subject to the approval of the Insurance Commission, the table of rates applicable to premiums thereafter becoming due under this form of policy.

6. GRACE PERIOD

A grace period of thirty-one (31) days will be granted for the payment of each premium falling due after the first premium, during which time the policy shall be continued in force, unless the policy has been canceled in accordance with the provisions of this policy. However, if loss occurs within the Grace Period, any premium then due and unpaid will be deducted in settlement.

7. NOTICE OF CLAIM

Written notice of claim must be given to the Company within thirty (30) days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. In the event Accidental Death is covered by this policy, immediate notice thereof must be given to the Company. Written notice of claim given by or on behalf of the Named Insured to the Home Office of the Company, or to any authorized official of the Company with information, sufficient to identify the Named Insured shall be deemed as notice to the Company.

8. CLAIM FORMS

The Company, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually required by the Company for filing proofs of loss.

9. TIME FOR FILING CLAIM FORMS

Completed claim forms and written proof of loss must be furnished to the Home Office of the Company within ninety (90) days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time and that the same was given as soon as it was reasonably possible.

10. TIME OF PAYMENT OF CLAIM

Benefits payable under this policy for any loss other than loss for which this policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued benefits for loss for which this policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

11. TO WHOM INDEMNITIES ARE PAYABLE

Indemnity, if any, for loss of life of a Named Insured is payable to the beneficiary of such Named Insured, named in the Application provided such Beneficiary survives the Named Insured, otherwise to the estate of the Named Insured. All other indemnities of this policy are payable to the Insured. Any payment made by the Company in good faith pursuant to the provision shall fully discharge the Company to the extent of the payment.

12. CONSENT OF BENEFICIARY

Unless irrevocably designated, consent of the Beneficiary shall not be requisite to surrender or assignment of this policy, or to change of beneficiary or to any other changes in this policy.

13. MEDICAL EXAMINATION

The Company, at its own expense, shall have the right and opportunity to examine a Named Insured when and as often as the Company may reasonably require during the pendency of a claim hereunder, and also the right and opportunity to make an autopsy in case of death where it is not forbidden by law.

14. SUIT AGAINST COMPANY CLAUSE

If a claim be made and rejected and an action or suit be not commenced either in the Insurance Commission or any Court of competent jurisdiction within twelve (12) months from receipt of notice of such rejection or in case of arbitration taking place as provided herein, within twelve (12) months after due notice of the award made by the arbitrator or arbitrators or umpire, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

15. MISSTATEMENT OF AGE

If the age of any Named Insured has been misstated, all amounts payable under this policy shall be such as the premium paid would have purchased at the correct age. In the event of age

of the Named Insured has been misstated, and if according to the correct age of the Named Insured, the coverage provided by the policy would not have become effective, or would have ceased prior to the acceptance of such premium or premiums, then the liability of the Company during the period the Named Insured is not eligible for coverage shall be limited to the refund of all premiums paid for the period not covered by the policy.

16. ASSIGNMENT

No assignment of interest under this policy shall be binding upon the Company unless and until the original or a duplicate thereof is filed at the Home Office. The Company does not assume any responsibility for the validity of an assignment. No change of Beneficiary under this policy shall bind the Company, unless consent thereto is formally endorsed hereon by an executive officer of the Company. No provision of the charter, constitution or by-laws of the Company shall be used in defense of any claim arising under this policy, unless such provision is incorporated in full in this policy.

17. CANCELLATION CLAUSE

This policy shall not be canceled by the Company except upon prior notice thereof to the Insured, and no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the policy, of one or more of the following:

- a. non-payment of premiums;
- b. conviction of a crime arising out of acts increasing the hazard insured against;
- c. discovery of fraud or material representation;
- d. discovery of willful or reckless acts or omissions increasing the hazard insured against;
- e. a determination by the Commissioner that the continuation of the policy would violate or would place the Company in violation of the Insurance Code.

All notices of cancellation shall be in writing, mailed or delivered to the Insured at the address shown in the policy, and shall: state (a) which of the grounds set forth in this provision is relied upon; and (b) that, upon written request of the Insured, the Company will furnish the facts on which the cancellation is based.

If the Insured cancels this policy notice of which must be in writing, earned premiums shall be computed in accordance with the applicable percentage indicated below, but in no event less than the Company's customary minimum premiums:

PERCENT OF ANNUAL PREMIUM

2 months (minimum)	40%	5 months	70%
3 months	50%	6 months	75%
4 months	60%	over 6 months	100%

18. CHANGE OF OCCUPATION

If a Named Insured sustains a loss after having changed occupation to one classified by the Company as more hazardous than that stated in the Application or while doing, for compensation, anything pertaining to an occupation so classified, the Company will pay only such portion of the indemnities provided in this policy as the premium paid would have purchased at the rates and within the limits fixed by the Company for such more hazardous occupation.

If a Named Insured changes occupation to one classified by the Company as less hazardous than that stated in the Application, the Company, upon receipt of proof of such change of occupation, will reduce the premium rate accordingly, and will return the excess pro-rata unearned premium from the date of change of occupation or from the policy anniversary date immediately preceding receipt of such proof, whichever is the more recent.

In applying this provision, the classification of occupation and the premium rates applicable shall be such as existing on the date the policy is issued or last renewed.

19. CIVIL CODE 1250 WAIVER CLAUSE

IT IS HEREBY DECLARED AND AGREED THAT the provision of Article 1250 of the Civil Code of the Philippines (Republic Act No. 386) which reads: "In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment..." shall not apply in determining the extent of liability under the provisions of this policy.

20. ADDITIONS

any person becoming eligible after the effective date of this policy may be added from time to time as a Named Insured upon application by the Insured, proof of eligibility and insurability satisfactory to the Company, and payment of the required additional premium. Insurance coverage for the Named Insured shall commence on the date such application has been approved by the Company subject to any limitations set forth in the attached forms.

21. TERMINATION OF POLICY

This policy will terminate on the earliest of the following dates: (a) the first premium due date on which no person occupies the status of Insured; (b) at the expiration of the grace period if the renewal premium is not paid; (c) the latest date of expiration of coverage of all Named Insured(s) when applicable.

22. REINSTATEMENT OF POLICY

When this policy terminates by reason of non-payment of premium, any subsequent acceptance of a premium shall constitute reinstatement of the policy by the Company, and shall only cover loss resulting from injury sustained or sickness commencing after the date of such reinstatement.

23. RECEIPT OF PAYMENT CLAUSE

Except only in those specific cases where corresponding rules and regulations which are now are or may hereafter be in force provided for the payment of the stipulated premiums in periodic installments at fixed percentages, it is hereby agreed, declared and warranted that this policy shall be deemed effective, valid and binding upon the Company only when the premiums therefor have actually been paid in full and duly acknowledged in a receipt signed by any authorized official or representative/agent of the Company.

24. SETTLEMENT OF CLAIM CLAUSE

The amount of any loss or damage for which the Company may be liable under this policy shall be paid within thirty (30) days after proof of loss is received by the Company and ascertainment of the loss or damage is made either by agreement between the Insured and the Company or by arbitration; but if such ascertainment is not had or made within sixty (60) days after such receipt by the Company of the proof of loss, then the loss or damage shall be paid within ninety (90) days after such receipt.

25. ARBITRATION CLAUSE

All differences as to the amount of any loss or damage covered by this policy may be referred to the decision of an arbitrator to be appointed by the parties in difference or if they cannot agree upon a single arbitrator to the decision of two arbitrators one to be appointed in writing by each of the parties within thirty (30) days after having been required in writing so to do either of the parties or in case of disagreement between the arbitrators to the decision of an umpire to be appointed in writing by the arbitrators before entering on the reference and an award by the arbitrator or arbitrators or umpire may be a condition precedent to any right of action against the Company only in cases of differences as to amount of liability actually arising out of this policy.

26. MEDIATION CLAUSE

In the event of controversy or claim arising out of or relating to this contract, or breach thereof, the parties hereto agree first to try and settle the dispute by mediation, administered by the Insurance Commission or any recognized mediation institution under its Mediation Rules, before resorting to arbitration, litigation or some other dispute resolution procedure.

27. LEGAL ACTION

Unless the claim has been denied, no action or suit shall be brought either to the Insurance Commission or any court of competent jurisdiction to recover on this Policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this Policy. In any event, no legal action shall be brought after the expiration of one (1) year from notice of the denial of the claim.

IN WITNESS WHEREOF, Prudential Guarantee has caused this Policy to be executed and commenced on the Effective Date stated in the Policy Schedule, provided that no insurance shall be in force unless the Policy Schedule is signed by an authorized representative of Prudential Guarantee.

PRUDENTIAL GUARANTEE AND ASSURANCE, INC.



ANTHONY G. SY

Position of Authorized Representative

Documentary Stamp to the value stated have been affixed and properly canceled on the Office of this Policy.

The Insurance Commission of the Philippines, with offices in Manila, Cebu, and Davao, is the government office in charge of the faithful execution and enforcement of all laws relating to insurance and has supervision over insurance companies. It is ready at all times to render assistance in settling any controversy between an Insurance Company and an Insured relating to Insurance matter.