



**KCCDFI Mutual Benefit Association, Inc.**  
**ANNEX KCCDFI Bldg. MCLL Highway, Guiwan,**  
**Zamboanga City 7000**

Telephone. No. (062) 990-2429 TIN 007-053-951  
E-mail: kccdfi\_mba@yahoo.com.ph

**IMPLEMENTING RULES AND REGULATIONS**

KCCDFI MUTUAL BENEFIT ASSOCIATION INC., (KCCDFI MBA) shall pay the benefits under the Certificate of Membership to its member or his/her beneficiaries in accordance with the following provisions:

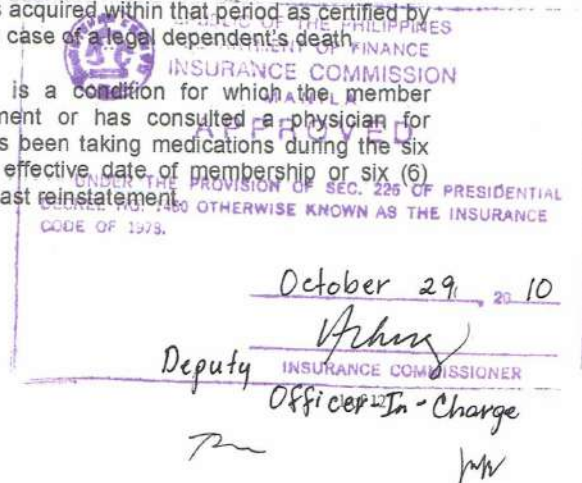
**SECTION 1. BENEFITS**

**1.1 Death Benefit**

- a. Upon death of the member, the designated beneficiary/ies will be indemnified in accordance with the Table of KCCDFI MBA Life Insurance Benefits as shown in Annex 1.
- b. Upon death of the member's legal dependents, defined under Section 8, the member will receive the life insurance benefits according to the Table of Life Insurance Benefits shown in Annex 1.

**1.2 Loss Within Six Months of Membership**

- a. **Pre-existing condition of member:** To maintain low contribution rates and to safeguard the funds of KCCDFI MBA, KCCDFI MBA is not liable to any loss claim (death, disability, hospital confinement) occurring during the first six months of membership or within six (6) months from the date of last reinstatement except if caused by accident and/or diseases acquired within that period as certified by a competent physician other than TWO THOUSAND PESOS (PhP2,000) gratuity for loss occurring within six (6) months from effective date of insurance coverage or within six (6) months from the date of last reinstatement.
- b. **Pre-existing condition of legal dependents:** To maintain low contribution rates and to safeguard the funds of KCCDFI MBA, KCCDFI MBA is not liable to any death or disability claim occurring during the first six (6) months of membership or within six (6) months from the date of last reinstatement except if caused by accident and/or diseases acquired within that period as certified by a competent physician in case of a legal dependent's death.
- c. **Pre-existing condition** is a condition for which the member received medical treatment or has consulted a physician for medical treatment or has been taking medications during the six (6) months prior to the effective date of membership or six (6) months from the date of last reinstatement.



### 1.3 Death due to natural causes but not due to pre-existing conditions

- a. **Death of member:** KCCDFI shall pay to the beneficiary/ies the amount of THREE THOUSAND PESOS ONLY (PhP 3,000.00) due to death of the member not caused by accident and not classified as a pre-existing condition occurring during the first six months of membership or within six months from the date of last reinstatement.
- b. **Death of legal spouse and legal dependents:** To maintain low contribution rates and to safeguard the funds of KCCDFI MBA, KCCDFI MBA is not liable to any death or disability claim occurring during the first six (6) months of membership or within six (6) months from the date of last reinstatement except if caused by accident and/or diseases acquired within that period as certified by a competent physician in case of a legal dependent's death.

### 1.4 Total and Permanent Disability Benefit

Total and permanent disability (TPD) 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. It is understood that upon full payment of the member's total and permanent disability benefit, his/her certificate of membership is automatically terminated.

There are two types of TPD coverage:

- a. **Disability with dismemberment** – 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.

This type of TPD can be settled immediately upon submission of complete claims documents and upon approval by the Board of Awards. The amount of benefits will be based on the Table of Life Insurance Benefits (Annex 1)

- b. **Disability without dismemberment** – If a member or his/her legal dependent becomes sick or meets an accident resulting to complete inability to engage in any gainful employment and becomes bedridden, he/she can be considered as total and permanent disabled if after six (6) months the health condition has not improved. After such confirmation by a competent doctor, he/she will receive monthly benefits according to the Table of Monthly Benefits for Total and Permanent Disability (Annex 2).

### 1.5 Accidental Death Benefit

- a. Upon death of the member or his/her legal dependents due to accident, the designated beneficiary/member will be

indemnified in accordance with the Table of Life Insurance Benefits shown in Annex 1.

- b. Accident is defined as a loss of life as a direct result, independently and 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 a visible contusion or wound on the exterior of the body occurring within one hundred eighty (180) days from date of such injury.

#### 1.6 Motor Vehicle Accidental Hospitalization Benefits

In case an eligible member or the member's legal spouse is hospitalized due to vehicular accident occurring after the date of membership and resulting in confinement for at least 24 hours for treatment by a qualified physician, KCCDFI MBA will reimburse the actual medical expenses incurred within six (6) months from the date of accident for such treatment such as hospital charges and nurses fees up to a maximum of TEN THOUSAND PESOS (PhP10,000.00) per married couple per year. They shall no longer be entitled to this benefit once the maximum benefit of PhP10,000.00 has been paid.

For cases where vehicles are unlicensed, driver owns "student license", the driver has no license, the driver is drunk, and the member or the spouse has been brought to the hospital or clinic but not hospitalized for more than 24 hours, the member or the spouse will be reimbursed by KCCDFI MBA for a maximum of THREE THOUSAND PESOS (PhP3,000.00) which will also be deducted from his/her MVAH benefits.

#### 1.7 Retirement Savings Fund

A member shall pay a weekly contribution of FIVE PESOS (PhP5.00), which shall be credited to the Retirement Savings Fund for the account of the member.

Upon reaching the termination age of sixty-five (65) or if a member resigns from KCCDFI MBA prior to age sixty-five (65), the member shall be entitled to payment of 100% of the total contributions to the Retirement Savings Fund during his/her period of membership plus interest earnings. Interest shall be credited to the accumulated fund every anniversary at a rate to be determined by the Board of Trustees but in no case less than 2% per annum.

#### 1.8 Member's Equity Value

- a. A member shall be entitled to an equity value equivalent to at least FIFTY PER CENTUM (50%) of the total life membership dues (PhP 15.00) collected from him/her, excluding contributions for RSF. This is payable upon termination of his/her membership from KCCDFI MBA including death or total and permanent disability.

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- b. Upon reaching the termination age of **sixty-five (65)**, the member shall be entitled to payment of the member's equity value. For unclaimed member's equity value after reaching sixty-five, interest shall be credited to the equity value annually at a rate to be determined by the Board of Trustees but in no case less than 2% per annum.
- c. It is understood that upon termination of membership, the calculation of member's equity value will not include the contributions to the retirement savings fund.

## SECTION 2. SUICIDE

KCCDFI MBA will not be liable if the member and/or any of his/her legal dependent 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 KCCDFI MBA will be limited to the return of all contributions paid without interest.

## SECTION 3. INCONTESTABILITY

Except for non-payment of contributions or any other grounds recognized by law and jurisprudence, KCCDFI MBA cannot contest this certificate after it has been in-force during the lifetime of the member for one year from effective date or date of last reinstatement.

## SECTION 4. MEMBERSHIP

- 4.1 Applicants must be at least eighteen (18) years old but not more than sixty (60) years old as of the enrollment date.
- 4.2 He/she must be an active member of KCCDFI or employee of KCCDFI or KCCDFI MBA or other organized groups accredited by KCCDFI MBA.
- 4.3 Only those applicants who can meet all of the requirements stated in the prescribed application form shall be eligible for membership, provided the dues and charges as herein specified are paid and application for membership in KCCDFI MBA is filed in the prescribed form.
- 4.4 Members rolling over from the current insurance program shall have their membership credited towards meeting the below six months condition described in Section 1 above. The period of coverage in the prior insurance program shall however not count towards the membership requirement to be eligible for member's equity as described in Section 1 above.
- 4.5 Any willful misstatement in the application that would render a person eligible for insurance when he/she would otherwise be ineligible shall be sufficient cause for the cancellation of one's membership in KCCDFI MBA at any time such misstatement is known. KCCDFI

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MBA will only refund all contributions paid by the disqualified member without interest.

- 4.6 In case of multiple, overlapping applications for membership only the initial application shall be considered valid. Upon discovery of multiple overlapping memberships of one person, the additional certificates of membership shall be automatically cancelled and the contributions for these overlapping memberships shall be refunded. In case of multiple claims for a single event by one member, benefits will be paid only once as defined and due under the initial membership.

#### **SECTION 5. VOLUNTARY RESIGNED MEMBERS RE-APPLYING FOR NEW MEMBERSHIP**

- 5.1 Members who have formally resigned their membership and have received their member's equity and then re-apply for new membership shall be considered as new members. In such a case the previously accrued membership term and benefits may not be carried over towards credit in the new membership.
- 5.2 Members that have relinquished their membership and then re-apply for new membership shall once again be subject to the pre-existing conditions, as well as all of their covered legal dependents.

#### **SECTION 6. CONTRIBUTIONS AND CHARGES**

- 6.1 Members shall be charged TWENTY PESOS (PhP20.00) weekly contribution (PhP15.00 for Life Insurance and PhP5.00 for Retirement Savings Fund for the benefits described in Section 1 above.
- 6.2 Members shall be charged a one-time membership fee of FIFTY PESOS (P50.00) to cover the expenses incurred in processing the application. This fee is not refundable, nor will it be included for purposes of determining the member's accumulated and refundable contributions.
- 6.3 Members who are at least sixty-five (65) years old at the time of effectivity of this Insurance Plan shall be charged the same contribution as members aged below sixty-five (65), should they wish to continue their membership.
- 6.4 The contributions and charges may be adjusted by the Board of Trustees as may be necessary to maintain the funds of KCCDFI MBA at a level adequate to meet its benefit obligations or commitments under the Insurance Plan. Any change in the contribution or charges is subject to approval by the Insurance Commission.
- 6.5 Weekly contributions may be paid by direct remittance to the KCCDFI MBA Office or designated authorized collection centers either by fund transfer, check payment or in cash. If paid by fund transfer, contributions are considered paid on the date of deposit and if paid in cash, the date of receipt in the KCCDFI MBA office.

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- 6.6 Fund transfer for group remittance of the weekly contributions shall be accompanied with a list of individual remitters and monthly summary reports. In the absence of said list and summary reports, the money transferred shall not be considered as payments.
- 6.7 Payments and/or instruments for payment of the weekly contributions made and executed not in accordance with the rules and regulations of KCCDFI MBA shall not be accepted and if inadvertently accepted shall be considered null and void and will be refunded.

## **SECTION 7. ACCOUNT MANAGEMENT**

KCCDFI MBA shall disaggregate the contribution from the member and administer them into six separate and distinct accounts, namely: Benefit Account, Equity Account, Retirement Savings Account, Guaranty Account, General Account, and Investment Income Account.

### **7.1 Benefit Account**

The Benefit Account shall not exceed 35% of the contribution. It shall cover all the contractual benefits in the insurance plan like death, disability, or hospitalization.

### **7.2 Equity Account**

The Equity Account representing 50% of the contribution shall support the member's equity or termination value and any other promised accrued interest earnings on the equity value.

### **7.3 Retirement Savings Account**

The retirement savings account comprising of the retirement contributions of the member including interest accruals shall be used to finance the retirement obligations in the event of member's resignation and termination of coverage.

### **7.4 Guaranty Fund**

The Guaranty Fund comprising 5% of the contribution shall ensure the timely and properly payment of annual contribution to the Guaranty Fund as mandated by the Insurance Commission. If the Guaranty Fund has been fully complied with as required by law, the allocation for the guaranty fund shall be utilized to increase the member's benefits or reduce the contribution or may be lumped under the General Account.

### **7.5 General Account**

The General Account shall not exceed 10% of the contribution. It shall finance the general and operating expenses in administering the insurance program.

### **7.6 Investment Income Account**

The Investment Income Account shall consist of all interest income or capital gains net of investment expenses derived from prudent account management of excess of contributions over disbursements. KCCDFI MBA shall develop an investment plan guided by the standards for managing and investing fiduciary funds and adhering to the principles of prudent man's rule.

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The investment income account may be distributed to the Equity Account and the General Account. However, the allocation must first satisfy the minimum interest that must be credited to the Equity Account before any allocation to the General Account may be made.

#### **SECTION 8. MEMBER'S LEGAL DEPENDENTS**

The member's legal dependents shall be defined as follows.

8.1 If a member is married, his/her legal dependents are:

- a. legal spouse
- b. single and biological and/or legally adopted children, two weeks old or 14 days old but not more than 21 years old
- c. biological children over 21 years old, single, disabled and incapacitated to work.

8.2 If a member is single without biological children, his/her biological parents over 60 years old are his/her legal dependents.

8.3 If a member is single (unmarried) but with children, only those enumerated under 8.1b and 8.1c shall be considered as his/her legal dependents.

#### **SECTION 9 . MEMBER'S BENEFICIARY**

9.1 The right to change the beneficiaries is reserved to every member of KCCDFI MBA, who may, at anytime, designate a new beneficiary or beneficiaries. Such request for change of beneficiaries, must be in writing, signed by the member under oath and submitted to KCCDFI MBA office or designated authorized collection centers.

9.2 When a member dies without any designated beneficiaries, the benefits shall be awarded to the legal heirs according to existing laws.

#### **SECTION 10. EFFECTIVITY OF MEMBERSHIP**

10.1 Effectivity of Membership in KCCDFI MBA shall take effect upon payment of the first contribution and approval of the application for membership by the Board of Trustees or the official so designated by the Board.

10.2 A Certificate of Membership containing the date of effectivity of membership, a summary of benefits and excerpts of the implementing rules and regulations of KCCDFI MBA shall be issued to each and every member of KCCDFI MBA upon approval of the application for membership. A manual of the implementing rules and regulations shall be issued to each Center or group of members.

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## SECTION 11. GRACE PERIOD

- 11.1 Any member who fails to pay his/her weekly contribution shall be given a grace period of forty five (45) days within which to remit the contributions.
- 11.2 In case of death, total and permanent disability, or hospital confinement of the member or his/her legal dependent during the grace period, the balance of the contribution in arrears shall automatically be deducted from the benefits payable.
- 11.3 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, total and permanent disability or hospitalization of member or his/her legal dependents, no benefit accrues to the member or to the beneficiaries of the deceased member other than the member's equity value and retirement savings fund.

## SECTION 12. TERMINATION OF INSURANCE COVERAGE

The insurance coverage under the Certificate of Membership shall automatically terminate under the following conditions whichever comes first:

- Upon death or total and permanent disability of the member;
- Upon resignation from KCCDFI MBA;
- Upon reaching the exit age of 65;
- Upon expiration of the grace period if no payment is received by then;
- Upon withdrawal of the equity value on the insurance certificate;
- If membership is terminated with cause by KCCDFI MBA

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.

## SECTION 13. REINSTATEMENT

- 13.1 Membership 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 contributions in arrears with interest at the rate of five per cent (5%) per annum.
- 13.2 Reinstatement can only be performed within a period of three (3) years from the date of lapse. After the three year period, the membership is cancelled.
- 13.3 If the member cannot afford to pay all the contributions in arrears, she may pay only one weekly contribution and his/her membership will be reactivated. But the number of days he/she was in arrears will be deducted in computing the effective number of years of his/her membership.
- 13.4 The member and his/her legal dependents shall once again undergo six (6) months waiting period from the date of reinstatement.

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#### **SECTION 14. NOTICE AND PROOF OF CLAIMS**

- 14.1 When a member dies or becomes totally and permanently disabled or is hospitalized, or upon death, disability or hospitalization of the member's legal dependents, the member or beneficiary shall notify the Board of Awards of such death or injury, stating the full name and address of the deceased, disabled or injured, the cause of death, total and permanent disability or hospitalization, the date of death, total and permanent disability or hospitalization, the address and full name(s) of the beneficiary/ies. The claims for benefits should be filed within six (6) months after death or disability with KCCDFI MBA Head Office or KCCDFI MBA Branch office while hospitalization claim benefit described in Section 1.6 should be filed within one week after discharge from the hospital and shall be paid upon presentation of hospital billings.
- 14.2 The benefits described above shall be paid within ten (10) working days upon presentation of death or total and permanent disability certificate or proof of hospitalization with supporting receipts and itemized billing, 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.
- 14.3 The Member's Equity and Retirement Savings Fund benefits shall be paid upon presentation of the member's birth certificate to prove that he/she has attained the exit age of 65.
- 14.4 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.

#### **SECTION 15. PENALTY CHARGE ON FRAUDULENT CLAIMS**

In case of any willful misstatement in the claim process and documentation that would render the claim compensable when in reality it is not, a fine of not less than PhP1,000.00 but not more than PhP3,000.00 representing expenses in validation will be charged to the defrauding member. And in the event that such claim was paid due to misstatement, KCCDFI MBA has all the right to retrieve the paid amount from the member or his/her beneficiaries when such misstatement is known.

#### **SECTION 16. ASSIGNMENT OF CERTIFICATE OF MEMBERSHIP**

KCCDFI MBA will not be bound by any assignment of Certificate of Membership under this Insurance Plan, 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 and/or MBA Coordinator and/or KCCDFI Head Office and duly endorsed on the certificate. KCCDFI MBA assumes no responsibility for the effect, sufficiency or validity of any assignment.



## **SECTION 17. NON-TRANSFERABILITY CLAUSE**

The Certificate of Membership is not transferable.

## **SECTION 18. BOARD OF AWARDS**

A Board of Awards composed of five (5) members shall be the body to decide the approval or disapproval of payments of benefits. No action of the Board shall be valid unless it is a decision of the majority. A majority constitutes at least three (3) members of the Board of Awards. The Board of Awards shall likewise authorize the release of the benefit and furthermore cause the remittance to the beneficiaries upon approval. In case of indecision, the result of the evaluation of claims and its recommendation must be submitted to KCCDFI MBA Head Office for the decision of KCCDFI MBA General Manager. If, however, the MBA General Manager cannot make decision and recommendation, the case shall be referred to the Board of Trustees for final decision.

## **SECTION 19. BOARD OF TRUSTEES**

- 19.1 The Board of Trustees shall adopt a prudent cash management program to invest profitably all cash in excess of current disbursements.
- 19.2 The Board of Trustees shall set up each year sufficient reserves for the payment of claims and other obligations in accordance with actuarial procedures approved by the Insurance Commission and per the recommended calculations and procedures specified by the consulting actuary. If the reserve become impaired, the Board of Trustees shall require all members to pay KCCDFI MBA the amount of the member's equitable proportion of such deficiency as ascertained by the Board of Trustees. If the payment is not made, it shall stand as an indebtedness against the members and draw interest not to exceed FIVE PER CENTUM (5%) per annum compounded annually.
- 19.3 The Board of Trustees shall adopt a complete statistical program to gather and analyze all information related to the insurance program. The information should be collated and submitted annually to the consulting actuary for his analysis and evaluation so he can provide sound advice to the Board on matters pertaining to the solvency of the Fund.
- 19.4 KCCDFI MBA shall appropriate not more than TEN PER CENTUM (10%) of the life insurance gross contributions from its members as administrative expenses. The balance shall be used for paying benefits as described in Section 1 above.

## **SECTION 20. 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:

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*"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.

**SECTION 21. AMENDMENTS TO RULES AND REGULATIONS**

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

**SECTION 22. Availability of Implementing Rules and Regulation**

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

**IMPORTANT NOTICE**

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws relating to insurance and has supervision over mutual benefit associations. It is ready at all times to render assistance in settling any controversy between a mutual benefit association and a member relating to insurance matters.

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ANNEX 1.

TABLE OF LIFE INSURANCE BENEFITS			
Length of Membership	Cause of Death/Total and Permanent Disability	Benefits (in PHP)	
		Member	Spouse/Legal Dependent
6 months or less	Due to pre-existing conditions	2,000	None
	Due to Natural Death but not pre-existing conditions	3,000	None
	Due to Accident	100,000	20,000
More than 6 months up to 12 months	Due to Natural Death	10,000	2,500
	Due to Accident	100,000	20,000
More than 12 months	Due to Natural Death	50,000	10,000
	Due to Accident	100,000	20,000
Motor Vehicle Accidental Hospitalization		10,000	

ANNEX 2.

MONTHLY BENEFITS FOR TOTAL AND PERMANENT DISABILITY											
MONTH	PARTICULAR	CONTRIBUTION	MONTHLY BENEFITS								
1	NOTICE OF TPD	60	100,000	60,000	50,000	30,000	20,000	12,000	10,000	6,000	5,000
2-6	OBSERVATION	300	5,556	3,333	2,778	1,667	1,111	667	556	333	278
	TOTAL	360	27,780	16,667	13,890	8,335	5,555	3,335	2,780	1,665	1,390
	PAID CONTRIBUTION**		33,336	20,000	16,668	10,002	6,666	4,002	3,336	1,998	1,668
	TOTAL BENEFITS AFTER SIX (6) MONTHS		360	360	360	360	360	360	360	360	NONE
			33,696	20,360	17,028	10,362	7,026	4,362	3,696	2,358	1,668
7	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
8	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
9	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
10	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
11	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
12	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
13	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
14	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
15	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
16	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
17	MONTHLY BENEFITS	0	5,556	3,333	2,778	1,667	1,111	667	556	333	278
18	MONTHLY BENEFITS	0	5,548	3,337	2,774	1,661	1,113	661	548	339	274
	TOTAL BENEFITS		100,360	60,360	50,360	30,360	20,360	12,360	10,360	6,360	5,360

\*\* see explanation on Sec. 1.1.4 above

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## KCCDFI Mutual Benefit Association, Inc.

ANNEX KCCDFI Bldg., MCLL Highway, Guiwan, Zamboanga City 7000  
Telephone #: (062) 990.2429/ email: kccdfi\_mba@yahoo.com.ph  
TIN NO. 007-053-951-000

REGISTERED WITH INSURANCE COMMISSION  
LICENSE NO. : 2009-25-0



# Certificate Of Membership

CERTIFICATE NO. : \_\_\_\_\_

*This is to certify that*

\_\_\_\_\_ (MEMBER'S NAME)

of \_\_\_\_\_ (CENTER NAME)

of \_\_\_\_\_ (BRANCH NAME)

is a

# *Member*

of KCCDFI Mutual Benefit Association, Inc., (KCCDFI MBA) and is therefore entitled to all rights and privileges accruing thereto, provided his/her membership to the KCCDFI MBA is continuous and provided further that he/she abides faithfully by the Rules and Regulations of the KCCDFI MBA and all provisions appointed thereto.

This membership takes effect on \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_, \_\_\_\_\_.

APPROVED BY:

\_\_\_\_\_  
RANDY P. QUINDAY  
KCCDFI MBA General Manager

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
INSURANCE COMMISSION  
KINDANGA, AMIL  
President  
**APPROVED**

UNDER THE PROVISION OF SEC. 226 OF PRESIDENTIAL  
DECREE NO. 1162 OTHERWISE KNOWN AS THE INSURANCE  
CODE OF 1964.

October 29, 2010

Deputy Insurance Commissioner  
*[Signature]*  
Officer-In-Charge  
*[Signature]*



## BENEFITS FOR A RECOGNIZED MEMBER

The member shall make a weekly contribution of TWENTY pesos (PhP20.00; PhP15.00 for life insurance and PhP5.00 for retirement savings fund) to KCCDFI Mutual Benefit Association, Inc. (KCCDFI MBA) for protection against loss due to death, disability or hospital confinement. The Life Insurance Benefit covers the member and the member's legal dependents. If married, the member's legal dependents are the member's legal spouse, all single, biological or legally adopted children who are at least **TWO weeks** old but not more than 21 years old; biological children over 21 years old, single, disabled and incapacitated to work. If single and without biological children, the member's legal dependents are the member's biological parents more than 60 years old. If a member is single and with children, the member's legal dependents are his/her all single, biological or legally adopted children who are at least **TWO weeks** old but not more than 21 years old; biological children over 21 years old, single, disabled and incapacitated to work.

TABLE OF LIFE INSURANCE BENEFITS			
Length of Membership	Cause of Death/Total and Permanent Disability	Benefits (in PhP)	
		Member	Spouse/ Legal Dependent
6 months or less	Due to pre-existing conditions	2,000	None
	Due to Natural Death but not pre-existing conditions	3,000	None
	Due to Accident	100,000	20,000
6 months but less than 12 months	Due to Natural Death	10,000	2,500
	Due to Accident	100,000	20,000
	Due to Natural Death	50,000	10,000
More than 12 months	Due to Accident	100,000	20,000
	Motor Vehicle Accidental Hospitalization		10,000

### LOSS WITHIN SIX MONTHS OF MEMBERSHIP

**Pre-existing condition of member:** To maintain low contribution rates and to safeguard the funds of KCCDFI MBA, KCCDFI MBA is not liable to any loss claim (death, disability, hospital confinement) occurring during the first six months of membership or within six (6) months from the date of last reinstatement except if caused by accident and/or diseases acquired within that period as certified by a competent physician other than TWO THOUSAND PESOS (PhP2,000) gratuity for loss occurring within six (6) months from effective date of insurance coverage or within six (6) months from the date of last reinstatement.

**Pre-existing condition of legal dependents:** To maintain low contribution rates and to safeguard the funds of KCCDFI MBA, KCCDFI MBA is not liable to any death or disability claim occurring during the first six (6) months of membership or within six (6) months from the date of last reinstatement except if caused by accident and/or diseases acquired within that period as certified by a competent physician in case of a legal dependent's death.

**Pre-existing condition** is a condition for which the member received medical treatment or has consulted a physician for medical treatment or has been taking medications during the six (6) months prior to the effective date of membership or six (6) months from the date of last reinstatement.

### MOTOR VEHICLE ACCIDENTAL HOSPITALIZATION BENEFIT

In case an eligible member or the member's legal spouse is hospitalized due to vehicular accident occurring after the date of membership and resulting in confinement for at least 24 hours for treatment by a qualified physician, KCCDFI MBA will reimburse the actual medical expenses incurred within six (6) months from the date of accident for such treatment such as hospital charges and nurses fees up to a maximum of TEN THOUSAND PESOS (PhP10,000.00) per married couple per year. They shall no longer be entitled to this benefit once the maximum benefit of PhP10,000.00 has been paid.

### RETIREMENT SAVINGS FUND

A member shall pay a weekly contribution of FIVE PESOS (P5.00) which shall be credited to the fund for the account of the member.

Upon reaching the termination age of sixty-five or if a member resigns from KCCDFI MBA prior to age 65, the member shall be entitled to payment of 100% of the total contributions to Retirement Savings Fund during his/her period of membership plus interest earnings. Interest shall be credited to the accumulated fund every anniversary at a rate to be determined by the Board of Trustees but in no case less than 2% per annum.

### TERMINATION OF COVERAGE

A member's insurance coverage automatically terminates under the following conditions whichever comes first: upon death or total and permanent disability of the member; upon resignation from KCCDFI MBA; upon expiration of the 45-day grace period if no payment is received by then; upon withdrawal of the equity value on the insurance certificate; if membership is terminated with cause by KCCDFI MBA; upon reaching the exit/termination age of 65. Dependent's coverage terminates upon the termination of the member's coverage. Termination of coverage shall be without prejudice to any claim arising prior to such termination.

### MEMBER'S EQUITY VALUE

Upon termination of membership from KCCDFI MBA, the member shall be entitled to an equity value equivalent to at least FIFTY PERCENT (50%) of all life insurance contributions made, excluding contributions made from RSF. Interest shall be credited to the accumulated value every anniversary date at a rate to be determined by the Board of Trustees every year.

Upon reaching the termination age of 65, the member shall be entitled to payment of the member's equity value. For unclaimed member's equity value after reaching sixty-five, interest shall be credited to the equity value annually at a rate to be determined by the Board of Trustees but in no case less than 2% per annum.

It is understood that upon termination of membership, the calculation of member's equity value will not include the contributions to the retirement savings fund.

### NON-TRANSFERABILITY CLAUSE

This certificate of membership is not transferable.

### NOTICE OF CLAIM

The member or his/her beneficiary must inform the Board of Awards through KCCDFI MBA Main Office immediately upon death, injury, or total and permanent disability of a member or his/her legal dependents for claim verification, validation and immediate settlement.

The benefits described above shall be paid within ten (10) working days upon presentation of death or total and permanent disability certificate or proof of hospitalization with supporting receipts and itemized billing, 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.

### IMPORTANT NOTICE

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws relating to insurance and has supervision over mutual benefit associations. It is ready at all times to render assistance in settling any controversy between a mutual benefit association and a member relating to insurance matters.