

GENERAL PROVISIONS

GRACE PERIOD. - For the payment of any premium, except the first under this Policy, a grace period of sixty (60) days without interest shall be allowed, during which time the insurance shall remain in force, unless there is a written notice to discontinue received by the Association in advance of the date of discontinuance. In case of a claim arising during the grace period, the unpaid premium shall be deducted from the amount due under the Policy.

INCONTESTABILITY. - Except for non-payment of premiums or any other grounds recognized by law and jurisprudence, the Association cannot contest this Policy after it has been in force during the lifetime of the Insured for two (2) years from the Effectivity Date of this Policy or of its last reinstatement.

ENTIRE CONTRACT. - The Association issues this Policy in consideration of his application and the receipt of its initial premium. This Policy, its application, a copy of which is attached, and all attached riders and endorsements, constitute the entire Contract.

Only the Chairman of the Board of Trustees, the President or officers duly authorized in writing by the Board of Trustees have the authority to modify this contract. Any such modification must be in writing and signed by the authorized officer on behalf of the Association.

MISSTATEMENT OF AGE. - The issue age of the Insured is his age on his last birthday as of the Effectivity Date.

If the age of the Insured has been misstated, the amount of insurance will be adjusted to the amount which the premium would have purchased at the correct age, applicable risk class and applicable premium rate as of the Effectivity Date.

If at the correct age, the Insured is not eligible for any coverage under the Policy or its riders, the Association will refund the corresponding premiums actually received by the Association less incurred expenses in the processing of the insurance application.

SUICIDE. - The Association shall not be liable if the Insured dies by suicide within two (2) years after the Effectivity Date or date of last reinstatement of this Policy; 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 the Association is limited to the return of all premiums.

NON-PARTICIPATION. - The Policy does not share in the divisible surplus of the Association.

NON-FORFEITURE OPTIONS. - The Policy has no non-forfeiture options.

LAPSATION OF POLICY. - If the Policy Owner does not pay the premium by the end of the 60th-day grace period, this Policy will lapse and all its benefits will end.

REINSTATEMENT. - Subject to the approval of the Association, this Policy may be reinstated at any time within three (3) years from the due date of the premium in default provided that:

- a. a written application for reinstatement is submitted to the Association together with evidence of insurability of the Insured satisfactory to the Association; and
- b. all amounts necessary to put the Policy in force are received by the Association.

ASSIGNMENT. - The Association is not bound by any assignment of this Policy unless duly endorsed on this Policy. The Association assumes no responsibility for the effect, sufficiency or validity of any assignment. The Association has the right not to endorse any reassignment by any assignee.

BENEFICIARY. - The beneficiaries, unless prohibited by law, are the persons designated to receive the proceeds of the Policy upon the death of the Insured. Unless otherwise expressly changed by the Policy Owner, the beneficiaries are the persons as designated in the attached application of the Policy.

If all Beneficiaries are designated as "revocable", the Policy Owner may delete any beneficiary or designate new or additional beneficiaries and exercise any and all other rights and privileges under the Policy while in force.

If any Beneficiary is designated as "irrevocable", notwithstanding any contrary provision, the consent of such irrevocable beneficiary is required before the Policy Owner can exercise any and all other rights and privileges under the Policy.

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

The Policy Owner can change any beneficiary or beneficiary designation by written notice satisfactory to the Association together with the written consent of all irrevocable beneficiaries, subject to any assignment of the policy in the records of the Association.

If the Policy Owner fails to designate a beneficiary or no designated beneficiary survives the Insured, payment shall be made to the legal heirs in accordance with the law on succession.

PREMIUM. - All premiums are payable at the Head Office or other duly designated offices. The mode of premium payments is as stated in the Application of this Policy unless changed subject to the rules in effect at the time of such change. If any premium is paid before the date it falls due and if the Insured dies before the said date, the said premium shall be paid to the Beneficiary in addition to the proceeds of this Policy.

OWNER OF POLICY. - Before the death of the Insured, the Policy Owner alone shall be entitled to all rights granted by this Policy or allowed by the Association under this Policy. If the owner is a juridical entity, all rights of the Policy Owner belong to the juridical entity as constituted at the time a right is exercised. Unless otherwise specifically provided in this Policy, if the Policy Owner is a natural person and he dies before the Insured, all rights of the Policy Owner hereunder shall belong to: (a) his executor or administrator, or (b) in case this Policy is issued on the life of a juvenile or a person with disabilities not of legal age, to the judicial guardian of said Insured.

CLAIM SETTLEMENT. - All amounts payable by the Association are payable at its Office. Due proof of the Insured's death must be submitted to the Association at its Office. In any settlement hereunder, legal surrender of this policy shall be required. Except as otherwise provided or where contrary to law, no benefits accruing under this policy shall be transferrable, or subject to commutation, anticipation or encumbrance, or to legal process.

CONVERSION PRIVILEGE. - After the expiry date of the Policy, the Insured can convert his insurance under the Policy to a permanent life insurance without showing any evidence of insurability. However, the Insured may only exercise this privilege if:

- a. he shall apply for conversion and pay the first insurance premium to the Association within thirty (30) days after the expiry date;
- b. the new policy shall be for an amount equal to or less than his amount of insurance under this Policy that has been discontinued;
- c. the premium on the new policy shall be at the Association's then customary rate applicable to the form and amount of insurance policy applied for and to his attained age on his last birthday on the Effectivity Date of the new policy.
- d. the insured has not reached age 61 at the date of conversion of this policy.

LIMITATION OF ACTION.- No legal action on the Policy may be filed after five (5) years from the time the cause of action accrues.

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