



RBT Mutual Benefits Association, Inc.

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RULES AND REGULATIONS

A. BENEFITS

Rural Bank of Talisayan Mutual Benefits Association, Inc. (RBT MBA) shall pay the benefits of the Certificate of Membership to its member and his/her legal dependents in accordance with the following schedule (amounts in Philippine Pesos):

YEARS OF MEMBERSHIP	CAUSE OF DEATH & TOTAL and PERMANENT DISABILITY	AMOUNT OF BENEFITS					
		MEMBER		SPOUSE		LEGITIMATE CHILDREN OF MEMBER	
		AGE	AMT	AGE	AMT	AGE	AMT
Less than ONE YEAR	PRE-EXISTING CONDITIONS	18 but less than 65	1,000	18 but less than 65	NONE	ANY	NONE
	SICKNESS / ILLNESS NOT DUE TO PRE-EXISTING CONDITIONS	18 but less than 65	20,000	18 but less than 65	5,000	At least 90 days old but Less than 21 & single/ more than 21 yrs. old but disabled	3,000
	ACCIDENT	18 but less than 65	40,000	18 but less than 65	5,000		3,000
ONE YEAR but less than TWO YEARS	SICKNESS / ILLNESS	18 but less than 65	25,000	18 but less than 65	7,000	At least 90 days old but Less than 21 & single/ more than 21 yrs. old but disabled	4,000
	ACCIDENT	18 but less than 65	50,000	18 but less than 65	7,000		4,000
TWO YEARS but less than THREE YEARS	SICKNESS / ILLNESS	18 but less than 65	27,500	18 but less than 65	10,000	At least 90 days old but Less than 21 & single/ more than 21 yrs. old but disabled	5,000
	ACCIDENT	18 but less than 65	55,000	18 but less than 65	10,000		5,000
THREE YEARS OR MORE	SICKNESS / ILLNESS	18 but less than 65	30,000	18 but less than 65	10,000	At least 90 days old but Less than 21 & single/ more than 21 yrs. old but disabled	5,000
	ACCIDENT	18 but less than 65	60,000	18 but less than 65	10,000		
MEDICAL REIMBURSEMENT OF Php1,000 PER 12 MONTHS OF MEMBERSHIP UPON HOSPITAL CONFINEMENT							

APPROVED:
 UNDER THE PROVISION OF SECTION 226
 OF THE INSURANCE CODE OF 1978 (P.D. NO. 1460)
September 15, 2006


INSURANCE COMMISSIONER

NOTES:

- It is understood that upon death or total and permanent disability of the member, his/her certificate of membership is automatically terminated.
- Accident is defined as a loss 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.
- It is understood that once the benefit has been paid for the member's legal dependents' total and permanent disability then no more benefits are payable in case of the dependent's subsequent death.
- Pre-existing condition is a condition for which the member received treatment or has consulted a physician for treatment or has been taking medications during the twelve months prior to the effective date of membership or six (6) months from the date of last reinstatement.

Medical reimbursement:

In case an eligible member or a member's eligible legal dependent has an accident or serious illness occurring at least 3 months after membership date and resulting in hospital confinement for at least twenty-four (24) hours for purpose of treatment by a qualified physician the member shall receive a maximum benefit of ONE THOUSAND PESOS (**PhP1,000**) for reimbursement of eligible expenses incurred during confinement. The following conditions and definitions apply:

- a. **Eligible members** are those aged not more than sixty (60) years old with at least 3 months of continuous membership;
- b. A member and his/her legal dependents may not avail of this benefit for more than one hospital confinement in any given year of membership;
- c. In case the benefit is not availed of in a given year it may not be carried forward to a later year;
- d. A **physician** or **surgeon** is defined as a person legally registered to practice medicine in the geographical location where the services to the patient have been rendered;
- e. **Eligible expenses** include physician's and surgeon's fees, prescribed drugs used for treating the patient during confinement, hospital room charges, X-rays and laboratory tests, and bandages. Food, food supplements, and transportation expenses are not covered. **Expenses incurred during confinements** for purpose of cosmetic surgery or childbirth shall not be eligible for reimbursement.

B. MEMBERSHIP

- a. Applicants must be at least eighteen (18) years old but not more than sixty (60) years old as of the enrollment date. Only those applicants who can meet all of the requirements stated on the prescribed application form shall be eligible for membership.
- b. Members rolling over from the current program **shall count towards meeting the pre-existing condition** described in section A above. The period of coverage in the prior insurance program **shall however NOT count towards the three (3) years membership requirement to be eligible for member's equity** as described in Section H below.

- c. **Eligible legal dependents** include the member's legally married spouse but not more than sixty (60) years old and his/her single and legitimate and/or legally adopted children aged at least ninety (90) days old but no more than twenty-one (21) years old, or legitimate children over twenty-one (21) years old but single and disabled to the degree where he/she is incapacitated to work, provided that the member is not more than sixty (60) years old and has at least 3 months of continuous membership;
- d. Any willful misstatement of age in the application that would render a person eligible for coverage when he/she would otherwise be ineligible shall be sufficient cause for the cancellation of one's membership in RBT MBA at any time such misstatement is known. RBT MBA will only refund all contributions paid by the disqualified member.
- e. The right to designate beneficiaries is reserved to every member of RBT MBA, who may, at anytime, designate a new beneficiary or beneficiaries. Such request for change of beneficiaries must be in writing and signed by the member under oath, then submitted to RBT MBA office or designated authorized collection centers.
- f. When a member dies without any designation of beneficiaries, the benefits shall be awarded to the legal heirs based on law.
- g. 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.

C. SUICIDE CLAUSE

RBT MBA will not be liable if the member and/or his/her legal dependent dies by suicide within two (2) years after the effective date or date of last reinstatement of the Certificate of Membership, provided, however, that suicide committed in state of insanity will be compensable regardless of the date of commission.

Where suicide is not compensable, RBT MBA's liability shall be limited to the return of all contributions paid.

D. PRE-EXISTING CONDITIONS

- a. **Pre-existing condition of member:** To maintain low contribution rates and to safeguard the funds of RBT MBA, RBT MBA is not liable for any loss (death, total and permanent disability, hospital confinement) occurring during the first year 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 ONE THOUSAND PESOS (PhP1,000.00) gratuity in case of member's death or total and permanent disability due to pre-existing condition.
- b. Pre-existing condition is a condition for which the member received treatment or has consulted a physician for treatment or has been taking medications during the twelve months prior to the effective date of membership or six (6) months from the date of last reinstatement.

E. VOLUNTARILY RESIGNED MEMBERS RE-APPLYING FOR NEW MEMBERSHIP

- a. 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.
- b. 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.

F. TOTAL AND PERMANENT DISABILITY

Total and permanent disability shall mean disability caused by bodily injury or disease which

- a. Prevents the member or his/her legal dependent from engaging in any gainful activity; and,
- b. Must continue uninterrupted for at least six (6) months.

There are two types of TPD coverage:

1. Disability with dismemberment – The loss of both 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.
2. Disability without dismemberment – If a member or his/her legal dependent becomes sick or meets an accident without dismemberment resulting to complete inability to engage in any gainful employment and becomes bedridden, he or she can be considered as total and permanently disabled if after six (6) months the health condition has not improved as confirmed by a competent doctor.

G. CONTRIBUTIONS AND FEES

- a. Members shall be charged TWENTY PESOS (**PhP20.00**) contribution per week for benefits described in Section A. above.
- b. Members shall be charged a one-time THREE HUNDRED PESOS (**PhP300.00**) application fee in order 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.
- c. The fees and contributions may be adjusted by the Board of Trustees as may be necessary to maintain the funds of RBT MBA at a level adequate to meet its benefit obligations or commitments under the insurance plan. Any change in the contribution or fee is subject to approval by the Insurance Commission.
- d. Contributions may be paid by direct remittance to any RBT MBA Office or designated authorized collection centers either by Postal Money Order or in cash. If paid by Postal Money Order, contributions are considered paid on the date of Postal Money Order and if paid in cash, the date of receipt in the RBT MBA office or authorized collection center.

- e. Postal Money Order for group remittance of the weekly contributions shall be accompanied with a list of individual remitters. In the absence of said list, the Money Order shall not be considered as contribution payments.
- f. Payments and/or instruments for payment of the weekly contributions made and executed not in accordance with the Rules and Regulations of RBT MBA shall not be accepted and if inadvertently accepted shall be considered null and void and will be refunded.

H. MEMBER'S EQUITY

- a. After three (3) full years of continuous membership in RBT MBA, a member shall be entitled to an equity value equivalent to at least FIFTY PER CENTUM (50%) of the total membership dues/contributions collected from him/her. This is payable upon termination of his/her membership from RBT MBA except upon death or total and permanent disability.
- b. Upon reaching the termination age of sixty-five, 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 at a rate to be determined by the Board of Trustees but in no case less than 2% per year.

I. EFFECTIVITY

- a. Membership in RBT MBA shall take effect immediately 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.
- b. A certificate of membership containing the date of effectivity of membership, a summary of benefits and excerpts of the Rules and Regulations of RBT MBA shall be issued to each and every member upon approval of the application for membership.

J. GRACE PERIOD

- a. Any member who fails to pay his/her contribution shall be given a grace period of thirty-one (31) days within which to remit the contributions.
- b. In case of death, total and permanent disability, or hospital confinement of the member or legal dependent during the grace period, the balance of the contribution in arrears shall automatically be deducted from the benefits payable.
- c. If after the thirty-one (31) day grace period no contribution payments are received, the membership shall lapse and in the event of death, total and permanent disability or hospitalization no benefit will accrue to the member or to the beneficiaries of the deceased member other than the member's equity value.

K. TERMINATION OF COVERAGE

A member's coverage automatically terminates under the following conditions whichever comes first:

- a. Upon death or total and permanent disability of the member;

- b. Upon resignation from RBT MBA;
- c. Upon expiration of the grace period if no payment is received by then;
- d. Upon withdrawal of the equity value on the insurance certificate;
- e. If the membership is terminated with cause by RBT MBA;
- f. 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.

L. REINSTATEMENT OF MEMBERSHIP AND COVERAGE

- a. Membership may be reactivated provided the member is in good health and fulfills all of the requirements as stated in the Reinstatement Declaration form. The reinstatement shall take effect upon payment of the required weekly contributions in arrears and payment of a reinstatement fee of TEN PESOS (PhP10.00).
- b. If the member cannot afford to pay all the contributions in arrears, he/she may pay only one weekly contribution and his/her membership will be reactivated. But the number of days he/she was on leave/resigned will be deducted in computing the effective number of years of his/her membership.
- c. The member is eligible for reinstatement within a period of three (3) years from the date of lapse. After the three-year period, the membership is cancelled.

M. NOTICE AND PROOF OF CLAIM

- a. When a member dies or becomes totally and permanently disabled or is hospitalized, or upon the death or total and permanent disability or hospitalization of the member's legal spouse or legitimate dependents, the member or the beneficiary shall notify the Benefits Review Committee through the Center Chief to which said member belongs of such death or total and permanent disability or hospitalization, stating the full name and address of the deceased or disabled or patient, the cause of death or total and permanent disability or hospitalization, the date of death or total and permanent disability or hospitalization, the address and full name(s) of the beneficiary/ies. The claim for benefit should be filed within six (6) months after death or total and permanent disability or hospitalization with any RBT MBA office.
- b. The benefits described in Section A. above shall be paid upon presentation of death or total and permanent disability certificate or proof of hospitalization with supporting receipts and detailed 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 who among them shall receive the payment in the event that there is more than one beneficiary.
- c. 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 each was given as soon as was reasonably possible.

N. ASSIGNMENT OF CERTIFICATE OF MEMBERSHIP

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

O. NON-TRANSFERABILITY CLAUSE

The Certificate of Membership is not transferable.

P. BENEFITS REVIEW COMMITTEE

A Benefits Review Committee composed of five (5) members shall be the body to recommend the payment of claims for benefit. No action of the Committee shall be valid unless it is a decision of the majority. A majority constitutes at least three (3) members of the Benefits Review Committee. The Benefits Review Committee shall likewise recommend the release of Benefit and furthermore cause the release of the benefit to the beneficiaries upon approval. In case of indecision, the result of the evaluation of cases and recommendation must be submitted to RBT MBA Head Office for the decision of RBT MBA President. If, however, the RBT MBA President cannot make a decision and recommendation the case shall be referred to the Board of Trustees for final decision.

Q. BOARD OF TRUSTEES

The Board of Trustees shall adopt a prudent cash management program to invest profitably all cash in excess of current disbursements.

RBT MBA shall deduct not more than 20% of the weekly life insurance contributions from its members as administrative expenses (in addition to the membership fees). The balance shall be used for paying benefits as outlined in Section A. above.

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 reserves become impaired, the Board of Trustees shall require all members to pay RBT 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.

R. WAIVER OF ARTICLE 1250 OF THE CIVIL CODE

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

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

shall not apply in determining the extent of the liability under the provisions of the certificate of membership.

S. PENAL PROVISION

Any member of RBT MBA, 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 RBT MBA.

T. AMENDMENTS TO RULES AND REGULATIONS

Any amendment/s made to this Rules and Regulations is/are subject to approval by the Insurance Commission.

IMPORTANT NOTICE

The Rules and Regulations of RBT 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 RBT MBA and is available to the member for inspection during its regular office hours.

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws 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.