

<b>DIVIDEND POLICY</b>	
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As stated in IC Circular 2015-46, Rules in the Application of Section 408, Paragraph 3 of the Amended Insurance Code on Free and Unassigned Surplus.

Section 1: Applicable Provision. Section 408, paragraph 3 of the Insurance Code, as amended provides that:

“A mutual benefit association shall only maintain free and unassigned surplus of not more than twenty percent (20%) of its total liabilities as verified by the Commissioner. Any amount in the excess shall be returned to the members by way of dividends, enhancing the equity value or providing benefits in kind and other relevant services. In addition, subject to the approval of the Commissioner, a mutual benefit association may allocate a portion for the capacity building and research and development such as developing new products and services, upgrading and improving operating systems and equipment and continuing member education.”

Section 2. Definition of Terms.

d. Dividends. – This term shall be construed to mean as any additional benefit, whether in cash or in kind, given to members of an MBA. The term shall not be construed as dividends for stock corporation as defined under the Corporation Code of the Philippines and as dividends payable, if any, under a participating plan.

With these, NATCCO MBAI's free and unassigned surplus in excess of 20% will be distributed to members by enhancing equity value or providing benefits in kind and other relevant services. Moreover, as approved by the Commissioner, NATCCO MBAI may allocate a portion for the capacity building and research and development such as developing new products and services, upgrading and improving operating systems and equipment and continuing member education.