

<b>NATCCO MUTUAL BENEFIT ASSOCIATION, INC.</b>
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<b>MEMBERSHIP WITHDRAWAL POLICY</b>
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Version #1, June 14, 2019
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## **I. POLICY OBJECTIVES:**

1. To clearly define Equity Value;
2. To have proper guidelines in the approval of Member's request for surrender of certificate or membership withdrawal;
3. To identify the specific form to be used for the surrender of certificate or membership withdrawal

## **II. BACKGROUND**

As indicated in the NATCCO MBAI's Insurance Commission approved Rules and Regulations of the Mutual Aid System (MAS):

### **EQUITY VALUE**

"Fifty percent (50%) of the basic contribution of the Member shall form part of his Equity Value. The Equity Value shall earn interest as declared by the Association but in no case lower than the average deposit interest that the top three banks in the country offer for their savings deposit. The Equity Value shall also share in the divisible surplus, if any, of the Association."

**"The member may withdraw his Equity Value upon surrender of his certificate."**

### **CONTRIBUTIONS**

"Upon membership in the Association and every month thereafter, each Member shall contribute thirty pesos (PhP30.00)."

### **CONTRIBUTION LOAN**

"Any contribution due remaining unpaid at the end of Grace Period is automatically paid as a loan against the Equity Value. The loan together with interest is payable on or before his next contribution due date, but if not paid, both loan and interest automatically becomes a new loan on such contribution due date on which interest will be charged at the rate in effect from that date."

“When equity Value less any indebtedness becomes less than the monthly contribution due, the Certificate of Membership shall continue only for the proportion of a month of a year which the Equity Value less the indebtedness bears to fifty percent of the monthly contribution. The Member shall be informed in writing of the remaining term of coverage.”

“All loans and their interest are deducted automatically from any amount payable under this system. The certificate of Membership automatically terminates if the total debt of a Member exceeds his Equity Value.”

### III. MEMBER’S EQUITY VALUE

1. The NATCCO MBAI Basic Life Insurance Product is a Family Yearly Renewable Plan, that insures the life of the Member and his dependents. Members are encouraged to renew their Insurance Policy every year.
2. As indicated in the NATCCO MBAI Mutual Aid System, 50% of the basic contribution of the Basic Life Insurance goes to the Member’s Equity Value.
3. The monthly basic contribution is equal to thirty pesos (PhP30.00), or three hundred sixty pesos (PhP360.00) per annum.
4. The Member’s monthly Equity Value is equal to fifteen pesos (PhP15.00), or one hundred eighty pesos (PhP180.00) per annum.
5. The Equity Value earns interest not lower than the average deposit interest that the top three banks in the country offer for their savings deposit.
6. Any contribution due remaining unpaid at the end of Grace Period is automatically paid as a loan against the Equity Value, thus, for every unpaid monthly contribution, the Association treat this as a Policy Loan and the amount is deducted from the Equity Value.
7. The certificate of Membership automatically terminates if the total debt of a Member exceeds his Equity Value.

### IV. WITHDRAWAL OF EQUITY VALUE

1. A Member may withdraw his Equity Value upon surrender of his certificate (membership), if:
  - 1.1 Member’s Basic Life Insurance Life Policy is **Active**.
    - a. Policy is considered Active if it is within the 12-month coverage; or
    - b. Equity Value is greater than the Policy’s indebtedness
2. If the Member surrender his certificate, all remaining Equity Value plus the total earned interest will be released to the Member.

3. Any claim that arises after the surrender of the certificate will no longer be payable.

## V. HOW TO WITHDRAW THE EQUITY VALUE

1. Member who wishes to surrender his certificate must completely fill-out and sign the *NATCCO MBAI\_Membership Withdrawal Form*”, and submit this to NATCCO MBAI. Member may submit through his Cooperative.
2. Upon receipt of the form, NATCCO MBAI will check the Member’s record of Insurance Policy(ies).
3. A summary of Policy(ies) will be generated with the following information:
  - a. Principal Name
  - b. Policy Number
  - c. Policy Start Date
  - d. Policy Expiry Date
  - e. Total amount of Equity Value
  - f. Total amount of interest earned by the Equity Value
  - g. Total amount to be released to the Member
4. Check will be processed and will be released to the Member or through the Cooperative. Summary of Policy information will also be given to the Member.
5. Check should be released to the Member (or cooperative) within five (5) working days.
6. Affected Policy(ies) will be the tag as “Surrendered (SU)”.