



Terms and Conditions of the GSIS Enhanced Life Policy (ELP)

Name of the Insurance Cover

The insurance is a yearly term renewable life insurance cover based on the Policyholder's fixed monthly compensation.

Payment of Premiums

The premium on this insurance cover (henceforth referred to as "cover") is integrated with the compulsory premium contributions for members, to wit:

Monthly Compensation	Rate of Contribution		
	Employee	Employer	Total
Actual Basic Salary	9%	12%	21%

Life and Retirement Component			
Rate of Contribution			
Monthly Compensation			
Life	Retirement	Life	Retirement
Actual Basic Salary	9%	12%	21%

All premiums on this cover are payable through monthly salary deduction. Such monthly premium payment shall be due on the 10th day for the month following the month for which the premiums apply.

Policy Year

The period of coverage shall be on a 12-month cycle computed from date of issue of coverage and every year thereafter until the lapse of the policy or is terminated in accordance with the provisions hereunder. In case of a policy lapse, the yearly cycle shall start from the date of reinstatement of the cover.

In the event of death of the Policyholder within the policy year, the unpaid premiums for the remaining months of the policy year shall no longer be collected.

Automatic 90-day Cover

Newly-appointed employees of government shall be automatically covered by a 90-day life insurance cover under the terms and conditions set forth herein, without need of formalizing said cover with an insurance policy. The insurance cover shall take effect even without receipt by the GSIS of the corresponding life insurance premiums due and without any formal notice of his appointment. However, it shall automatically lapse if no premium for compulsory life insurance is received after the 90-day cover.

Termination Value

The policy shall earn a Termination Value accumulating during its life based on the corresponding premiums duly paid and remitted, subject to the following conditions:

The termination value earned under the policy shall be equivalent to 25% for every monthly life insurance premium due and paid in full for the current month. In addition, the accumulated termination value shall increase in such rates depending upon the earnings of the fund as may be computed by the Actuary of the GSIS.

The termination value can be withdrawn by the Policyholder only upon his separation or retirement from government service less the total indebtedness of the member in the form of policy loan, unpaid premiums, or such other existing indebtedness of the member with the GSIS.

In the event of death of the Policyholder, whatever termination value accumulated thus far on the cover cannot be withdrawn. And in lieu thereof, the death benefits due shall be paid to the Policyholder's qualified beneficiaries.

Death Benefit

Upon the death of the Policyholder during the term of the cover, his/her qualified beneficiaries are entitled to receive the death benefits. The death benefit shall be the latest salary of the Policyholder, as appearing in the GSIS database, preceding to his death, multiplied by an Amount of Insurance (AOI) factor. The AOI Factor shall be periodically reviewed by the Actuary and may be adjusted upon approval by the Board of Trustees.

The gross amount of insurance representing the death benefit shall, however, be at all times, subject to deductions for unpaid premium contributions due on the policy years and for all forms of indebtedness which the member or Policyholder, during his lifetime, may have incurred with GSIS.

Beneficiary

In the event of death of the Policyholder, the death benefit shall be distributed in accordance with the provisions on intestate succession under the New Civil Code of the Philippines.

In case the deceased Policyholder has no qualified beneficiaries, the death benefits under this cover shall revert to GSIS.

Policy Loan

A loan may be availed by the Policyholder secured against the accumulated termination value of the cover. The total amount that may be availed of shall not exceed 90% of the accumulated termination value of the cover subject to an interest of 8% per annum compounded monthly.

Dividends

The cover shall earn dividends on the basis of the earnings realized by the accumulated termination value of the policy. The declared interest earning rate shall be determined by the Actuary and approved by the Board of Trustees. Payment of and eligibility to the dividends shall be in accordance with the implementing rules and regulations approved by the Board of Trustees.

Policy Lapse

In case of non-payment of premiums due for this cover, the following shall be observed:

The Policyholder shall have a grace period of 60 days to pay the premiums due thru agency remittance. The 60-day period will start from the day the subject premiums became due and unpaid without need of formal notice to the Policyholder. However, if the Policyholder dies during the grace period, the death benefits shall be paid to his qualified beneficiaries less all outstanding obligations which the Policyholder has with GSIS during his lifetime.

If after the grace period, the premiums due remain unpaid, the cover will automatically lapse and cease to be of in force and effect without need of prior notice to the Policyholder.

After the lapse of the cover, all outstanding obligations secured against the accumulated termination value, including interest, shall likewise, be deducted from said termination value. If, however, after applying the said outstanding obligations, there is still a remaining balance left unpaid, the remaining unpaid account shall be considered as a personal loan of the Policyholder with interest at the rate of 8% per annum and shall be subject to the usual policies of GSIS for collection of member's loans.

Reinstated

A cover which lapsed due to non-payment of the corresponding premiums shall automatically be reinstated on the date the life insurance premiums are paid and remitted to GSIS for the account of the Policyholder effective on the date of payment thereof.

Indebtedness

Any form of indebtedness by the Policyholder with GSIS shall be settled in accordance with Section 5 and 6 above.

Effect of Dismissal, Separation or Retirement from the Service

When the Policyholder ceases to be in the service either by dismissal, separation or retirement, this cover shall automatically be terminated without need of prior notice. Upon the lapse of this cover, the following shall be observed:

The accumulated termination value, if any, less all outstanding obligations of the Policyholder with GSIS shall be paid. If no claims were made by the Policyholder on said accumulated termination value, the said termination value, net of all outstanding obligations, shall be held in trust of his behalf.

After the termination of this cover, the beneficiaries of the Policyholder cannot claim for death benefit but may claim for the unclaimed termination value, if any.

In case of the return of the Policyholder in active service:

If no termination value was paid, this cover shall automatically be reinstated on the date of the first premium payment for the reinstated service is received. Any unclaimed termination value shall accrue to the reinstated cover.

If termination value was paid, the cover shall automatically be reissued on the date of the first premium payment. At the time of re-issuance, the termination value of the cover shall start from zero.

Assignment of Proceeds

The proceeds of this cover shall not be assignable, except to GSIS.

Settlement of Claims

Settlement of any benefit under this cover shall be subject to the submission of satisfactory documentary proof/s or information that the GSIS may require.