

**FIRST UNION PLANS, INC.  
MEMORANDUM**

**TO : MR. ROMEO C. KAGALINGAN**  
**President**

**FROM : MARIE ANTONIETTE C. PATANA**  
**Operations Head**

**SUBJECT : PROCEDURAL GUIDELINES MANUAL**

**DATE : June 11, 2015**

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Please find attached the following procedural guidelines manual for your approval:

1. Plan Application Processing and Maintenance
2. Pre-need Plan Termination
3. Pre-need Plan Maturities

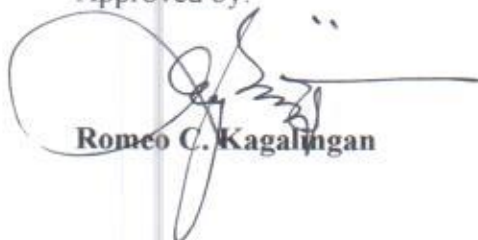
Recommended by:

  
**Marie Antoniette C. Patana**

Noted by:

  
**Rebecca M. Dela Cruz**

Approved by:

  
**Romeo C. Kagalingan**

## **A. NAME OF PROCEDURE: FUP PLAN APPLICATION PROCESSING AND MAINTENANCE**

### **B. GENERAL GUIDELINES**

1. As a general rule, clients who wish to purchase a pre-need plan shall be required to accomplish a Plan Application Form. Photocopy of the client's two valid identification cards shall be attached to the Form together with the initial payment via SD/RM to FUP FINEX (Financial Executives).
2. Clients with incomplete information on their Plan Application Form shall be returned to Sales/Financial Executive for compliance. Feedback shall be provided not later than two (2) working days from the date the applications were referred. If the client fails to comply within 30 calendar days from the date of the plan payment, the Form shall be referred to FUP-Sales for disposition.
3. Applications shall be subject to medical evaluation by the Insurance Provider. If there are any medical findings, the client shall be advised of the additional requirements thru FUP Sales/Financial Executives. If the client fails to comply with the requirements within 30 calendar days from the date of the letter from the Insurance Provider, the client shall be requested to confirm if the plan is to be continued without insurance coverage or if the payment shall be refunded in full to the client.
4. If there are no medical findings, the plan agreement or policy together with the Full Payment Certificate and Insurance Certificate shall be delivered to the planholder via SD/RM/FINEX or by pouching thru Message Center not later than 10 working days from the date the plan was approved.

### **C. DETAILED PROCEDURES**

#### **5. Acceptance of Plan Application Forms.**

- a. The client shall accomplish the Plan Application Form and submit it together with the initial receipt of payment to the client's designated SD/RM/FINEX
- b. FINEX will submit to FUP Admin the following requirements if client is an individual:
  - Completely filled-up Plan Application Form;
  - UnionBank's Transaction Receipt;
  - two (2) valid IDs; foreigners to provide ACR;
  - GYRT Form if insurance is assigned to other person; and
  - Waiver of insurance coverage if client does not want to avail.

c. Requirements if client is a Company:

- Completely filled-up Plan Application Form;
- UnionBank's Transaction Receipt;
- Notarized Secretary's Certificate on Board approval to invest on authorized signatories;
- Two (2) valid IDs each of the company's signatories;
- Group Yearly Renewable Term (GYRT Form if insurance is assigned to other person; and
- Waiver of insurance coverage if client does not want to avail

**NOTE:** *In cases wherein scanned copies of the application forms are submitted first by the FINEX, the forms will be processed but issuance of the policy will be put on hold until submission of the original.*

d. If the requirements are complete, FUP Admin will forward to FUP Operations Staff.

## **6. Plan Application Form Processing**

a. Upon receipt of the Plan Application Form, the designated Operations Staff shall forward them to the Insurance Provider:

b. Upon receipt of the information, the insurance provider shall:

- Evaluate the planholder.
- Notify Operations Staff not later than two (2) working days from receipt of the file the result of the evaluation.
- If no feedback is received, to email and follow-up on the third day.
- If there are additional requirements, generate and forward to FUP Operations a letter advising the client of such requirements.
- Advise FUP Operations cc: CPS-FS via email of the results of the evaluation, i.e., whether the insurance coverage is approved or pending with additional medical requirements.

c. Upon receipt of the approval from the insurance provider, the designated FUP Operations Staff shall forward the approval thru email to CPS with advice to print the policy.



- d. Upon receipt of the insurance provider's approval of the plan, the designated CPS-FS shall print the policy and plan specification page and send them to FUP Operations *within five (5) working days upon advice of insurance approval.*
- e. CPS-FS to check if application is within the approved securities issued by the Insurance Commission.

## **7. Issuance of Policy**

- a. Upon receipt of policy and plan specification page from CPS-FS, FUP-Operations shall:
- print the Full Payment Certificate;
  - route the policy, plan specification page and Full Payment Certificate for signature of the President;
  - ensure that the Insurance Certificates have been received from Insurance Provider; and
  - upon confirmation of completeness of requirements, release the Policy with Plan Specification Page, Full Payment Certificate and the Insurance Certificate (if applicable) to the FINEX/RM or Planholder.
- b. Update Customer Service Management System (CSMS).

## **8. Plan Transfer or Change of Planholder**

Transfer of rights and privileges of the planholder, except insurance coverage to another person including the beneficiary in case of death of planholder, called the Transferee, is allowed under the following conditions:

- a. submission of a written request of the planholder naming the transferee;
- b. submission of the new application signed by the transferee;
- c. two (2) valid IDs of the transferee;
- d. for purposes of insurance coverage, the transferee shall be considered as a new applicant and is entitled to the insurance benefit of Group Yearly Renewable Term (GYRT);
- e. submission of Certificate of Death of the planholder by the primary beneficiary; and
- f. payment of plan transfer processing fee of PHP1,000.00

*NOTE: for the processing, refer to No. 6 and 7.*

## **9. Plan Reprinting**

In cases wherein the policy was lost by the planholder, plan reprinting is allowed thru submission of the following :

- a. a written request of the planholder;
- b. notarized Affidavit of Loss;
- c. two (2) valid IDs of the planholder;
- d. payment of plan reprinting processing fee of PHP500.00.

*NOTE: for the processing, refer to No. 6 and 7. Request for waiving of the processing fee will be upon approval of the President of FUP.*

## **REFERENCES:**

- 1. Definition of Terms
- 2. Products Manual

**A. NAME OF PROCEDURE: FUP PRE-NEED PLAN TERMINATION**

**B. GENERAL GUIDELINES**

1.The plan shall be considered terminated when:

- a.The planholder gives written notice of his intention/desire to terminate the plan; or
- b.The planholder fails to reinstate within the two-year reinstatement period reckoned from the last unpaid due date (date of lapsation); or
- c.All maturity benefits have been paid to the planholder, his/her beneficiaries, or his/her estate.

2.The planholder may request for termination of the plan subject to the following conditions:

- a.The plan is in force and is not in delinquent status.
- b.The planholder submits the original plan agreement and a written request for termination of the plan and other documents listed in Number 5.
- c.Such surrender is approved by the designated approving authorities.

3.The schedule of termination values shall be as follows rounded down to the last anniversary month:

**3.1 )** For IF4 policies with effective date April 16, 2015 to present:

**INCOME FUND 4\_ MONTHLY TERMINATION VALUES (Per P100k GCP)**

**LUMP SUM BENEFIT**

MONTH	TV_YR 1	MONTH	TV_YR 2	MONTH	TV_YR 3	MONTH	TV_YR 4	MONTH	TV_YR 5
1	89,219.00	13	96,251.00	25	101,805.00	37	107,697.00	49	113,949.00
2	89,816.00	14	96,712.00	26	102,293.00	38	108,216.00	50	114,499.00
3	90,414.00	15	97,172.00	27	102,782.00	39	108,734.00	51	115,049.00
4	91,011.00	16	97,633.00	28	103,270.00	40	109,252.00	52	115,599.00
5	91,609.00	17	98,093.00	29	103,759.00	41	109,771.00	53	116,149.00
6	92,206.00	18	98,554.00	30	104,248.00	42	110,289.00	54	116,700.00
7	92,804.00	19	99,014.00	31	104,736.00	43	110,807.00	55	117,250.00
8	93,401.00	20	99,474.00	32	105,225.00	44	111,326.00	56	117,800.00
9	93,999.00	21	99,935.00	33	105,713.00	45	111,844.00	57	118,350.00
10	94,596.00	22	100,395.00	34	106,202.00	46	112,362.00	58	118,900.00
11	95,194.00	23	100,856.00	35	106,690.00	47	112,881.00	59	119,450.00
12	95,791.00	24	101,316.00	36	107,179.00	48	113,399.00	60	120,000.00



WITH PAYOUT BENEFIT

MONTH	TV_YR 1	MONTH	TV_YR 2	MONTH	TV_YR 3	MONTH	TV_YR 4	MONTH	TV_YR 5
1	89,378.00	13	96,422.00	25	98,216.00	37	100,114.00	49	102,123.00
2	89,977.00	14	96,884.00	26	98,686.00	38	100,593.00	50	102,612.00
3	90,575.00	15	97,345.00	27	99,156.00	39	101,072.00	51	103,101.00
4	91,174.00	16	97,806.00	28	99,626.00	40	101,551.00	52	103,589.00
5	91,772.00	17	98,267.00	29	100,096.00	41	102,030.00	53	104,078.00
6	92,371.00	18	98,729.00	30	100,566.00	42	102,510.00	54	104,567.00
7	92,969.00	19	99,190.00	31	101,035.00	43	102,989.00	55	105,056.00
8	93,567.00	20	99,651.00	32	101,505.00	44	103,468.00	56	105,545.00
9	94,166.00	21	100,112.00	33	101,975.00	45	103,947.00	57	106,034.00
10	94,764.00	22	100,574.00	34	102,445.00	46	104,426.00	58	106,522.00
11	95,363.00	23	101,035.00	35	102,915.00	47	104,905.00	59	107,011.00
12	95,961.00	24	101,496.00	36	103,385.00	48	105,384.00	60	107,500.00

3.2) For IF3 policies with effective date June 2013 to May 2015:

INCOME FUND 3 MONTHLY TERMINATION VALUES (Per P100k GCP)

MONTH	TV_YR 1	MONTH	TV_YR 2	MONTH	TV_YR 3
1	92,011.00	13	96,277.00	25	100,742.00
2	92,368.00	14	96,650.00	26	101,132.00
3	92,726.00	15	97,024.00	27	101,524.00
4	93,085.00	16	97,400.00	28	101,917.00
5	93,446.00	17	97,777.00	29	102,312.00
6	93,808.00	18	98,156.00	30	102,708.00
7	94,171.00	19	98,536.00	31	103,106.00
8	94,536.00	20	98,918.00	32	103,506.00
9	94,902.00	21	99,301.00	33	103,907.00
10	95,270.00	22	99,686.00	34	104,310.00
11	95,639.00	23	100,072.00	35	104,714.00
12	96,010.00	24	100,460.00	36	105,120.00

MONTH	TV_YR 4	MONTH	TV_YR 5
37	105,419.00	49	110,211.00
38	105,827.00	50	110,638.00
39	106,237.00	51	111,067.00
40	106,649.00	52	111,497.00
41	107,062.00	53	111,929.00
42	107,477.00	54	112,363.00
43	107,893.00	55	112,798.00
44	108,311.00	56	113,235.00
45	108,731.00	57	113,674.00
46	109,152.00	58	114,114.00
47	109,575.00	59	114,556.00
48	110,000.00	60	115,000.00

**3.3) For IF2 policies with effective date June 2010 to May 2013 (IC-approved):**

IF2_1/5_MONTHLY TERMINATION VALUES (Per P100k GCP)									
MONTH	TV_YR 1	MONTH	TV_YR 2	MONTH	TV_YR 3	MONTH	TV_YR 4	MONTH	TV_YR 5
1	87,336	13	93,941	25	100,848	37	108,415	49	116,485
2	87,898	14	94,444	26	101,497	38	109,113	50	117,235
3	88,484	15	95,052	27	102,150	39	109,815	51	117,989
4	89,033	16	95,664	28	102,808	40	110,521	52	118,748
5	89,606	17	96,279	29	103,469	41	111,233	53	119,512
6	90,182	18	96,899	30	104,135	42	111,948	54	120,281
7	90,762	19	97,522	31	104,805	43	112,668	55	121,055
8	91,346	20	98,150	32	105,479	44	113,393	56	121,834
9	91,934	21	98,781	33	106,156	45	114,123	57	122,618
10	92,526	22	99,417	34	106,841	46	114,857	58	123,407
11	93,121	23	100,056	35	107,528	47	115,596	59	124,201
12	93,720	24	100,700	36	108,220	48	116,340	60	125,000



3.4 For IF2 policies with effective date July 2008 to May 2010 (SEC-approved):

<b>I. For Spot Cash Payment Plans</b>	
<u>Age of Plan</u>	<u>Termination Values</u>
Year of Full Payment	= 50% of Gross Contract Price (GCP)
Subsequent Years but Prior to Maturity Date	= 10% Escalation of GCP for Every Year Elapsed
Maturity Date	= 100% of Pension Benefit
<b>II. For Installment Payment Plans</b>	
<b>A.) During the paying period</b>	
<u>Total Amount Paid as Percentage of Gross Contract Price (GCP)</u>	<u>Termination Values as Percentage of Total Amount Paid</u>
Less than 20% of GCP	0%
20% but less than 40% of GCP	20%
40% but less than 60% of GCP	30%
60% but less than 80% of GCP	40%
80% but less than 100% of GCP	50%
<b>B.) After paying period</b>	
<u>Age of Plan</u>	<u>Termination Values</u>
Subsequent Years After Paying Period but Prior to Maturity Date	= 10% Escalation of GCP for Every Year Elapsed
Maturity Date	= 100% of Pension Benefit

3.5 For Plan400, Open Rates and DYM:

<b>Schedule of Termination Values:</b>	
<u>% of the Gross Contract Price Paid</u>	<u>Termination Value as a % of Total Payments</u>
Less than 20 %	0 %
20 % or over but less than 40 %	20 %
40 % or over but less than 60 %	30 %
60 % or over but less than 80 %	40 %
80 % or over	50 %
=====	

### 3.6) For DYM

Plan Year	Termination Value ( for every 100k placement
1-5	50,000.00
6	80,000.00
7	110,000.00
8	140,000.00
9	170,000.00
10	200,000.00

4.Termination proceeds shall be released to the planholder only via Manager's Check or by crediting their UnionBank Account.

## C. DETAILED PROCEDURES

### Planholder-Initiated Termination

5.To request for plan termination, the planholder shall submit the following documents to FUP Operations:

- Written request for plan termination;
- Original plan agreement (with plan specifications page);
- Full Payment Certificate (optional);
- Insurance Certificate (if applicable);
- Photocopy of two (2) valid IDs with signature, preferably government-issued; and
- In case of lost policy, provide a notarized Affidavit of Loss.

6.Upon receipt of the documents, the designated FUP Operations Staff shall:

- a.Ensure all the required documents are submitted and the conditions for pre-termination are met.. (Refer to General Guidelines Item No. 2 for the conditions)
- b.If the requirements are not met, send an email or call the FINEX/RM/Planholder and advise them that the request cannot be processed until requirements are met.
- c.If the requirements are met:
  - Send scanned images of requirements via email to CPS-FS.
  - Upon receipt of requirements, CPS-FS will send LOI.
  - the LOI will be printed and attached to the RFP together with the requirements

and will be routed for signatures by FUP-Admin.

7.The designated CPS-FS shall:

- a.Ensure the termination request is duly approved.
- b.Maintain plan termination in the FUP masterlist and database.
- c.Ensure the necessary book entries are posted.
- d.File the documents.

8.Upon receipt of the check, the designated FUP Operations Staff shall:

- a.Ensure that the check is for the correct amount of termination proceeds.
- b.Advise client of the availability of the check.
- c.When the check is claimed by the client:
  - Request the client to present two (2) valid IDs and acknowledge receipt of the check.
  - Client also to sign on the deed of waiver and quit claim; one copy to be given to client.
  - Ensure client's acknowledgment matches signatures on IDs presented.
  - Release the check to the client.
  - File proof of acknowledgment and record/update to CSMS.
- d.The check will be under the safekeeping of the OPS-HEAD until claimed by the client.

9.If pre-termination request is by crediting to client's UnionBank account, FUP Operations Staff shall:

- a.forward the signed RFP to CPS-FS to credit client's account;
- b.CPS-FS to advise FUP Operations once pre-termination amount has been credited to client's account.
- c. FUP Operations Staff to advise FINEX/RM/client that pre-termination amount has been credited to his account.



#### **Termination Due to Non-Reinstatement**

10. On a monthly basis, the designated CPS-FS shall:

- a. Ensure that plans that have not been reinstated within the specified period have been terminated in the system.
- b. Provide FUP Operations with a list of the terminated plans for review/reference.

#### **Termination Due to Full Payment of Benefits**

11. As part of the processing for release of maturity benefits, FUP Operations shall ensure that CPS-FS maintains plan termination in the system.

**Note:** Please refer to the Pre-Need Plan Maturities Operating Guidelines for the detailed procedures.

#### **REFERENCES:**

1. Definition of Terms
2. Products Manual

**A. NAME OF PROCEDURE: FUP PRE-NEED PLAN MATURITIES OPERATING GUIDELINES**

**B. GENERAL GUIDELINES**

Sixty (60) days before maturity of the plan, FUP Operations shall send a notice informing the planholder or his beneficiary as the case maybe, that the maturity benefit will be paid at maturity date.

The following are FUP Products :

- a. Income Fund 4 (IF4)
- b. Income Fund 3 (IF3)
- c. Income Fund 2 (IC-approved)
- d. Income Fund 2 (SEC-approved)
- e. Double Your Money (DYM)
- f. Open Rates
- g. Plan 400

**C. DETAILED PROCEDURES**

1. The designated CPS-FS shall:

- a. Send a list of plan maturities three (3) months before the actual date of plan maturities to FUP Operations.
- b. Upon confirmation of list from FUP Operations will send LOI one (1) month before the maturity month.

2. Upon receipt of list of maturities from CPS-FS, the designated FUP Operations Staff shall:

- a. check if Full Payment Certificates were issued to the planholders;
- b. send the list back to CPS-FS..

3. Upon maturity date, the designated CPS-FS shall ensure that the plan is duly tagged as matured in the valuation list.

4. The designated FUP Operations Staff shall:

- a. Monitor when payment is due to be released to the planholder/beneficiary.
- b. Sixty (60) days prior to the maturity month, send Maturity Notice Letter to the planholders;

- c. Not later than five (5) working days prior to maturity month, prepare and process the Request for Payment Form (RFP) for the amount due and issue the check payable to the planholders.
- 5. The Operations Head will prepare and process withdrawal of plan maturities during that month from the trust fund thru UBP Trust and Investment Group
- 6. Upon receipt of the check, the designated FUP Operations Staff shall:
  - a. Ensure that the check is for the correct amount, name spelling and safekeep the check pending claim by the planholder;
  - b. Print three (3) copies of Quit Claim and Waiver for each planholder specifying name, policy number, maturity date and amount.
  - c. The checks will be put in a fire-proof cabinet under the safekeeping of the Operations Head.
- 7. Upon claiming of the maturity check, planholder will submit the following :
  - a. Original plan agreement (with plan specifications page);
  - b. Full Payment Certificate (optional);
  - c. Insurance Certificate (if applicable);
  - d. Photocopy of two (2) valid IDs with signature, preferably government-issued; and
  - e. In case of lost policy, provide a notarized Affidavit of Loss.
- 8. Additional requirements if the maturity will be claimed thru a representative:
  - a. Authorization letter signed by both the planholder and his authorized representative; and
  - b. Two (2) valid IDs of the representative.
- 9. The designated FUP Operations Staff will release the check to the planholder after signing the check voucher and Quit Claim and Waiver (one copy will be given to the planholder).
- 10. A second copy of the Quit Claim and Waiver, photocopy of the policy, IDs and all other documents of the planholder will be retained by FUP Operations.
- 11. A third copy of the Quit Claim and Waiver, the original the check voucher and policy with plan specification page, photocopy of planholder's IDs and all other documents will be sent to CPS-FS.



## REFERENCES:

1. Definition of Terms
2. Products Manual