



**KCCDFI MUTUAL BENEFIT ASSOCIATION INC.
(KCCDFI MBA)**

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**HOSPITALIZATION ASSISTANCE PAMILYA INSURANCE PLAN
(HAPI PLAN) MASTER POLICY CONTRACT**

ENTIRE CONTRACT

KCCDFI MBA issues this Master Policy Contract (MPC) in consideration of the member's application and the receipt of his/her initial premium. This MPC, its application, certificate of insurance constitutes the entire contract.

Only the Chairman of the Board of Trustees, the President, or officers duly authorized in writing by the Board of Trustees have the authority to modify this contract. Any such modification must be in writing and duly signed by the authorized officer.

INSURING CLAUSE

KCCDFI MBA, subject to the provisions of this Master Policy Contract, shall pay the benefits on the Certificate of Insurance Coverage, in accordance with the following provisions:

Section 1. DEFINITIONS

1.1 The following conditions and definitions shall apply under the hospitalization benefits:

1.1.1 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.

- 1.1.2 A **hospital** shall mean any private or government institution, duly licensed by the Department of Health (DoH), providing medical, diagnostic, and surgical facilities for the care and treatment of patients under the supervision of a physician with 24 (twenty-four) hours nursing service by registered graduate nurses. This does not include homes for the aged, nursing homes, convalescent homes and institutions for the treatment and care of patients suffering from drug addiction, alcoholism and nervous or mental disorders.
- 1.1.3 **Confinement** shall refer to administration of medical care of a curative or preventive measure and must be certified to be medically necessary by a physician. The medical care shall be afforded with a view to maintaining, restoring, or improving the health of the person insured and his/her ability to work.
- 1.1.4 **Day of confinement** shall mean full day of confinement for which a full charge for room and board is made by the hospital.
- 1.1.5 **Policy year** as used herein shall mean the 12 (twelve)-month period that begins and ends between successive anniversary dates of the covered person's individual insurance coverage.
- 1.1.6 A **Pre-existing condition** is defined as any illness, ailment, or condition for which medical advice or treatment has been received by the member or his/her spouse/common law partner within the six (6) months prior to the effective date of coverage.

Section 2. BENEFITS

KCCDFI MBA's HAPI Plan Table of Benefits		
Insured	Benefit Amount	Days Covered
Member	300/ day of hospitalization	Max of 30 days
Legal Spouse/ Common-law Partner	250/ day of hospitalization	Max of 30 days
<i>All amounts are in Philippine Peso</i>		

- 2.1** The hospital confinement benefit is a daily cash allowance paid for the number of days that the member-insured or his/her legal spouse/common-law partner has obtained bodily injury or sickness requiring hospital confinement.
- 2.2** Upon hospital confinement of the member-insured or his/her legal spouse/common-law partner, KCCDFI MBA shall pay a hospital confinement
- KCCDFI MBA HAPI Plan**

benefit in accordance with the KCCDFI MBA's HAPI Plan Table of Benefits, per day multiplied to each full day of confinement, beginning on the first day of confinement up to a maximum of thirty (30) days each, per policy year.

- 2.3** No benefit shall be payable for hospital confinement of less than twelve (12) hours.
- 2.4** If the maximum number of days of hospital confinement benefit for the policy year has been attained, no benefit shall be paid for succeeding hospital confinements within the policy year.
- 2.5** In case the benefit is not availed in a given policy year, it may not be carried forward to a later policy year. Likewise, if the maximum number of days is not attained, it may not be carried forward to a later policy year.

Section 3. EXCLUSIONS

- 3.1** Hospital confinement benefit shall not be payable if caused by any of the following:
 - 3.1.1 Self-inflicted injuries;
 - 3.1.2 Attempted suicide whether the insured individual is sane or insane;
 - 3.1.3 Congenital deformities;
 - 3.1.4 Fertility or infertility, pregnancy, childbirth, miscarriage, abortion or complications of any of these;
 - 3.1.5 Venereal diseases, nervous or mental diseases or disorders;
 - 3.1.6 AIDS or AIDS-related confinements;
 - 3.1.7 Cosmetic surgery, dental surgery, or plastic surgery, except to the extent that any of them are necessary for the repair or alleviation of damage to the insured person caused solely by accidental bodily injuries covered by this policy;
 - 3.1.8 Medical or surgical procedures, which are experimental in nature, and/or not recommended, approved, and performed by a licensed physician or surgeon;
 - 3.1.9 Diagnosis, routine physical examination, check-up, rest and recuperation, speech therapy, radiotherapy, chemotherapy, and renal dialysis;
 - 3.1.10 All bodily injury or sickness contracted while the insured is in the military, naval or air service;

- 3.1.11 Ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- 3.1.12 Continued excessive or compulsive use of alcoholic drinks or drug addiction or any reaction to drug, unless such drug was prescribed by a licensed physician;
- 3.1.13 Result of murder and provoked assault;
- 3.1.14 Declared or undeclared war, riots, illegal demonstrations, or criminal acts;
- 3.1.15 Acts in violation of the law;
- 3.1.16 Happened outside the Philippines;
- 3.1.17 Pre-existing conditions subject to waiting period; and
- 3.1.18 Prior to the effective date of coverage of the policy.

Section 4. ELIGIBILITY FOR INSURANCE COVERAGE

- 4.1** Only members and his/her legal spouse or common-law partner, who are insured under the Basic Life Insurance Plan (BLIP) and in good health, shall be eligible for coverage under HAPI Plan.
- 4.2** Applicants must be at least eighteen (18) years old but not more than sixty (60) years old. Existing member-insured renewing their insurance cover must not be more than sixty-five (65) years old.

Section 5. LEGAL DEPENDENT

- 5.1** If a member-insured is married (or has a common-law partner) his/her legal dependent is his/her legal spouse, at least eighteen (18) but not more than sixty-five (65) years old or common-law partner at least eighteen (18) but not more than sixty-five (65) years old, provided that they have been living together as husband and wife for at least five (5) years without any legal impediments to enter into marriage.

Section 6. WAITING PERIOD

- 6.1** KCCDFI MBA shall impose six (6) months waiting period on benefits for hospital confinement due to pre-existing condition, wherein during such period, no benefits shall accrue to the member.

Section 7. EVIDENCE OF INSURABILITY

- 7.1** No medical examination shall be required. However, the prospective member shall be required to complete a Declaration of Good Health and Insurability.

Section 8. EFFECTIVITY OF INDIVIDUAL COVERAGE

- 8.1** A Certificate of Insurance containing the duration of coverage and a summary of benefits and excerpts of the Master Policy Contract for HAPI Plan of KCCDFI MBA shall be issued to every member upon approval of the application for insurance coverage.
- 8.2** Insurance coverage under HAPI Plan shall be effective immediately upon payment of first premium and approval of application.

Section 9. RENEWAL OF INSURANCE COVERAGE

- 9.1** The insurance coverage shall automatically be renewed upon policy anniversary date and upon payment of annual renewal premium or its semi-annual equivalent. The six (6) months waiting period shall not apply for renewals.
- 9.2** The member-insured shall be given a grace period of forty-five (45) days after the policy anniversary date to pay the premium due. Non-payment within the grace period shall disqualify the member-insured for renewal.
- 9.3** Subsequent re-application thereafter shall result in a new application wherein the six (6) month waiting period shall be in effect.
- 9.4** For insurance coverage terminating at an earlier period, through attainment of the maximum hospital confinement benefit, the member may only renew coverage at policy anniversary.

Section 10. TERMINATION OF COVERAGE

- 10.1** The insurance coverage shall automatically terminate under the following conditions, whichever comes first:
- 10.1.1 Upon death of the member-insured;
 - 10.1.2 Upon attainment of age sixty-five (65) of the member-insured;
 - 10.1.3 Upon expiration of the grace period during the policy year if no payment has been received by then;
 - 10.1.4 Upon policy anniversary of HAPI Plan wherein no renewal premium has been received within the forty-five (45) day grace period;

10.1.5 Upon utilization of the maximum days of hospital confinement benefit for each and every insured;

10.1.6 Upon termination of membership and coverage under the Basic Life Insurance Plan;

10.1.7 Upon resignation of the member-insured from KCCDFI MBA;

10.1.8 Upon termination with cause by KCCDFI MBA;

10.2 Termination of insurance coverage shall be without prejudice to any claim arising prior to such termination.

Section 11. INCONTESTABILITY

11.1 Except for non-payment of premium or any other grounds recognized by the law and jurisprudence, KCCDFI MBA cannot contest the Certificate of Insurance after it has been in-force for one (1) year from the effective date.

Section 12. MISSTATEMENT

12.1 Any willful misstatement in the application that would render a member-insured eligible for HAPI Plan when he/she would otherwise be ineligible shall be sufficient cause for the cancellation of one's insurance coverage at any time such misstatement is known. KCCDFI MBA will only refund the premium paid by the disqualified member-insured.

Section 13. PREMIUM

13.1 The member-insured shall be charged a semi-annual premium of three hundred pesos (Php300).

13.2 The premium may be adjusted by the Board of Trustees as may be necessary to maintain the funds of KCCDFI MBA at a level adequate to meet its benefit obligations or commitments under HAPI Plan. Any change in the premium shall be supported by an annual review and subject to prior approval by the Insurance Commission.

13.3 Premiums may be paid by direct remittance to KCCDFI MBA Office or designated collection centers in cash and are considered paid on the date of receipt of KCCDFI MBA office or designated collection center.

Section 14. GRACE PERIOD

- 14.1** Any member-insured who fails to pay his/her semi-annual premium shall be given a grace period of forty-five (45) days from the due date to remit the premium due.
- 14.2** In case of hospital confinement of the member-insured or his/her legal spouse/common-law partner during the grace period, the balance of the premium in arrears shall automatically be deducted from the benefits payable.
- 14.3** If after the forty-five (45) days period, no premium has been received by KCCDFI MBA, the insurance coverage shall lapse and in the event of hospital confinement of the member-insured or his/her legal spouse/common-law partner, no benefit will accrue to the member-insured or his/her legal spouse/common-law partner.

Section 15. BENEFICIARIES

- 15.1** The member-insured shall be the beneficiary of the hospital confinement benefit.
- 15.2** In the case of the member-insured's death during hospital confinement period, or in any case that the member is not able to receive the insurance benefits, the beneficiary as designated under Basic Life Insurance Plan shall receive the benefits.

Section 16. NON-TRANSFERABILITY CLAUSE

- 16.1** The Certificate of Insurance is non-transferable.

Section 17. NOTICE AND PROOF OF CLAIMS

- 17.1** When a member-insured or his/her legal spouse/common-law partner is hospitalized, the member or beneficiary must notify the Claims Examination Committee through the Center Chief, to which said member-insured belongs, of such hospital confinement, stating the full name and address of the patient, the cause of injury or hospitalization, and the date of injury or hospital confinement.
- 17.2** The claim for hospital confinement benefits should be filed within six (6) months, after injury or within one (1) week after discharge from the hospital, with any KCCDFI MBA office.

- 17.3** The benefits described under Section 2 (page 2) shall be paid upon presentation of proof of bodily injury or hospital confinement with supporting receipts, detailed and itemized billing, and competent evidence of identity of the claimant.
- 17.4** Competent evidence of identity includes any of the following:
- 17.4.1 SSS ID
 - 17.4.2 GSIS ID
 - 17.4.3 Driver's License
 - 17.4.4 COMELEC Voter's ID
 - 17.4.5 Postal ID
 - 17.4.6 BIR TIN
- 17.5** Cedula of CTC is not acceptable as competent evidence of identity.
- 17.6** If the claimant cannot produce any of the evidences of identity enumerated above, a barangay certification and KCCDFI MBA center resolution to the effect that he/she is the beneficiary or dependent of the member-insured concerned would be sufficient.
- 17.7** 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.

Section 18. CLAIMS SETTLEMENT

- 18.1** Any claim under HAPI plan shall be settled within ten (10) working days from date of receipt of complete documents required to validate the claim.

Section 19. MAXIMUM BENEFIT AND PREMIUM

- 19.1** The maximum benefit under HAPI Plan shall not exceed one thousand (1,000) times the daily minimum wage rate of non-agricultural workers in Metro Manila.
- 19.2** The maximum amount of premiums computed on a daily basis shall not exceed seven and a half percent (7.5%) of the daily minimum wage rate for non-agricultural workers in Metro Manila.

Section 20. WAIVER OF ARTICLE 1250 OF THE CIVIL CODE

20.1 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 Insurance.

Section 21. DISPUTE RESOLUTION

21.1 All disputes related to HAPI Plan shall be settled initially through alternative dispute resolution mechanism.

Section 22. LIMITATION OF COMPLAINTS

22.1 Any complaint or grievance on the Master Policy Contract must be filed with the proper authorities within two (2) years from the time of rejection or denial of the claim. The venue for filing of complaints and grievances on the Master Policy Contract must not be limited to the place of issue of the contract.

Section 23. AMENDMENTS TO THIS MASTER POLICY CONTRACT

23.1 Any amendment/s made to the Master Policy Contract shall be subject to approval by the Insurance Commission.

Section 24. AVAILABILITY OF THIS MASTER POLICY CONTRACT

24.1 A copy of this Master Policy Contract shall be kept in the main office of KCCDFI MBA and shall be made available to the member-insured for their inspection during KCCDFI MBA's regular office hours.

IMPORTANT NOTICE

The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to insurance and has supervision over mutual benefit association and intermediaries. It is ready at all times to assist the general public in matters pertaining to insurance. For any inquiries or complaints, please contact the Public Assistance and Mediation Division (PAMD) of the Insurance Commission at 1071 United Nations Avenue, Manila with the telephone numbers +632-85238461 to 70 and with email address publicassistance@insurance.gov.ph. The official website of the Insurance Commission is <https://www.insurance.gov.ph>.