

PHILLIFE FINANCIAL ASSURANCE CORPORATION

PhilLife Agency Code of Ethics and Conduct (the “Code”)

SCOPE OF COVERAGE

All licensed Sales Associates of PhilLife Financial Assurance Corporation.

A. OBJECTIVES:

1. To instill a strong sense of professionalism among our sales associates.
2. To set up measures of conduct and a common standard of behavior.
3. To develop a strong sense of responsibility toward our customers, the company, as well as toward our colleagues.
4. To establish a systematic procedure for administering corrective measures and lay down the rule on corresponding appropriate penalties, if and when the need arises.

B. GENERAL PROVISIONS:

1. Serving our Customer’s best interest at all times.
2. Competing fairly and professionally among our Industry Counterparts.
3. Demonstrating Good Faith and Loyalty in all business dealings with the Company we Serve & Represent.
4. Integrity and Honesty: Pillars in the Conduct of our Financial Consultancy Profession.
5. Abiding with and Conformance to all the rules, regulations, memorandums and / or circulars of both the Company we serve and the Insurance Commission.

I. SERVING OUR CUSTOMERS’ BEST INTEREST AT ALL TIMES

- a. Putting our clients’ interest first and foremost
- b. Focusing on determining the insurance needs of customers and recommending products appropriate for these clearly identified needs.
- c. Reviewing clients’ needs on a regular and consistent basis
- d. Sincerely providing honest and accurate information, essential to our prospective clients’ purchasing decision.
- e. Explaining thoroughly to all prospective clients, what they are considering and why they must deliberate upon such details in earnest, for a well-informed buying decision.
- f. Respecting the confidential nature of the client–consultant relationship and constantly keeping privileged information; privileged.

- g. Informing the insured upon policy delivery of any difference/disparity, whether substantive or otherwise, between the policy applied for and represented vis-à-vis the actual policy issued.
- h. Always making sure their prospective clients are well-aware that in signing the completed application form, they in fact formally guarantee the accuracy and completeness of the information indicated, and that failure to do so will invalidate the policy applied for.
- i. Constantly and consistently providing sincere quality service to their clients and/or their clients' respective beneficiaries when such opportunity to assist arises.

II. COMPETING FAIRLY AND PROFESSIONALLY WITH OUR INDUSTRY COUNTERPARTS

- a. Refraining from making derogatory remarks against competing agents and other insurance companies.
- b. Unambiguously representing terms and benefits of our policies completely and accurately based on meaningful facts and figures.
- c. Always having professional respect for existing and enforced life insurance coverage of prospective clients from other competitor life firms.
- d. Practicing, at all times, a fair handed approach and avoiding the use of coercive means, in the solicitation of Life Insurance.

III. DEMONSTRATING GOOD FAITH AND LOYALTY IN ALL OUR BUSINESS DEALINGS WITH THE COMPANY WE SERVE AND REPRESENT

- a. Representing PhilLife to the best of our ability and rendering to the Company our utmost loyalty and care, as is expected in any professional relationship of genuine trust and sincere confidence.
- b. Adhering always to the terms of our Agency Contract with PhilLife, as well as with all other Company Policies and Procedures.
- c. Avoiding, at all times, putting our Company; PhilLife under any legal obligation that is not within the authority granted by the same in the Agency Contract or elsewhere, in writing.
- d. Constantly exercising proper fiduciary responsibility, duty, and control in handling moneys belonging to either clients or the Company we all serve and represent.
- e. Avoiding activities and/or relationships that may prove inimical to, or impair, whether directly or indirectly, the Company's best interest/s.

IV. INTEGRITY AND HONESTY: PILLARS IN THE CONDUCT OF OUR FINANCIAL CONSULTANCY PROFESSION

- a. Constantly strives to be "***quality producers through quality means.***"
- b. Consistently imbibes the virtues of professionalism, sincerity, reliability and trustworthiness.

- c. Possesses the desirable qualities of being helpful, knowledgeable, caring, well-trained and ethical in the conduct of our business.
- d. Keeps the promises he/she makes and delivers what he promises in a timely manner.
- e. If and when committed, acknowledges errors with empathy and makes the needed corrections promptly.
- f. Never engaging in high-pressure tactics, such as rolling, churning, twisting, rebating and other prohibited questionable solicitation techniques.
- g. Takes time to establish long term professional relationships with all client policyholders.

C. PROHIBITED ACTIONS AND ACTIVITIES SUBJECT TO IMMEDIATE SANCTIONS

CLASS A Sanction: Termination

1. Withholding money or property belonging to the Company and any failure to remit or delay incurred, in the remittance of the same received, for or on behalf of the Company.
2. Making, altering or discharging of policy agreements and provisions other than those explicitly provided on the face of our policy/ies.
3. Unlawfully signing the Application for Life Insurance, Health Declaration Forms and/or any such other official document, without personally seeing the proposed insured or the applicant policy owner.
4. Quoting premium rates other than those officially provided and authorized by PhilLife.
5. Guaranteeing Dividends
6. Participating directly, indirectly or in collusion with others in filling-out a fraudulent application for: life insurance, reinstatement of policy or a claim made against the Company.
7. Committing or attempting to commit on one's own, or in collusion with others, an act or acts to defraud the Company or any of its affiliates.
8. Committing any act/s or omission/s that brings discredit to the Company.
9. Committing any act constituting breach of trust or confidence - any violation of the rules and regulations, policies of the Company, any of the terms and conditions hereof or any amendments thereto, shall constitute among others, such breach.
10. Submitting and passing-on of falsified documents including, but not limited to the following: forging the signature of a client, signing the name of the client and submitting forged/tampered documents or any official form/s for that matter.

11. Withholding of pertinent and relevant information pending any or all of the following: the process of risk appraisal or underwriting, in the course of a filed reinstatement and at any time during the period of contestability.
12. Presenting falsified information and/or testimonies on an investigation being undertaken or conducted by the company.
13. Threatening, intimidating, coercing or harassing an officer or employee, a fellow agent and/or his/her family with bodily harm.
14. Circulating false, vicious or malicious statements against the Company, its officers and employees, as well as about its products or operations.
15. Committing any crime involving moral turpitude or any other offense that affects the trust reposed on him/her as an agent of the Company.
16. Gross and habitual neglect of an agent's obligation/s.
17. Failure to keep confidential information, whether gathered from the client in the course of solicitation or through proprietary information like records, trade secrets of the Company disclosed or made available to him/her.
18. Knowingly or inadvertently placing the Company under any legal obligation, not within the authority granted to him/her, as provided for by the agency contract or elsewhere in writing.
19. Using the PhilLife Office and its facilities in pursuing personal, political interest/s and/or transacting any other business for profit, such as the solicitation of loans from another financial institution, or business for any of the following: non-life insurance, pre-need, health care and/or any networking outfit.
20. Unlawfully charging additional fees to the client.
21. Entering the service and or selling the products of another life insurance company, pre-need, health care and/or any competitor in whatever capacity.

CLASS B

Sanction: 1st Violation - Suspension

2nd Violation - Termination

1. Using disrespectful, insulting profane or obscene language in addressing a client, another agent, an employee or an officer of the company.
2. Inducing any employee, another agent and/or representative of the Company to leave the service of the same or to commit an infraction of the Company's rules and regulations.
3. Issuing unauthorized receipt for every valid payment received from the clients.
4. Allowing a sub-agent or unlicensed agent to solicit life insurance business on behalf of the Company's properly authorized, trained, certified and licensed sales associate.
5. Unreasonably delaying the submission of requirements/information/documents known to him/her, which are needed in

the risk appraisal/underwriting of any or all of the following: new life application, policy amendment/s, policy reinstatement or for termination cases of old policies.

6. Failure to forward any or all written complaints to the Company in a timely manner.
7. Refusal to acknowledge, receive and/or recognize official communications from the Company.
8. Refusal to cooperate freely in any investigation authorized or conducted by the Company.

CLASS C

Sanction: 1st Violation - Written Warning
2nd Violation - Suspension
3rd Violation - Termination

1. Bashing or disparaging competitors and involving oneself in any activity that will impair the reputation or standing of another agent or Company.
2. Failure to return all undelivered policies to the Company.
3. Failure to personally and immediately deliver the policy contract to the insured or to the policy owner.
4. Neglecting to provide timely customer service to the disadvantage of the client and/or his/her beneficiary/ies.
5. Circulating or using unauthorized marketing/sales materials such as unofficial flyers, brochures and hand-outs about the products and services of the Company in soliciting applications for life insurance and/or loan businesses.
6. Resorting to unethical practice in the solicitation of life insurance business, described as follows:
 - 1) Rebating – offer to rebate all or any part of premium on a policy of insurance
 - 2) Twisting – persuades the policyholder to discontinue, surrender or lapsed a policy in order to purchase a new one
 - 3) Misrepresentation – misstatement of facts whether orally or in writing.
 - 4) Concealment of Material Information – failure to disclose material information about the applicant in the insurance application
 - 5) Overloading – selling more insurance policies/or offering higher insurance coverage than what the client can afford in order to earn higher commissions.

DEFINITION OF SANCTIONS

Offenders will be subject to the appropriate disciplinary action depending on the gravity of an offense described as follows:

D. Written Warning

This is a notice in writing, given to a sales associate who commits an infraction of a rule. This written warning is meant to formally and officially call his/her attention to exercise greater care in the conduct of his/her everyday financial consultancy business.

E. Suspension

This covers the temporary cessation of authority to solicit life insurance business for PhilLife. The penalty includes withholding of commissions and other benefits previously due to a sales associate of good standing with the Company.

F. Termination

This refers to the permanent rescission of the agency contract, C.A. license with PhilLife and the forfeiture of all commissions previously due to the former sales associate of good standing with the Company.