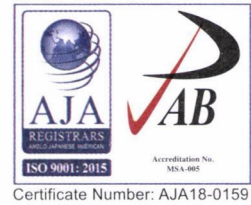




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Legal Opinion (L.O.) No.:	2019 - 13
Date:	22 November 2019

ATTY. EDGARDO L. PADILLA
Chairman
National Power Corporation
Employees Multi-Purpose Cooperative
BIR Rd. cor. Quezon Avenue
Diliman, Quezon City

SUBJECT: Termination of Group Credit Life Insurance

Dear Atty. Padilla:

This refers to your letter dated 23 July 2019 soliciting from the Insurance Commission a Legal Opinion with regard to the above subject matter.

The said letter mentions that Beneficial Life Company, Inc. (Benlife) issued a Notice of Termination against your Group Credit Life Insurance Policy under Policy Number GCL-00056¹, effective on 31 July 2019, and that Benlife, in turn, merely offered to return or refund the unused premium for the unexpired portion of said Policy. Under the said Policy, the employees of National Power Corporation (NPC) are debtors of NPC-Employees Multi-Purpose Cooperative, the Policyholder.

As such, you are requesting this Commission for an opinion regarding the propriety of refunding the unused premium for the unexpired portion of the Policy in question.

Relative to the above, this Commission directed Benlife to explain or comment on the matter. In its letter dated 12 September 2019, Benlife argues, among others, that, to quote:

“xxx... (i) The term of the Policy is yearly renewable. The Policy expressly stipulates the following:

¹ Exhibit 2 of the 22 July 2019 Letter from NPC-EMPC