

**TERMS AND CONDITIONS OF  
NEW UNIVERSAL LIFE  
WITH REGULAR PREMIUM**

*(Approved according to Official Correspondence No. .... dated .../.../ 2016  
by the Ministry of Finance)*

FOR REFERENCE ONLY

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## **PART I – GENERAL POLICY CONDITIONS**

### **1. PRODUCT SUMMARY**

Universal Life Product is a life assurance product that has risk coverage part and investment part separated in terms of premiums and benefits.

Apart from receiving an Insurance Benefit upon Life Assured's Death or suffering from Total and Permanent Dismemberment, or Maturity Benefit, the Policyholder can earn interest from the Universal Life Fund's investment activities, which is not lower than the minimum investment return rate guaranteed by Prudential.

### **2. EXPLANATION OF TERMINOLOGIES**

Terms appeared in these Terms and Conditions are understood as follows:

**2.1 Prudential:** Prudential Vietnam Assurance Private Limited Company, which has an establishment and operation license No. 15 GP/KDBH issued by the Ministry of Finance.

**2.2 Policyholder:** any organization established and operating legally in Vietnam, or individual who is full 18 years old or above, currently resides in Vietnam, has fully legal capacity, fills out and signs on the Insurance Application Form, and pays premiums.

**2.3 Life Assured:** individual who currently resides in Vietnam and is accepted by Prudential for insurance under the Terms and Conditions herein.

Life Assured must be from 0 to 65 years old at inception. Additionally, the age limit at policy maturity is 100.

**2.4 Insurance age:** age at last birthday of the Life Assured.. All "age" terms used in this Terms and Conditions are understand as "Insurance age".

**2.5 Beneficiary:** organization or individual nominated by the Policyholder in order to receive insurance benefit according to these Terms and Conditions.

**2.6**

**Policy Effective Date:** the date on which the Policyholder duly completes the Insurance Application Form and has paid the full amount of the Target Premium and all attached rider(s) premium, if rider(s) is (are) requested to attach by the Policyholder, in accordance with Prudential's regulations, provided that the Policyholder and the Life Assured must be still alive at the moment Prudential accepts the Insurance Application Form, if no other agreement is made. Policy Effective Date is stated in the Life Insurance Certificate.

**2.7 Annual Anniversary Date:** the annual anniversary of the Policy Effective Date. Where there is no corresponding day in the year, the last day of corresponding month is Annual Anniversary Date.

**2.8 Monthly Anniversary Date:** the monthly anniversary of the Policy Effective Date. Where there is no corresponding day in the month, the last day of the month is Monthly Anniversary Date

**2.9 Policy Year:** 1 year commencing from the Policy Effective Date or from the subsequent Annual Anniversary Date.

- 2.10 Policy Maturity Date:** the last day of Policy Term and is specified in the Life Insurance Certificate.
- 2.11 Sum Assured:** an amount that is accepted for insurance coverage by Prudential for main product and specified in the Life Insurance Certificate or the latest Alteration Confirmation Letter, if any.
- 2.12 Net Amount at Risk:** equals Sum Assured less Target Premium Account Value, but is not lower than 0.
- 2.13 Universal Life Fund:** the fund that is established with premiums from Universal Life policies.
- 2.14 Target Premium:** the premium of the main product, which is chosen to be paid by Policyholder at the point of time of purchase of Policy under provisions of Prudential. Policyholder must pay Target Premium in full during the first 5 Policy years. The Target Premiums shall be invested into the Universal Life Fund after deduction of Allocation Charges.
- 2.15 Excess Premium:** the balance amount in each premium payment after Target Premium and Rider's premium, if any, are fully paid according to the current Policy Year and riders' premium frequency respectively. The Excess Premiums shall be invested into the Universal Life Fund after deduction of Allocation Charges. In each Policy Year, Excess Premium does not exceed 5 times of Installment Premiums of the first Policy Year.
- 2.16 Installment Premiums:** a sum of premiums that the Policyholder must pay at intervals includes Target Premiums plus rider's premium, if any.
- 2.17 Planned Installment Premiums:** total premiums that the Policy Owner intends to pay at intervals, including Installment Premiums plus Excess Premiums (if any).
- 2.18 Allocated Premium:** the balance of Target Premium and Excess Premium, if any, after deduction of Allocation Charges, which is allocated into Target Premium Account and Excess Premium Account respectively to earn interest.
- 2.19 Allocation Charge:** an amount of money that Prudential is allowed to deduct from Target Premiums and Excess Premiums, if any, before these premiums are allocated to Target Premium Account and Excess Premium Account respectively.
- 2.20 Cost of Insurance:** an amount of premium to be monthly deducted from Policy Account Value to cover insurance benefit as defined under the provisions of this Insurance Policy.
- 2.21 Administration Charge:** an amount of premium to be monthly deducted from Policy Account Value to manage, to maintain an Insurance Policy, and to provide relevant information on the Insurance Policy to the Policyholder.
- 2.22 Fund Management Charge:** an amount of money deducted to pay for Universal Life Fund management activities before declaring crediting rate for policyholders.
- 2.23 Surrender Charge:** the charge incurred when the Policyholder decides to surrender his/ her policy prior to maturity.
- 2.24 Withdrawal Charge:** the charge incurred when the Policyholder withdraws

money from the Policy Account Value.

**2.25 Target Premium Account:** the accumulated money from Allocated Target Premiums after deduction of relevant charge, if any.

**2.26 Excess Premium Account:** the accumulated money from Allocated Excess Premiums after deduction of relevant charge, if any.

**2.27 Policy Account Value:** the sum of Target Premium Account and Excess Premium Account. Policy Account Value's interest is calculated each month with an investment interest rate that Prudential announces at a specific period.

**2.28 Surrender Value:** the amount payable to the Policyholder upon his/ her request to surrender the Insurance Policy prior to maturity. The Surrender Value equals Policy Account Value less Surrender Charges.

**2.29 Debt:** amount of money that the Policyholder owes Prudential including due Cost of Insurance, Administration Charge, cash advance in case of Terminal Illness Benefit, and other fees, if any.

**2.30 Total and Permanent Dismemberment:** which means:

2.30.1 The Life Assured suffers from loss, paralysis or dismemberment of:

- a. Two arms; or
- b. Two legs;
- c. One arm and one leg; or
- d. Two eyes; or
- e. One arm and one eye; or
- f. One leg and one eye.

In this definition, loss, paralysis or dismemberment of (i) eyes mean loss of both eyes or totally blind, (ii) arm refers to the part from wrists upwards, (iii) leg refers to the part from ankle upwards.

Or

2.30.2 The Life Assured has lost his/ her working capability from 81% according to the current regulation of authorized medical center.

2.30.3 All the disabilities stated above must be verified by medical authorities/ medical examination council from provincial/ city or above under central authority.

2.30.4 The confirmation of total paralyzed and irrecoverable the capacity of one or more body part(s) must be done no sooner than 6 months from the occurrence of the accident or the date paralysis condition is verified.

2.30.5 Loss of body part(s): the confirmation that Life Assured loses all arms or legs or eyes could be done right after the event happens.

**2.31 Accident:** a single or an uninterrupted sequence of events occurring within the validity period of this policy caused by external and violent force or object without Life Assured's intention onto the body of the Life Assured. Such event or uninterrupted sequence of events must be the sole and direct cause, and independent of all other causes, of the covered injury or death of the Life Assured within 180 days from the date of occurrence of such event or

uninterrupted sequence of events.

**2.32 Terminal Illness:** a critical illness condition including advanced cancer (stage IV) or a multiple organ failure syndrome that is incurable and irreversible. Within reasonable medical judgment, Terminal illness may cause death within a reasonably short period of time.

### **3. INSURANCE POLICY**

**3.1 An Insurance Policy** includes documents as follows:

3.1.1 Insurance Application Form;

3.1.2 Life Insurance Certificate;

3.1.3 Alteration Confirmation Letter(s), if any;

3.1.4 These Terms and Conditions;

3.1.5 The Terms and Conditions of attached rider(s), if any;

3.1.6 Sales illustration materials;

3.1.7 Amendments and supplements, if any, which are signed legally between two parties (as specified in these documents) within the process of agreeing and implementing the Insurance Policy.

**3.2 Policy term:** the assurance coverage term and specified in the Life Insurance Certificate or the latest Alteration Confirmation Letter, if any. The Policy term of this insurance is from 35 to 100 years depending on the Life Assured's age. In all cases, the Policy term is not later than the Annual Anniversary Date right after the Life Assured attains 100 years old.

**3.3 Premium term:** equals to the Policy term.

### **4. TEMPORARY ASSURANCE**

If the Life Assured of the main product dies due to Accident during the Temporary Coverage Period, Prudential shall pay the smaller of:

- VND 100,000,000; or
- The total basic plan Sum Assured of new policy(ies) at the inception regardless of how many Insurance Application Forms applied.

Once the Temporary Assurance benefit has been paid, (total) paid premium(s) shall not be returned. If the (total) paid premium(s) is larger than VND 100,000,000, Prudential shall return the (total) paid premium(s), without interest, back to the Policyholder instead of Temporary Assurance benefit mentioned above.

A Temporary Coverage Period starts from the date that the Policyholder submits a legitimate Insurance Application Form and pays initial premium. The Temporary Assurance Coverage Period terminates at the time Prudential issues the Life Insurance Certificate, postpones or refuses insurance.

The Temporary Assurance benefit mentioned above shall not be payable if death of the Life Assured is a direct or indirect result of the following causes:

- Suicide whether sane or insane; or
- Using drugs or stimulators, abusively using alcohol or driving vehicle under the influence of alcohol as defined in the current laws and regulations; or

- Criminal acts or violation of criminal laws (according to the conclusion of an authorized governmental agency) committed by the Life Assured, the Policyholder, and/ or the person who receives the benefit.

In case the Life Assured dies under exclusion cases mentioned above, Prudential shall return to the Policyholder the (total) paid premium(s), without interest, less medical examination fees, if any.

## **5. FREE-LOOK PERIOD**

Within 21 days from the date when the Policyholder receives the Life Insurance Certificate, the Policyholder has the right to refuse to continue with this Policy by sending Prudential a written announcement to request for policy cancellation. In this case, the Policy shall be terminated starting from the moment Prudential receives the above request, Prudential shall then return to the Policyholder total paid premiums, without interest; less medical examination fees, if any.

## **6. MISSTATEMENT OF AGE AND GENDER**

**6.1** In case the Life Assured's age and/ or gender is misinformed, Cost of Insurance shall be adjusted correspondingly to the one subject to the accurate age and/ or gender of the Life Assured.

**6.2** If with the accurate age and/ or gender, the Life Assured is rejected for insurance under these Terms and Conditions, , the Insurance Policy shall be terminated and Prudential shall return the Policyholder the higher of:

6.2.1 Total paid premiums, without interest; less withdrawal(s) as specified under Article 12.1.4 if any; and

6.2.2 Surrender Value

less medical examination fees and Debt(s), if any.

## **7. INCONTESTABILITY**

While the Life Assured is still alive, the inaccurate or omitted information expressed in the Insurance Application Form and relevant documents shall not be contested by after the Policy has been in force for a continuous period of 24 months, from the Policy Effective Date or the latest Reinstatement date, or from the latest date that the Sum Assured is approved for an increase, whichever is later.

The provision mentioned above shall not be applicable in cases Policyholder has declared incorrect, incomplete and untruthful information that if Prudential knew such information, Prudential would not accept to provide coverage or accept to provide coverage with attached conditions.

## **8. INHERITANCE OF AN INSURANCE POLICY**

**8.1** In case the Policyholder is not the Life Assured, upon death of the Policyholder within the effective period of the Policy, the Policyholder's

legitimate inheritor reserves the right to inherit all the rights and obligations of the Policyholder relating to the Policy, provided this legitimate inheritor meets all the requirement for the Policyholder under these Terms and Conditions. Appointment o delegated Beneficiary shall be automatically revoked.

If the above conditions are not satisfied, the Policy shall be surrender prior to maturity, and Prudential shall only pay Surrender Value after deduction of medical examination fees and Debt(s), if any.

In case that the Policyholder is an organization that is disbanded, bankrupted, or terminated its operations when the Policy is still in force and has not been assigned yet, Life Assured will become the new Policyholder and has all the rights and obligations relating to the Policy. The Beneficiary(ies) nominated by the original Policyholder shall be automatically revoked.

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## **PART II – INSURANCE PROVISIONS**

### **9. INSURANCE BENEFIT**

#### **9.1 Death Benefit**

If death of the Life Assured occurs when the policy is in force, except for the situations stated under Article **Error! Reference source not found.** and Article □a, Prudential shall pay:

9.1.1 The higher of Sum Assured and Target Premium Account at the time of death; plus

9.1.2 Excess Premium Account, if any at the time of death.

During in-force period of Policy and before Annual Anniversary Date after 65<sup>th</sup> birthday of the Life Assured, except for the situations stated under Article **Error! Reference source not found.** and Article 11.4, Prudential shall pay additional 100% Sum Assured if Life Assured dies due to Accident within 180 days from the date of Accident.

#### **9.2 Total and Permanent Dismemberment Benefit**

If the Life Assured suffers from Total and Permanent Dismemberment when the Policy is still in force and before Annual Anniversary date after 80<sup>th</sup> birthday of the Life Assured, except for the situations stated under Article 9.3 and Article 11.2, Prudential shall pay:

9.2.1 The higher of Sum Assured and Target Premium Account at the time the Total and Permanent Dismemberment occurs; plus

9.2.2 Excess Premium Account, if any, at the time the Total and Permanent Dismemberment occurs.

#### **9.3 Limitation of Juvenile Benefit**

If the Life Assured dies or suffers from Total and Permanent Dismemberment (TPD) before the 4<sup>th</sup> birthday of the Life Assured and the Insurance Policy remains in force, the insurance benefits stated under Article 9.1 and Article 9.2 shall be payable according to the following rates:

| Age upon Death or TPD of the Life Assured | Death/TPD Benefit  |
|---|--|
| Under 1 year old                          | Return all paid premiums without interest.   |
| From 1 to under 2 years old               | The higher of: <ul style="list-style-type: none"><li>• 25% of Sum Assured; and</li><li>• Target Premium Account at the time of death or the Total and Permanent Dismemberment occurs .</li></ul> plus Excess Premium Account at the time of death or the Total and Permanent Dismemberment occurs. <ul style="list-style-type: none"><li>• During in-force period of Policy, except for the situations stated under Article 11.4, Prudential shall</li></ul> |

| Age upon Death or TPD of the Life Assured | Death/TPD Benefit  |
|---|--|
|   | pay additional 25% Sum Assured if Life Assured dies due to Accident within 180 days from the date of Accident.   |
| From 2 to under 3 years old               | <p>The higher of:</p> <ul style="list-style-type: none"> <li>• 50% of Sum Assured; and</li> <li>• Target Premium Account at the time of death or the Total and Permanent Dismemberment occurs .</li> </ul> <p>plus Excess Premium Account at the time of death or the Total and Permanent Dismemberment occurs.</p> <ul style="list-style-type: none"> <li>• During in-force period of Policy, except for the situations stated under Article 11.4, Prudential shall pay additional 50% Sum Assured if Life Assured dies due to Accident within 180 days from the date of Accident</li> </ul>                      |
| From 3 to under 4 years old               | <p>The higher of:</p> <ul style="list-style-type: none"> <li>• 75% of Sum Assured of the main product; and</li> <li>• Target Premium Account at the time of death or the Total and Permanent Dismemberment occurs .</li> </ul> <p>plus Excess Premium Account at the time of death or the Total and Permanent Dismemberment occurs.</p> <ul style="list-style-type: none"> <li>• During in-force period of Policy, except for the situations stated under Article 11.4, Prudential shall pay additional 75% Sum Assured if Life Assured dies due to Accident within 180 days from the date of Accident.</li> </ul> |

#### 9.4 Maturity Benefit

If the Insurance Policy is still in force and the Life Assured is still alive at the maturity of the policy, Prudential shall pay once all Policy Account Value to the Policyholder.

#### 9.5 Loyalty Bonus Benefit

While the Insurance Policy is still in force, if during the review period, (i) Target Premium must be paid fully in each policy year, (ii) Policyholder does not withdraw from the Target Premium Account; and (iii) Policyholder does not reduce Sum Assured, Prudential shall pay the Loyalty Bonus Benefit as follows:

- a. 150% Target Premium of 1 Policy Year is automatically added to the Excess Premium Account on the 10th Anniversary Date. The review period is 5 consecutive Policy Years from the 6<sup>th</sup> Policy Year to the 10<sup>th</sup> Policy Year; and
- b. 100% Target Premium of 1 Policy Year is automatically added to the Excess Premium Account on the 13<sup>th</sup> Anniversary Date. The review

period is 3 consecutive Policy Years from the 11<sup>th</sup> Policy Year to the 13<sup>th</sup> Policy Year; and

- c. 50% Target Premium of 01 Policy Year is automatically added to the Excess Premium Account on the 16<sup>th</sup> Anniversary Date and on Anniversary Date every 3 years thereafter. The review period is 3 consecutive Policy Years starting from the 14<sup>th</sup> Policy Year

## **9.6 Terminal Illness Benefit**

9.6.1 The Policyholder shall receive a cash advance equals 50% of the Policy Account Value, but not more than VND 500,000,000 without interest, if the Life Assured is diagnosed to suffer from Terminal Illness as defined under Article 2.32 during the effective period of the Insurance.

9.6.2 Since the date when this benefit is payable:

- a. The Policyholder reserves the right to return the cash advance within 6 months.
- b. Within 6 months, if Life Assured dies or suffers from TPD as specified in Article 2.30 and Policyholder has not returned the cash advance to Prudential, the cash advance shall be deducted from payment of Death or TPD Benefit.
- c. After 6 months, if the Life Assured is still alive and the Policyholder has not returned the cash advance to Prudential, the cash advance shall be deducted from the Policy Account Value. The Sum Assured in this case shall be adjusted as stated under Article 12.1.4.

## **9.7 Guaranteed Insurability Option**

9.7.1 During the effective period of the Insurance Policy and before Annual Anniversary date after the 60<sup>th</sup> birthday of the Life Assured, the Policyholder could increase the Sum Assured without medical underwriting within 90 days since the occurrence of following situations:

- a. Marriage of the Life Assured; or
- b. Having baby or adopting child of the Life Assured; or
- c. Joining school including primary school, or secondary school, or high school, or university of the Life Assured's child.

9.7.2 The maximum increased Sum Assured amount is 50% of initial Sum Assured but not more than VND 500,000,000 and the Sum Assured after increase is not higher than maximum Sum Assured specified by Prudential.

9.7.3 The Sum Assured after increase becomes effective on the Policy Monthly Anniversary Date right after the Policyholder's request to increase Sum Assured is approved by Prudential. The Target Premiums shall remain unchanged. However, the Cost of Insurance and other policy-related terms and conditions shall be adjusted

accordingly.

9.7.4 Guaranteed Insurability Option could be exercised once only during the Policy term.

## 9.8 Interest from investment results of Universal Life Fund

Policy Account Value's interest shall be calculated monthly on the rate of return announced by Prudential. The period of announcing crediting rate shall be specified by Prudential (currently as a quarterly basis). Minimum crediting rate is guaranteed as follows:

| Policy year             | Guaranteed crediting rate |
|-------------------------|---------------------------|
| From year 1             | 4.5%/p.a                  |
| From year 2 to year 10  | 3.0%/p.a                  |
| From year 11 to year 15 | 2.5%/p.a                  |
| From year 16 onwards    | 0.5%/p.a                  |

## 9.9 No-lapse Guarantee Benefit

During the first 2 Policy Years, the Insurance Policy shall be ensured to remain in-force even if the Policy Account Value is equal or less than 0 provided Target Premiums of the first 2 Policy Years have been paid in full and on due by the Policyholder.

9.10 All insurance benefits provided in Article 9.1, Article 9.2, Article 9.3, and Article 9.4 shall be payable after deduction of Debt(s), if any. Right after one of the insurance benefits is accepted to be paid, the Insurance Policy shall be terminated, and all responsibilities and obligations of Prudential, which is provided for by the policy, shall come to an end.

## 10. PROCEDURE AND TIMELINE OF INSURANCE BENEFIT PAYMENT

### 10.1 In case of Life Assured's Death

Insurance claim documentation that is considered as eligible by Prudential includes:

10.1.1 Insurance Claim Form (as Prudential stipulated) which is fully, truthfully and accurately fulfilled; and

10.1.2 Proof of the right to receive the insurance benefits specified in these Terms and Conditions such as an authorization document, a will, a document of agreement on distribution of inheritance or a document of confirmation on receiving an inheritance, upon each circumstance, which is certified by an authorized governmental organization; and

10.1.3 Death certificate or Death announcement as regulated by current laws; and

10.1.4 Documents such as a hospital discharge note, copy of hospitalization medical report and all related laboratory test result(s) as requested by Doctor, surgery certification (if have surgery) involving treatment record of the Hospital in which Life Assured dies and documents or information relating to the diagnosis or treatment as specified in the

claim documentations; and

10.1.5 Documents related to Accident such as Accident report, scene examination report, investigation report, investigation result report which is provided by authorized police departments, if any, as regulated by current laws; and

10.1.6 An original copy of the Life Certificate and all alteration confirmation letter(s), if any.

### **10.2 In case of Life Assured's Total and Permanent Dismemberment**

Insurance claim documentation that is considered as eligible by Prudential includes:

10.2.1 Insurance Claim Form (as Prudential stipulated) which is fully, truthfully and accurately fulfilled; and

10.2.2 Documents involving medical diagnosis such as a hospital discharge note, hospitalization medical report and all related laboratory test results, surgery certification,

10.2.3 Documents related to Accident such as Accident report, scene examination report, investigation report, investigation result report which is provided by authorized police departments, if any, as regulated by current laws; and

10.2.4 Proof of Total and Permanent Dismemberment such as medical records confirmed by Hospital for cases of physical loss or Confirmation of loss of working capability by medical authority/medical examination council from provincial, city under central authority or above for cases of total paralyzed and irrestoring the capacity of one or more body part(s) as stipulated in Article 2.30; and

10.2.5 An original copy of the Life Certificate and all alteration confirmation letter(s), if any.

### **10.3 In case of Life Assured's Terminal Illness**

Insurance claim documentation that is considered as eligible by Prudential includes:

10.3.1 Insurance Claim Form (as Prudential stipulated) which is fully, truthfully and accurately fulfilled; and

10.3.2 Proof of Terminal Illness of the Life Assured provided by the institute, hospital, medical authorities from provincial/ city under central authority or above, and

10.3.3 Other evidences as requested by Prudential, including but not limited to: related diagnostic records, documents; laboratory test results related to the detection and treatment of Terminal Illness hospital discharge note; medical report surgery certification; radiation therapy (if any); clinical evidence; X-ray results; cytology as required by doctor.

### **10.4 In case of Guaranteed Insurability Option**

Policyholder must submit to Prudential as soon as possible the following documents:

10.4.1 Policy adjustment request; and

10.4.2 Proof of event occurrence to receive Guaranteed Insurability Option such as certified copy of Marriage Certificate, Birth Certificate, proof of child adoption, school enrollment.

### **10.5 In case of Maturity benefit**

Policyholder must provide Prudential an Insurance Claim Form (as Prudential stipulated) which is fully, truthfully and accurately fulfilled as soon as possible.

**10.6** The time limit for requesting payment of Terminal Illness Benefit shall be 60 days since the date the Life Assured is diagnosed to be suffered from Terminal Illness as stated under Article 2.32. The time limit for requesting payment of other insurance benefits is 12 months from the occurrence of the insurance event.

Prudential is responsible to assess the Insurance Claim Form within 30 days following the date of receiving a complete and legitimate Insurance Claim documentation as stated in Article 10.3.

Except force majeure circumstances, if the claim is accepted but Prudential fails to make payment within 30-day period, Prudential shall then pay, in addition to the amount of the insurance benefits, an amount of interest on the amount of insurance benefits in arrears at the interest rate applicable for the relevant term deposit quoted by the Vietnam Commercial Bank for the overdue period.

### **10.7 The person who receives the benefit:**

**10.7.1 Maturity:** Prudential will pay insurance benefit to Policyholder.

#### **10.7.2 Other benefits:**

- d. **If Policyholder is individual:** in a descending order, Prudential will pay insurance benefit to:
- i. Policyholder; or
  - ii. The Beneficiary as nominated in the Insurance Application Form or in the latest Alteration Confirmation Letter, if any. If there are more than one Beneficiary nominated and one of whom is not alive or does not exist at the occurrence of insurance event, the benefit according to this person shall be payable to the Policyholder's legitimate inheritor; or
  - iii. The Policyholder's legitimate inheritor, if no Beneficiary has been nominated.
- e. **If Policyholder is corporate:** in a descending order, Prudential will pay insurance benefit to:
- i. The Beneficiary as nominated in the Insurance Application Form or in the latest Alteration Confirmation Letter, if any, by Policyholder and with Life Assured's consent. If there are more than one Beneficiary nominated and one of whom is not alive or does not exist at the occurrence of insurance event, the benefit

according to this person shall be payable to the Life Assured's legitimate inheritor; or

- ii. The Life Assured's legitimate inheritor, if no Beneficiary has been nominated; or
- iii. Policyholder.

- **EXCLUSION**

- a. **Exclusion in case of Death:**

Prudential shall not pay an insurance benefit provided in Article 9.1 and Article 9.3 if death of the Life Assured is the result of any of the following:

11.1.1 Suicide whether sane or insane, within 24 months from the Policy Effective Date or the latest Reinstatement date, whichever is later. For the increased amount of the Sum Assured, exception for the reason of suicide specified in this Article applies for the duration of 24 months from the effective date of the increased amount of Sum Assured, or the latest Reinstatement date, whichever is later; or

11.1.2 HIV infection, Acquired Immune Deficiency Syndrome (AIDS) and/ or AIDS related diseases; or

11.1.3 Intentional acts of the Life Assured, the Policyholder, and/ or the person who receives the benefit.

- b. **Exclusion in case of Total and Permanent Dismemberment:**

Prudential shall not pay insurance benefit provided in Article 9.2 and Article 9.3 if the Total and Permanent Dismemberment of the Life Assured:

11.2.2 Occurs prior to the Policy Effective Date, or prior to the latest reinstatement date, whichever is later; or

11.2.3 Be the result of:

- a. Attempting suicide caused Total and Permanent Dismemberment or self-inflicted injury of Life Assured whether sane or insane; or
- b. Participate in flying aircrafts or any aviation activities except for as a fare-paying passenger of scheduled and licensed commercial aircrafts; or
- c. Intentional acts of the Life Assured, the Policyholder, and/or the person who receives the insurance benefits.

- c. **Exclusion in case of Terminal Illness of the Life Assured:**

Prudential shall not pay insurance benefit provided in Article 9.6 if the symptoms of the Terminal Illness:

11.3.1 Be the result of:

- a. Attempting suicide or self-inflicted injury of the Life Assured whether sane or insane; or
- b. misuse of drugs, addictive (except the use of drugs based on the prescription issued by a registered doctor)

11.3.2 Happen on the patient of HIV, Acquired Immune Deficiency Syndrome (AIDS).

**d. Exclusion on Accidental Death Benefit**

Prudential shall not pay any insurance benefit if accidental death of the Life Assured is the results of any of the following:

- 11.4.1 Wars (declared or not), hostilities, rebellion, civil commotion or riot; or
- 11.4.2 Under the impact of the use of narcotics, psychotropic drugs, alcohol, poisons, gas or similar substances, or drugs, unless the substance is used as a drug prescription issued by a Doctor and this influence is the cause of Accident; or
- 11.4.3 Suicide or harming himself/herself by the Life Assured whether sane or insane; or
- 11.4.4 Intentional acts committed by the Life Assured, the Policyholder, and/or the person who receives the insurance benefits, unless in attempt to save human lives; or
- 11.4.5 Participating in dangerous activities by the Life Assured such as scuba diving; bungee jumping, mountain climbing, racing of any kind, hang gliding, ballooning, parachuting or sky diving; or
- 11.4.6 Participating in professional sport activities; or
- 11.4.7 Participating in flying aircrafts or any aviation activities except for as a fare-paying passenger of licensed and scheduled commercial aircrafts.

11.5 In case the Life Assured suffers from Total and Permanent Dismemberment or Terminal Illness under exclusion cases mentioned in Article b and Article c, if the Policyholder keeps paying premiums to keep the policy in force and continue to be insured for other cases differ from exclusion cases, the policy will remain in-force under these Terms and Conditions;

In case of the Life Assured's death under exclusion cases mentioned in Article a and Article 11.4 or the Policyholder decides to terminate the Insurance Policy in case Life Assured suffers from Total and Permanent Dismemberment under exclusion cases mentioned in Article b, Prudential shall pay the higher of:

- a. Total paid premium at the occurrence of the insurance events, without interest, less any withdrawal as stated under Article 12.1.4, if any; and
- b. Surrender Value at the occurrence of the insurance events.

less medical examination fees and Debt(s), if any.

11.6 In case there are more than one Beneficiary, and one or some of them intentionally causes injury, disability or death against the Life Assured, Prudential shall still be liable to pay insurance benefits to the other Beneficiaries a percentage of the insurance benefit corresponding to the percentage indicated by the Policyholder in the Insurance Policy following these Terms and Conditions.

## **12. THE POLICYHOLDER'S RIGHTS AND OBLIGATIONS**

### **12.1 The Policyholder's rights:**



During the effective period of the Insurance Policy, the Policyholder reserves the following rights:

#### **12.1.1 To be provided information**

The Policyholder has a right to be supplied with information and to be dully explained on these Terms and Conditions when making Insurance Policy.

#### **12.1.2 Changing of Sum Assured**

- a. Besides Guaranteed Insurability Option as stated under Article 9.7, since the 3<sup>rd</sup> Policy Year, the Policyholder has a right to change the Sum Assured. The number of increases or decreases in the Sum Assured in one Policy Year shall be specified by Prudential at each particular period.
- b. The change becomes effective on the Monthly Anniversary Date right after the Policyholder's request is approved by Prudential. The Target Premiums shall remain unchanged. However, the Cost of Insurance and other policy-related terms and conditions shall be adjusted accordingly.
- c. In case of Sum Assured increase:
  - i. The Life Assured shall not be over 65 years old at the time of request and meets the requirements of underwriting provided by Prudential.
  - ii. The Sum Assured increase request shall be made when this insurance product is still provided by Prudential.
- d. In case of request for a change in the Sum Assured, the new Sum Assured must not be less than the minimum Sum Assured or higher than maximum Sum Assured specified by Prudential.

#### **12.1.3 Adding or terminating rider(s)**

The Policyholder has a right to terminate or add rider(s) at any time.

The effective date or termination of rider(s) is the date specified in the respective Alteration Confirmation Letter.

#### **12.1.4 Withdrawal from Policy Account Value**

- a. For Target Premium Account: the Policyholder has the right to make cash withdrawals since the 3<sup>rd</sup> Policy Year, subject to the following conditions:
  - i. Maximum amount per withdrawal is not in excess of 80% of Target Premium Account after deduction of Surrender Charge as stated under Article 14.2.5, and Debt(s), if any.
  - ii. After withdrawal, the balance of Target Premium Account after deduction of Surrender Charge, and Debts, if any, must not be less than the minimum amount defined by Prudential at each period.
  - iii. When withdrawing from Target Premium Account, Sum Assured will be decreased correspondingly if the Target Premium

Account after withdrawal is smaller than the current Sum Assured of the main product. However, the Sum Assured after decrease shall not be lower than the minimum Sum Assured defined by Prudential.

- b. For Excess Premium Account: the Policyholder has the right to make cash withdrawals at any time during the Policy Term.
- c. Each withdrawal is not less than the minimum amount per withdrawal defined by Prudential at each period.
- d. The Policyholder has to pay Withdrawal Charge from the Policy Account Value provided by Article 14.2.4. Cash withdrawals from the Policy Account Value should be made with order from Excess Premium Account, then Target Premium Account.

#### **12.1.5 . Excess premium**

any time after full payment of Target Premiums of the current Policy Year and premiums of rider(s), if any, to the current due date, the Policyholder has a right to pay Excess Premiums to increase the value of Excess Premium Account. However, Prudential reserves the right to stop receiving Excess Premium at any time.

- a. The Excess Premiums shall not make an increase in the Sum Assured and the Excess Premiums in each Policy Year should not exceed the maximum amount as regulated by Prudential at each period.

#### **12.1.6 Premium holiday**

The Policyholder has a right to pause payment of premiums at any time from the 6<sup>th</sup> Policy Year onwards after full payment of Target Premiums of the first 5 Policy Years. However, the pause in payment of premiums may affect insurance benefits, and the Insurance Policy may be lapsed according to Article 15 provided of these Terms and Conditions.

#### **12.1.7 Assignment**

- a. Policyholder may request to assign this Insurance Policy by forwarding a written notice to Prudential. The assignee must have insurable interest with the Life Assured(s) and satisfies all conditions as provided for in these Terms and Conditions, and current laws and regulations at the time of assign. Such assignment is effective only if approved by Prudential in writing.
- b. Prudential is not responsible for the validity or legality of the assignment between Policyholder and the assignee.
- c. Following the assignment of the Policy, the Life Assured shall still remain unchanged and the assignee shall become entitled to all the rights and obligations under the Insurance Policy. The Beneficiary(ies) nominated by the original Policyholder shall be automatically revoked.

#### **12.1.8 Nomination or replacement of the Beneficiary**

When the Policy is in force and the Life Assured is still alive, Policyholder may nominate and/ or change the designated Beneficiary or the percentage of each designated Beneficiaries by sending a written notice to Prudential and this nomination/ change is valid only if received by Prudential. Prudential is

not responsible for the legality or as well as any dispute among Policyholder and related persons relating to the nomination and/ or replacement of the Beneficiary.

#### **12.1.9 Termination of the Insurance Policy prior to maturity (Policy surrender)**

- e. The Policyholder may request to surrender the Insurance Policy at any time by notifying Prudential in writing. The effective date of Policy surrender is the date Prudential approves in writing.
- f. On the date that the Insurance Policy is surrendered, all insurance benefits shall be terminated and the Policyholder shall receive the Surrender Value less Debt(s), if any.

#### **12.1.10 Reinstatement of the Insurance Policy**

- a. Should the Insurance Policy lapse under condition specified in Article 15 of these Terms and Conditions, the Policyholder may request to reinstate the policy as long as the following conditions are met:
  - i. Policyholder submits a reinstatement request in writing within 24 months from the latest date the Insurance Policy is lapsed but not later than Policy maturity date; and
  - ii. Policyholder pays all required fees to reinstate the policy as regulated by Prudential; and
  - iii. Policyholder and the Life Assured are still eligible to be insured as regulated by Prudential at the point of time of reinstatement request.
- b. The Policyholder and the Life Assured are obligated to disclose full, correct, and truthful information on personal identification, health, and occupation in the application form of reinstatement, and comply with all requirement specified in these Terms and Conditions. In case the Policyholder violates the obligations under this Article, the request of reinstatement shall be terminated according to Article 12.2.1 provided by these Terms and Conditions.
- c. If Prudential accepts the reinstatement of the Insurance Policy, the reinstatement shall come into effect from the day Prudential issues the Policy Reinstatement Confirmation, provided that at this time, the Policyholder and the Life Assured must be still alive and the Life Assured is not suffered from Total and Permanent Dismemberment. Insurance events occurring during lapse period are not covered by Prudential.

### **14.1 Obligations of the Policyholder and the Life Assured**

#### **12.2.1 Provide accurate required information**

- a. Policyholder/Life Assured have an obligation to disclose completely, correctly and truthfully all required information for Prudential to evaluate the possibility of coverage acceptance for Insurance Policy. Medical check-up, if any, may not replace obligation of

Policyholder/Life Assured to disclose completely, correctly and truthfully all information as regulated in this Article.

- b. If Policyholder/Life Assured intentionally not to disclose completely, correctly and truthfully all required information at the request of Prudential, in which, with the correct information, Prudential would not accept to provide coverage, Prudential will not be responsible to pay the insurance benefits and have the right to unilaterally suspend Insurance Policy upon the discovery of breaches of Policyholder/Life Assured but pay Policyholder after deducting medical examination fees, all of Critical Illness benefits, Cash Benefit accepted to be paid out, and any outstanding Debt(s), if any at the point of time of suspending Insurance Policy.
- c. If Policyholder/Life Assured violated its obligation to provide accurate information and such violation did not making any effects on Prudential's acceptance to provide coverage or to reinstate Insurance Policy as regulated by Prudential from time to time, Prudential will pay out the insurance benefits upon happened insurance events according to these Terms and Conditions.
- d. If Policyholder/Life Assured violated its obligation to provide accurate information but Prudential still accepted to provide coverage and remained Insurance Policy in-force, Prudential has the right to:
  - Be paid an extra premium corresponding to potential risk increase risk, if any; or
  - Adjust the Sum Assured accordingly;
  - Exclude the responsibility for coverage for the injuries, diseases, disabilities which were not provided/declared fully, truthfully, accurately.

### **12.2.2 Payment of taxes**

The person who receives the insurance benefits is responsible for payment of taxes, if any, related to premium payment, Insurance Policy's issuance, and receipt of insurance benefits, if any, specified in the Insurance Policy as regulated by current law. On behalf of the person who receives the insurance benefits, Prudential shall execute the taxes deduction and payment provided for by law.

### **12.2.3 Payment of premiums**

In all cases, the Policyholder has the responsibility to pay premium in full on a timely manner regardless of whether receiving a premium payment reminding letter from Prudential or not. Proof of the on-due payment of premiums is the date specified in the valid Premium Collection Receipt issued by Prudential, bank confirmation date of transfer or deposit to Prudential's account, or other valid premium collection documents as regulated by Prudential. In case of Policy reinstatement, apart from premiums payment, the Policyholder shall be

liable to do every other obligation specified in these Terms and Conditions.

#### **12.2.4 Personal Information Update**

If the Life Assured changes his/ her residence place, the Policyholder must inform Prudential in writing. The fact that the Life Assured no longer lives in Vietnam could be the reason for Prudential to determine whether to continue providing insurance coverage with an unchanged Cost of Insurance, increased Cost of Insurance or terminate the Insurance Policy, and return to the Policyholder Surrender value less medical examination fees and Debt(s), if any.

### **13. PRUDENTIAL'S RIGHTS AND OBLIGATIONS**

#### **13.1 Prudential's rights:**

Apart from other rights regulated by the law, upon cases, Prudential may require the Life Assured to proceed a medical examination with the involved cost to be borne by Prudential. However, the underwriting process, if any, may not replace the obligation of the Policyholder to disclose completely, correctly and truthfully all information required by Prudential specified under Article 12.2.1 of these Terms and Conditions.

#### **13.2 Prudential's obligations:**

Apart from the other obligations provided for by law, during the effective period of the Policy, Prudential is obliged to explain clearly to the Policyholder every terms in the Terms and Conditions of this product and other attached rider(s), to inform relevant information on the signed Insurance Policy, financial statements of the Universal Life fund, and other information provided for by law.

Prudential is obligated to keep confidential the information provided by Policyholder as provided by law. Where provided to any parties to carry out transactions, commitments related to the implementation of the Policy, agreement with the Policyholder is required to be reached.

### **14. PREMIUM AND CHARGE INVOLVING AN INSURANCE POLICY**

#### **14.1 Premium**

14.1.1 Premium, premium frequency, and Sum Assured shall be specified in Life Insurance Certificate or the latest Alteration Confirmation Letter, if any, provided by these Terms and Conditions.

14.1.2 Within the first 5 Policy Years, the Policyholder must pay full Target Premiums. In the subsequent Policy Years, the Policyholder may pay the premiums at any time as long as the payment each time satisfies the minimum limit regulated by Prudential.

14.1.3 The Policyholder may authorize another person to pay premiums. Prudential is only responsible for the premium it receives.

#### **14.2 Types of charge involving an Insurance Policy**

#### 14.2.1 Allocation charge

The allocation charge is specified in the following table:

| Policy year         | 1   | 2   | 3   | 4   | 5  | From 6 <sup>th</sup> year |
|---------------------|-----|-----|-----|-----|----|---------------------------|
| % of Target Premium | 65% | 35% | 15% | 10% | 5% | 2%                        |
| % of Excess Premium | 2%  | 2%  | 2%  | 2%  | 2% | 2%                        |

#### 14.2.2 Cost of insurance

- e. As the Insurance Policy is still in force, a Cost of Insurance shall be deducted from Policy Account Value at each Monthly Anniversary Date.
- f. The Cost of Insurance is determined based on Sum Assured at risk, gender, health status and occupation of the Life Assured at time of policy purchase and varies based on Life Assured's age.
- g. The rate of Cost of Insurance may be changed if approved by the Ministry of Finance.

#### 14.2.3 Administration Charge

- b. Administration Charge shall be deducted from Policy Account Value at each Monthly Anniversary Date.
- c. Currently the Administration Charge is VND 40,000 per month, and may be adjusted but shall not exceed 10% per annum.

#### 14.2.4 Withdrawal charge from Policy Account Value

Withdrawal charge from Policy Account Value is specified in the following:

| Policy year  | 1   | 2   | 3  | 4  | 5  | From 6 <sup>th</sup> policy year |
|--|-----|-----|----|----|----|----------------------------------|
| % of withdrawal amount of Target Premium Account Value | N/A | N/A | 3% | 3% | 3% | 0%                               |
| % of withdrawal amount of Excess Premium Account Value | 5%  | 5%  | 3% | 3% | 3% | 0%                               |

#### 14.2.5 Surrender charge

The Surrender charge applied on each account is specified in the following table:

| Policy year | 1-2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | From 10 <sup>th</sup> year |
|-------------|-----|---|---|---|---|---|---|---|----------------------------|
|             |     |   |   |   |   |   |   |   |                            |

|                                    |      |      |     |     |     |     |     |     |    |
|------------------------------------|------|------|-----|-----|-----|-----|-----|-----|----|
| % of one annualized Target Premium | 100% | 100% | 90% | 80% | 70% | 60% | 40% | 20% | 0% |
| % of Excess Premium Account Value  | 5%   | 3%   | 3%  | 3%  | 0%  | 0%  | 0%  | 0%  | 0% |

If Target Premium Account is less than Surrender charge applied on Target Premium Account, this charge will be equal to actual value of Target Premium Account at the time of surrender.

#### **14.2.6 Fund Management Charge**

The current rate of the Fund management charge is 2.0% per annum calculated on the Policy Account Value. Fund Management Charge may be adjusted but shall not exceed 2.5% per annum.

Apart from the fees mentioned above, Prudential may add other fees/charge upon approval of Ministry of Finance.

**14.2.7** In case that there is any change in charge/fee, Prudential shall inform the Policyholder in writing at least 3 months prior to the official time of change.

### **15. GRACE PERIOD – LAPSE OF AN INSURANCE POLICY**

**15.1** The grace period is 60 days from the date that one of the following events takes place:

**15.1.1** Within first 05 policy years, when Policyholder fails to pay fully Target Premiums that are due or when Policy Account Value less Debt(s) (if any) is less than or equal to 0, unless No-lapse Guarantee Benefit applies as per specified in Article 9.9; or

**15.1.2** From the 6<sup>th</sup> Policy Year afterwards, Policy Account Value less Debt(s) (if any) is less than or equal to 0.

**15.2** In the grace period, Cost of Insurance and Administration Charge shall be deducted from Policy Account Value, or be credited at Prudential, and all benefits are still guaranteed, which is provided for by these Terms and Conditions.

**15.3** During the effective period of the Insurance Policy, if the Policyholder has not paid rider's premiums, after grace period of rider(s), the Excess Premium is used to pay for rider's premiums.

**15.4** If an assured event occurs within the grace period and is approved by Prudential, a benefit shall be payable after deduction of overdue Target Premiums of the first 5 Policy Years, overdue premium of the rider(s) and Debt(s), if any.

**15.5** The Insurance Policy shall be lapsed and all insurance benefits of the policy shall come to an end in following situations:

**15.5.1** During the first 5 Policy Years, after the grace period of a premium payment provided for by Article 15.1.1 comes to an end, if the

Policyholder still fails to pay fully required premiums, or the Policy Account Value is not enough to pay periodic Target Premium or the remaining of periodic Target Premium.

15.5.2 From the 6<sup>th</sup> Policy Year afterwards, after the grace period of a premium payment provided for by Article 15.1.2 comes to an end, if the Policyholder still fails to pay fully required premiums.

15.6 The grace period of rider-premium payment is 60 days from a due date. As the grace period is over, if the Policyholder still fails to pay fully premiums and Policy Account Value less premiums of rider(s) is less than the minimum amount defined by Prudential at each period, then the rider(s) shall be lapsed.

15.7 The Policyholder may reinstate the Insurance Policy and rider(s) attached, which is provided for by Article 12.1.10.

## **16. UNIVERSAL LIFE FUND AND POLICY ACCOUNT VALUE**

### **16.1 Universal Life Fund**

Allocated Premiums shall be invested into the Universal Life Fund, which is provided for by these Terms and Conditions.

Prudential shall implement prudently investment policies by concentrating its investment mainly on assets that have stable income such as Government bonds, municipal bonds, corporate bonds, and bank deposits, as well as by investing in potential assets such as unregistered stocks and stocks that are registered in the Vietnam Stock Exchange.

### **16.2 Policy Account Value**

16.2.1 Policy Account Value includes Target Premium Account and Excess Premium Account. All the deduction involving in Insurance Policy as specified under Article 9.6, Article 12.1.4, Article 14.2.2, Article 14.2.3 and Article **Error! Reference source not found.** will be deducted first from Excess Premium Account. If Excess Premium Account has no value or not enough to deduct, the deduction amount or the remaining of the deduction amount will be deducted from Target Premium Account.

16.2.2 Annually, Prudential shall inform the Policyholder in writing policy account value. Prudential shall oversee and invest an amount of money in the policy account in a portfolio that Prudential is allowed or feels comfortable to hold, or may authorize management and investment to a third party.

16.2.3 Target Premium Account shall be calculated as follows:

- a. At the Policy Effective Date, the Target Premium Account equals:
  - i. Target Premium; less
  - ii. Allocation Charge; less
  - iii. Cost of Insurance and an Administration Charge as specified under Article 16.2.1
- b. At each Monthly Anniversary Date, the Target Premium Account equals:



- i. Target Premium Account of the previous Monthly Anniversary Date; plus
- ii. Allocated Target Premiums since the previous Monthly Anniversary Date; plus
- iii. Interest that is calculated on the rate of return announced in the previous Monthly Anniversary Date.

Deducting following amounts:

- iv. Withdrawals from the Target Premium Account and corresponding Withdrawal Charges, if any, arising from the previous Monthly Anniversary Date; and
- v. Cost of Insurance and Administration Charge as specified under Article 16.2.1, and
- vi. Deductions to be paid for Target Premium of the first 5 Policy Years and premiums of rider(s) as specified under Article **Error! Reference source not found.** and Article 16.2.1, if any.

16.2.4 Excess Premium Account, if any, shall be calculated as follows:

- a. At the Policy Effective Date, the Excess Premium Account equals:
  - i. Excess Premium; less
  - ii. Allocation Charge; less
  - iii. Cost of Insurance and an Administration Charge.
- b. At each Monthly Anniversary Date, the Excess Premium Account equals:
  - i. Excess Premium Account of the previous Monthly Anniversary Date; plus
  - ii. Allocated Excess Premiums since the previous Monthly Anniversary Date; plus
  - iii. Interest that is calculated on the rate of return announced in the previous Monthly Anniversary Date.
  - iv. Loyalty bonus, if any;

Deducting following amounts:

- v. Withdrawals from the Excess Premium Account and corresponding Withdrawal Charges, if any, arising from the previous Monthly Anniversary Date; and
- vi. Cost of Insurance and Administration Charge; and
- vii. Deductions to be paid for Target Premium of the first 5 Policy Years and premiums of rider(s) as specified under Article **Error! Reference source not found.**, if any.

## 17. TERMINATION OF AN INSURANCE POLICY

The Insurance Policy shall be terminated upon occurrence of one of the

following events, whichever comes first:

- 17.1 The Insurance Policy is terminated before maturity in cases mentioned under Article 5, Article 8, Article 12.1.9, Article 12.2.4 or other provisions of this Terms and Conditions; or
- 17.2 The Insurance Policy is lapsed for more than 24 months continuously; or
- 17.3 Death of Life Assured covered by Basic Plan; or
- 17.4 Total and Permanent Dismemberment benefit is accepted to be paid by Prudential; or
- 17.5 Policy maturity date; or
- 17.6 Others cases regulated by the law.

**18. RESOLUTION OF DISPUTES**

Any dispute arising in connection with insurance Policy, if failing to be settled through conciliation between the parties, shall be referred by either party to the court where Prudential's head office is located or the court of Life Assured's official residence or where his/her head office is located in Viet Nam, for settlement. Court fees shall be borne by the losing party. The statutory time limits for initiating a lawsuit shall be within three (3) years from the date of dispute.

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