TERMS AND CONDITIONS
PRODUCT NAME – PRUBusiness – Term Life Basic

1. BRIEF PRODUCT DESCRIPTION

PRUBusiness – Term Life Basic is a one-year term life insurance, providing the Insured Members/Dependents with a lump sum benefit upon Death or Total and Permanent Disability. It offers a simple protection plan for small and medium sized enterprises and corporate businesses looking to enhance their employee benefits.

All benefits and considerations under the Policy are denominated in Lao Kip (LAK).

These terms and conditions relate to the Group Term Life Policy between Prudential Laos Assurance Limited and the Policy Owner.

2. DEFINITIONS

Throughout these Terms and Conditions, **"you", "your", "yours"** or **"the Enterprise"** means the Policy Owner and **"we", "us", "our", "ours"** or **"the Insurer"** means Prudential Life Assurance (Lao) Company Limited.

2.1 **Policy Owner** means the employer shown in the Master Insurance Certificate.

2.2 **Insured Member** means an Eligible Member who has been approved for coverage under this Policy and is accepted by the Insurer for insurance under the Terms and Conditions herein.

2.3 **Eligible Member** means a Member who is Actively at Work on the Policy Effective Date, and who has not been disqualified by any other provision of this Policy and is entitled to participate in the insurance coverage provided by this Policy. The Actively at Work condition is applicable unless an exemption is provided by us. The Actively at Work condition will also apply to Members who join during the Policy Term.

A Member who fails the Actively at Work requirement under certain circumstances, as specified within our prevailing underwriting guidelines, but satisfies Actively at Work at a later date during the Policy Term and/or provides sufficient Evidence of Insurability, may still become an Eligible Member during the Policy Term.

2.4 **Member** means a person who is your employee who is:

- **(i)** Working for you; and
- **(ii)** Receiving earnings from you; and
- **(iii)** Within the ages and occupation classes specified within our prevailing underwriting guidelines.

2.5 **Dependent** means a person who is:

- **(i)** The Legally wedded spouse of an Insured Member or an individual who is in a Defacto Relationship with an Insured Member; and
- **(ii)** Within the ages of 18-65 (at last birthday) and occupation classes specified within our prevailing underwriting guidelines; and
- **(iii)** Approved by us for coverage under this Policy after providing Evidence of Insurability; and
- **(iv)** Not an Insured Member under this Policy.

2.6 **Actively at Work.** An employee is considered Actively at Work if they are in Active Service of employment, have no physical disability, are not on leave due to sickness and have not been on leave due to Sickness for five or more continuous days during the last one year prior to the Policy Effective Date. Physical disability in this context means loss or fracture of a limb or loss of sight or hearing on at least one eye or ear, respectively.

2.7 **Active Service** means your full-time employee who is:

- **(i)** Reporting for work at your business establishment or location, performing all the regular duties of his employment in the customary manner; and
- **(ii)** Actively working on any day which is one of your scheduled workdays, or
- **(iii)** On a regular paid vacation or on a regular non-working day provided that they satisfy the requirements in clause **2.8 i)** and **2.8 ii)** above on the day before the vacation or non-working day.

2.8 **Evidence of Insurability** means the health declaration form completed by the Eligible Member or Dependent and any medical reports to support his application for coverage under this Policy.

2.9 **Beneficiary** is any individual designated by an Insured Member to receive the insurance benefits according to the Terms and Conditions herein.

2.10 **Policy Effective Date** is the date from which the insurance coverage under this Policy becomes effective and shall be the date as specified in the Master Insurance Certificate.

2.11 **Policy Term** is the period during which insurance coverage is provided. The Policy Term is one (1) year.

2.12 **Policy Anniversary** means the anniversary of the Policy Effective Date.

2.13 **Premium** is the amount of money that the Policy Owner will pay to the Insurer, including Basic Plan Premium and Rider(s) Premium for their respective benefits.

2.14 **Entry Date** for member means the date when an Eligible Member becomes an Insured Member. For a dependent, it is the date from which they are approved for coverage.

2.15 **Total and Permanent Disability ("TPD")** means an Insured Member/Dependent suffers from complete loss and permanent irrecoverability, or permanent paralysis, of:

- Two arms; or
- Two legs; or
- One arm and one leg; or
- Two eyes; or
- One eye and one arm; or
- One leg and one eye.

In this definition, complete loss and permanent irrecoverability of:

- **(i)** eye(s) means physical loss of eyes or complete blindness,
- **(ii)** arm(s) means total and irrecoverable loss of the use of limb(s) at or above the wrist(s), and
- **(iii)** leg(s) means total and irrecoverable loss of the use of limbs at or above the ankle.

In case of complete loss and permanent irrecoverability of arm(s) or leg(s) or eye(s), such certification may be carried within 6 months of the date of the accident.

In case of permanent paralysis, the Total and Permanent Disability condition must be certified by a registered Hospital at provincial or capital level or above no sooner than three (3) months and not later than six (6) months from the occurrence of the accident or the date the paralysis condition is verified.

2.16 **Accident** means an event caused solely and directly by violent, unexpected and external means, and is independent of all other causes such as illness or disease of the Insured Member/Dependent.

2.17 **Hospital** means an institution duly licensed and operating as one according to law, to care and treat sick or injured bed patients. It must have facilities for diagnosis, major surgery and a 24-hour per day professional nursing service supervised by one or more Registered Medical Practitioners. This definition does not include any institution operating as a convalescent or nursing home, rest home, community hospital, home for the aged, a place for alcoholics or drug addicts and psychiatric hospitals, which are primarily for the treatment of mental illness and/or psychiatric disorders or any similar purpose.

2.18 **Registered Medical Practitioner** means a person who holds a valid registration from the Lao Medical Association and is thereby entitled to practice medicine within its jurisdiction and is acting within the scope and jurisdiction of licence. The Registered Medical Practitioner shall not include the Insured Member/Dependent's spouse, father (including step father), mother (including step mother), son (including step son), son's wife, daughter (including step daughter), daughter's husband, brother (including step brother) and sister (including step sister), or the Insured Member/Dependent.

2.19 **Injury** means bodily injury sustained accidentally by external means.

2.20 **Sickness** means a physical condition marked by a pathological deviation from the normal healthy state.

2.21 **Basic Plan** means this life insurance product, "Term Life Basic", with benefits as outlined within these Terms & Conditions.

2.22 **Rider(s)** means additional benefit(s) that the Policy Owner can choose to purchase along with the Basic Plan. The Policy Owner shall pay additional Rider(s) Premiums to avail of the Rider benefits.

3. THE POLICY

This Policy document is a legal contract between you and us. We agree to provide you the coverage set out in this Policy document for the premiums paid by you.

The Policy includes the Group Insurance Proposal Form, Individual Group Health Declaration Form submitted by members, Basic Plan Terms and Conditions, the Rider(s) Terms and Conditions (if any), Master Insurance Certificate, the Insurance Quotation, the Invoice, the Insurance Member Coverage List, the Amended Member Coverage List issued by the Insurer as agreed with the Policy Owner during the establishment and carrying out of the Policy.

4. PREMIUM

4.1 The method and frequency of premium payment is stated in the Master Insurance Certificate or its latest Invoice, if any. The first premium must be paid at the Policy Effective Date and subsequent premiums shall be due and payable on the premium due dates shown in the Master Insurance Certificate or latest invoice, if any.

4.2 Any premium due must be paid and received in full by us within 30 days from the respective premium due date ("**Grace Period**"). If we do not receive the premiums within the Grace Period, we reserve the right to:

- **(i)** charge an interest rate to be determined by us, on the outstanding premium due; or
- **(ii)** terminate coverage for the Member/Dependent from the respective premium due date and we shall be discharged from all liabilities and obligations to the Member/Dependent thereafter.
- **(iii)** In case of an occurrence of the Insured Event during the Grace Period, we will deduct the due Premium from the benefit amount.

4.3 The Policy Owner shall be liable to pay any taxes applicable to an issued Policy.

4.4 In the event of approved participation of coverage of a new Eligible Member/Dependent during the Policy Term, we will charge you pro-rated premiums for this new Member/Dependent from the date we receive instructions of such participation until the end of the Policy Term.

5. MEMBER AND DEPENDENT PARTICIPATION

5.1 Any Eligible Member who meets the eligibility qualifications at the Policy Effective Date, and any spouse who meets the conditions of a Dependant at the Policy Effective Date, shall be eligible to participate at such effective date.

5.2 Members/spouses who are eligible to participate in the insurance coverage under this Policy must have all the qualifications as Eligible Members/Dependents.

5.3 It is compulsory for all Eligible Members of the Policy Owner to be covered, unless we have given written approval on the exception. For the Dependent coverage to be offered the decision to provide cover for dependents must lie with the Policy Owner and will be on a compulsory basis for all Insured Members under the Policy. This applies to both the Basic Plan and any Rider(s).

5.4 New Members will be assessed for eligibility at the date they become employees of your Enterprise. New spouses will be assessed for eligibility as Dependents from the date of marriage.

5.5 Members/Dependents whose coverage has been terminated, for any reason, and who re-apply for coverage are considered new Members/Dependents.

5.6 When any of the Members, or their spouses, becomes eligible to participate, you must elect for their enrolment in writing within 30 days from the date they become eligible. Otherwise, their coverage can only commence when they are able to furnish us with satisfactory Evidence of the Insurability at your or their own expense(s).

5.7 An Eligible Member becomes an Insured Member/a spouse becomes a Dependent on the first day they become eligible provided that:

- **(i)** You have elected to include him for coverage in writing within 30 days; and
- **(ii)** Any required Evidence of Insurability, as specified in our prevailing underwriting guidelines, is received by us; and
- **(iii)** His coverage is confirmed by us in writing.

6. MEMBER AND DEPENDENT TERMINATION

6.1 The insurance coverage for an Insured Member/Dependent automatically terminates on the following dates, whichever is the earliest:

- **(i)** The date this Policy is terminated by either you or us;

- **(ii)** The date when you stop paying the premium for the Insured Member/Dependent's cover;
- **(iii)** The Policy Anniversary when the Insured Member/Dependent attains the maximum age of coverage as specified under our underwriting guidelines;
- **(iv)** The termination of employment of the Insured Member.

Dependent coverage will also automatically terminate should the Dependent no longer fulfil the conditions which qualifies them as a Dependent.

For the avoidance of doubt, the insurance coverage for the Dependent of an Insured Member will cease in any of the above instances where the Insured Member's coverage is terminated.

6.2 In the event of termination of coverage of an Insured Member/Dependent without any claim being made (under both the Basic Plan and any Rider(s)) since the Policy Effective Date (or equivalently the renewal date, if applicable), we will refund pro-rated premiums for this Insured Member/Dependent from the date we receive instructions of such termination until the end of the Policy Term. For the avoidance of doubt, if a claim has already occurred between the Policy Effective Date and the termination date for the Insured Member/Dependent under termination then no refund of pro-rated premium will be applicable.

7. BENEFICIARY

7.1 The Beneficiary of an Insured Member will be their Dependent if the latter is also covered under the Policy, and vice versa.

7.2 If an Insured Member doesn't have a Dependent covered under the Policy, it is mandatory for them to nominate a Beneficiary during the application stage, or as soon as possible after the Policy is successfully issued. If no Beneficiary is nominated, then the benefits would be payable based on Lao Law.

7.3 In the case of TPD benefit for either an Insured Member of their Dependent, the Insured Member or the Dependant can receive the benefits.

7.4 While this Policy is in effect, an Insured Member may change their Beneficiary by contacting the Insurer through their employer.

7.5 Lack of documents to prove the legal relationship between Beneficiary and Insured Member will lead to non-payment of claim.

7.6 The Insurer is not responsible for the legality of the designation of any Beneficiary.

8. BENEFITS

8.1 **Basic Plan Sum Assured** is the amount of money which an Insured Member/Dependent has as insurance coverage, to be payable when the relevant insured event(s) below occur, subject to the Terms and Conditions herein. The amount is stated in the Master Insurance Certificate. The Sum Assured once selected cannot be changed during the Policy Year.

8.2 Death Benefit

In the event of the death of an Insured Member/Dependent while the Policy is still in effect, the Insurer shall pay to their Beneficiary 100% of their Basic Plan Sum Assured. Once the due benefit is paid, coverage shall cease for the Member/Dependent.

8.3 TPD Benefit

In the event of the TPD of an Insured Member/Dependent while the Policy is still in effect, the Insurer shall pay to their Beneficiary 100% of their Basic Plan Sum Assured. Once the due benefit is paid, coverage shall cease for the Member/Dependent. We shall have the right to have the Insured Member/Dependent examined by a Registered Medical Practitioner of our choice.

8.4 Benefit Payment Limits

The maximum accumulated claim payment of each Insured Member/Dependent for 'Death' and 'TPD' benefits is limited to 100% of their Basic Plan Sum Assured. Therefore, upon payment of either 'Death' or 'TPD' benefit, this Basic Plan coverage will be ceased. Once the coverage under the Basic Plan is over, coverage under the riders, if any, will cease for the Member/Dependent.

9. EXCLUSIONS

Exclusions on death/TPD claim

The Insurer reserves the right to decline a death or TPD claim that is caused by an event as stipulated in Articles 8.2 and 8.3 if the death or TPD of the Insured Member/Dependent is caused directly or indirectly by any of the following:

- **(i)** Suicide or attempted suicide, self-inflicted injury, whether sane or insane; or
- **(ii)** Any Human Immunodeficiency Virus (HIV) and/or any HIV-related illnesses including Acquired Immune Deficiency Syndrome (AIDS) and/or any mutations, derivation or variations thereof; or
- **(iii)** Committing or attempting to commit a criminal offence by the Policy Owner, the Insured Member/Dependent, or the Beneficiary; or
- **(iv)** Drugs or stimulators or alcohol abuse, or their complications; or
- **(v)** War, invasion, acts of foreign countries (whether with or without war declaration), hostilities, act of terrorism, civil war, rebellion, participation in illegal acts, revolution, insurrection, military or usurped power, riot or civil commotion; or
- **(vi)** Pre-existing conditions, sickness, disease or impairment from which the Insured Member/Dependent is suffering and has consulted a doctor prior to the Insured Member/Dependent's Entry Date unless the Insured Member/Dependent has been insured under this Policy continuously for 12 months.

10. CLAIM PROCEDURE

The benefits will be paid in accordance with the following provisions:

- **(i)** Claim submission for benefits needs to be completed with the following information/documents:
  - Claim request form;
  - Medical report, Medical and treatment record, Medical examination result, prescription and X-ray film which was used to diagnose the sickness/injury;
  - Death certificate (original or copy which has been certified by the relevant authority);
  - National ID card / Passport / Family book / Residential registration book / Birth certificate or inheritance document (if any) of claimant;
  - Other documents or evidence which are important for the claim assessment might be requested depending on the claim case (e.g. Accident scene examination report / Medical report, Copy of TPD declaration issued by Clinic / Hospital registered at provincial or capital level or above no sooner than three (3) months and not later than six (6) months from the occurrence of the accident or the date the paralysis condition is verified).

The claimant will be responsible for all costs involved in collecting and providing to the Insurer the related documents.

(ii) The time limits for claiming the benefits under the Policy shall be as following:

- Three (3) months after the death of an Insured Member/Dependent; or
- Three (3) months from the issuance of the assessment of the health authority on the TPD of an Insured Member/Dependent.

(iii) The Insurer is responsible for assessing the claim request within 15 (fifteen) working days after all the required documents have been submitted to the Insurer.

(iv) The payment of insurance benefits shall be made according to the following descending order:

- The Beneficiary then in effect under your Policy; or
- The Beneficiary's legitimate successor according to Laos Law.

11. POLICY SURRENDER

The Policy Owner has the right to fully surrender the Policy at any time during the Policy Term. You can request for the surrender of the Policy by using the Surrender Request Form provided by the Insurer. The effective date of your surrender request would be the date when we receive the duly signed and fully completed Surrender Request Form from you. On receipt of your Surrender Request Form, the Insurer shall terminate your policy thus any coverage provided by the Policy is no longer effective.

12. POLICY RENEWAL

A **Renewal Policy** is an insurance policy issued to replace an expiring policy. Your ability to renew this product is non-guaranteed. Should renewal be available, you will be offered the chance to renew the policy for Eligible Members and Dependents should they continue to meet the qualifications for eligibility at the renewal date.

The Insurer reserves the right to adjust the Premium upon renewal.

13. MAINTENANCE OF DATA

13.1 You must maintain a record of each Insured Member and their Dependent, if applicable, showing all of the following information:

(i) Full name,
(ii) Gender,
(iii) Age or date of birth,
(iv) ID/passport number,
(v) Amount of cover/Basic Plan and Rider(s) Sum Assured,
(vi) Date that cover starts (Policy Effective Date),
(vii) Date that cover ends,
(viii) Changes with dates noted,
(ix) Job position/occupation class,
(x) Beneficiary, if applicable, and
(xi) Any other information that is required from time to time.

13.2 Clerical errors in keeping the records shall not:

(i) Invalidate the insurance coverage, which is otherwise validly in force, or
(ii) Continue the insurance coverage which is otherwise validly terminated.

Upon discovery of such error, an equitable adjustment shall be made.

13.3 You shall furnish us with all information and proof which we may reasonably require pertaining to this Policy. We reserve the right at any time to inspect your records including all documents and information given to you by each Insured Member/Dependent in connection with this Policy.

14. MISREPRESENTATION OF MATERIAL INFORMATION

You and the Insured Members/Dependents under the Policy have an obligation to disclose every fact material to our assessment of the risk of issuing the Policy and any of its coverage. Insurance coverage shall be void in the following situations:

- **(i)** Where a misrepresentation of age or other relevant facts has caused any Member/Dependent to be insured when they would otherwise be ineligible for any insurance, or
- **(ii)** Where any statement has caused any Member/Dependent to remain insured when they would otherwise be disqualified in accordance with the terms and limitations of this Policy.

Premiums paid for the above shall be returned except where there is fraud on your part or on the part of the Insured Member/Dependent.

15. SETTLEMENT OF DISPUTES

Any dispute arising in connection with the Policy, if failing to be settled through conciliation between the parties and Department of State-Owned Enterprise Management, Development and Insurance (Ministry of Finance) shall be referred by either party to the court where the Insurer's head office is located for settlement. Court fees shall be borne by the losing party. The time limits for initiating a lawsuit shall be within thirty-six (36) months from the date of dispute.

16. TERMINATION OF THE POLICY

The Policy will be automatically terminated due to any one of the following conditions:

- **(i)** There are less than five (5) Insured Members (excluding Dependents) at a Policy Anniversary, or
- **(ii)** Upon notification from Policy Owner to cancel/terminate the Policy, or
- **(iii)** Upon end of insurance coverage at the end of the Policy Term if no instruction to renew is received, or
- **(iv)** Upon the Policy Owner being declared bankrupt or in case of dissolution or winding up by the court or relevant authority; Prudential will refund premium for uninsured period to the Policy Owner or its liquidator.
- **(v)** The Policy is terminated in accordance with the Terms and Conditions or rejected for Policy issuance by the Insurer, or
- **(vi)** Other situations as may be stipulated by the existing insurance laws.

17. SANCTIONS

"Sanctions" means restrictive measures imposed on targeted regimes, countries, governments, entities, individuals and industries by international bodies or governments in Lao PDR or outside of Lao PDR, including but not limited to the United Nations, the European Union, the US Treasury Department's Office of Foreign Assets Control, and the Lao Anti-Money Laundering Intelligence Office.

Regardless of anything to the contrary contained in this Policy, if (i) we learn or are notified that the Policy Owner, the Insured Members/Dependents, or any other beneficial owner named at the application stage, nominee, beneficiary, individual or entity that is associated with this Policy is named on any Sanctions list, or is threatened with being added to any Sanctions list, or (ii) if we or any bank or other relevant third party could be found to be in breach of Sanctions obligations as a result of taking any action under this Policy, then we may (x) upon thirty (30) days notice, terminate this Policy with immediate effect and/or (y) take any other action we

may deem appropriate, including but not limited to notifying any relevant government authority, withholding any payments and/or freezing any monies paid to us and transferring them to any relevant government authorities. We shall not be liable for any losses of whatever nature that you or anyone else may incur as a result of us taking action under this clause. This clause, and our ability to claim for any losses that we may incur arising out of the operation of this clause, shall survive any termination or expiry of this Policy.

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