



IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

BOILER AND PRESSURE VESSEL TAKAFUL Participant's Membership Document



IGI GENERAL INSURANCE LIMITED

WINDOW TAKAFUL OPERATIONS

BOILER & PRESSURE VESSEL POLICY

POLICY NO: _____

WELCOME TO IGI GENERAL TAKAFUL

Thank you for taking out your Boiler & Pressure Vessel Takaful Policy with us – and welcome to IGI General Insurance Limited – Window Takaful Operations.

IGI General Insurance Limited (part of the Packages Group) is considered amongst the earliest, most diverse and respectable insurers in Pakistan offering a wide range of insurance products including all Takaful covers. We are proud to serve customers all over Pakistan through a wide network of branches.

Over the last sixty years, IGI has established a sound business base in the insurance sector in Pakistan off the back of well governed operational infrastructure. We are renowned for only highest level of standards of integrity.

At IGI General Insurance Limited – Window Takaful Operations we have your future in mind and look forward to working closely with you.

Tahir Masaud
Chief Executive Officer

This document may be called **Participant's Membership Document** (hereinafter referred to interchangeably as "policy") as defined in the Takaful Rules, 2012.

This is to acknowledge that the applicant (hereinafter called the 'Participant'), as more fully described in the schedule hereto:

- I. Participant shall be deemed as *Mauqoof Alaihe* (Member) of the *Waqf* (hereinafter called *Waqf* Fund or Participant Takaful Fund or PTF) established and operated by IGI General Insurance Limited "Window Takaful Operations" (hereinafter called the Operator and *Mutawalli*)) when he/she has paid the contribution by way of *Tabarru'* described as per the schedule annexed.
- II. The Participant undertakes to authorize the Operator, to pay the Re-Takaful contribution(s) on behalf of the Participant in one or more Re-Takaful Operator(s) for Re-Takaful arrangement.
- III. Being a *Mauqoof Alaihe* of the Waqf Fund, he/she is acknowledged as a beneficiary under the attached membership Policy of the Waqf Fund, and of the benefits declared by the Waqf Fund from time to time under this policy in accordance with the Waqf Rules governing the Fund.
- IV. Subject to the participant continuing as a member of the Waqf Fund and complying with his/her undertaking under his/her declaration made in the proposal form, he/she is compensated by the Waqf Fund as one of its *Mauqoof Alaihe* (member) and shall be entitled to take benefits against the perils/events described, in the manner and to the extent as stated here under.

CONDITIONS

- No payment in respect of any Contribution by way of *Tabarru'* shall be deemed to be payment to the Waqf unless a printed form of receipt for the same, signed by an authorized official of the Operator, shall have been given to the Participant.
- Notwithstanding anything above, cover under this policy shall not commence until the Participant has become or guaranteed to become the *Mauqoof Alaihe* (member) of the Waqf Fund.

Whereas the Participant named in the schedule hereto has applied for participation in the Waqf Fund and has made a written proposal by completing a questionnaire, which together with any other statements made in writing by the Participant for the purpose of this membership Policy, is deemed to be incorporated herein.

Now This Policy Witnessed being a member of the PTF, subject to the terms, exclusions, provisions, definitions and conditions contained herein or endorsed hereon, the Participant shall be compensated against:

1. Damage (other than by fire) to any boiler or pressure vessel described in the Schedule hereto and to other property of the Participant,
2. Liability of the Participant at law for damage to property not belonging to the Participant,
3. Liability of the Participant at law on account of fatal or non-fatal injuries to any persons other than the Participant's own employees or workmen or members of the Participant's family, caused by and solely due to explosion or collapse as hereinafter defined of any boiler or pressure vessel described in the Schedule whilst in the course of ordinary working;

Provided that the benefits provided by the operator in respect of anyone boiler or pressure vessel in any one year of this policy does not exceed the sum covered set opposite there to in the Schedule and, in respect of damage to other property of the participant and third party liability, the limit of compensation so specified in the Schedule;

Provided also that in case of any claim against the Participant for damages as aforesaid the Operator will in addition pay all costs and expenses recovered by any claimant against the Participant or incurred with the written or sent of the Operator in resisting such claim.

EXCLUSIONS

Written or sent of the Operator in resisting

No compensation will be made in respect of:

1. Defects due to the wearing away or the waiting of the materials of a boiler or a pressure vessel, whether by leakage, corrosion or by the action of the fuel or otherwise, the grooving or the fracturing of any of the parts of a boiler or a pressure vessel, or for deterioration generally, or for the development of cracks, blisters, laminations and other flaws, or for fractures, failure of joints, or for bulging and deformation due to overheating of tubes (unless such defects, fractures, failures or bulging result in explosion or collapse), or for the cracking or sections of cast-iron heating boilers or other vessels constructed of cast-iron;
2. The failure of individual tubes in boilers of the water tube, locomotive or other multi-tubular types, in super heaters or in economizers (unless such defects result in explosion or collapse);
3. Damage to property belonging to the Participant or held by him in trust or on commission for which he is responsible, caused by fire arising from explosion or collapse or any other cause whatsoever, or damage to the plant resulting from any extraneous cause;
4. Damage and/or liability caused by the willful act or willful neglect of the Participant;
5. Loss sustained by stoppage of work;
6. Loss or damage which either in origin or extent is directly or indirectly, proximately or remotely. Occasioned or contributed to by any of the following, namely:
 - a) Typhoon, hurricane, volcanic eruption, earth quake or other convulsion of nature,
 - b) loss or damage directly or indirectly caused by or arising out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock out, civil commission, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction of or damage to property by order of any government de jure or de facto or by any public authority, nuclear reaction, nuclear radiation or radioactive contamination,
 - c) Any test other than tests at a pressure not exceeding the maximum pressure permitted by the inspecting authority.

DEFINITIONS

The following terms, when used in this policy, shall have the under mentioned meanings:

1. "Boiler" shall mean any fired closed container or a combined container piping system in which steam is generated under pressure. When used in the Schedule, the term "boiler" shall include fittings, built-in super heaters and economizers but shall not include team or feed-water piping or separate economizers, the explosion of such items being covered by this policy only if specifically listed in the Schedule.
2. "Vessel" shall mean any unfired closed container under steam or air pressure.
3. "Explosion" shall mean the sudden and violent rending or tearing a part of the structure of a boiler or vessel, or any part or parts thereof by force of internal steam, air or fluid pressure, causing bodily displacement of said structure accompanied by the forcible ejection of its contents. Fuel Gas Explosion: "Explosion" shall also mean any damage to the structure of a boiler by force of the sudden and accidental combustion or explosion of ignited furnace or fuel gases.
4. "Collapse" shall mean the sudden and dangerous distortion of any part of a boiler or vessel caused by the crushing stress of external steam or fluid pressure, whether attended by rupture or not; it shall not mean any slowly developing deformation due to any cause.

PROVISIONS

Memo 1-Sum Covered

It shall be requirement of this policy that the sum covered for each boiler and pressure vessel is equal to the cost of replacement by a new item of the same kind and capacity, which means its cost of replacement including, freight, dues and custom duties, if any, and cost of erection. If the sum covered is less than the amount required to be covered, the Participant shall be compensated only in such proportion as the sum covered bears to the amount required to be covered. Every item if more than one shall be subject to this condition separately.

Memo 2-Basis of compensation

- a) In cases where damage to an item can be repaired, the Operator shall arrange to pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs, as well as ordinary freight to and from a repair shop, customs duties and dues, if any, but for the boiler and pressure vessels listed in the Schedule, only to the extent such expenses have been included in the sum covered. If their pairs are executed at a work shop owned by the Participant, the Operator shall arrange to pay the cost of materials and wages incurred for the purpose of their pairs plus a reasonable percentage to cover over head charges.

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account.

If the cost of repairs as detailed herein above equals or exceeds the actual value of the item immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) below.

- b) In cases where an item covered under this policy is destroyed, the Operator shall arrange to pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection and customs duties, if any, but for the boiler and pressure vessels listed in the Schedule, only provided such expenses, have been included in the sum covered, such actual value to be calculated by deducting proper depreciation on the replacement value of the item. The Operator shall also arrange to pay any normal charges for the dismounting of the items destroyed, but the salvage shall be taken into account.

Any extra charges incurred for overtime, night work, and work on public holidays, and express freight shall be covered by this policy only if especially agreed in writing.

The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this policy. The cost of any provisional repairs shall be borne by the Operator if such repairs constitute part of the final repairs and do not increase the total cost of repair.

The Operator shall arrange to make payments only after being satisfied by production of the necessary bills and documents that the repairs have been affected or replacement has taken place, as the case may be.

Memo 3 - Inspections

All the plant described in the Schedule shall be inspected within the statutory periods by inspectors authorized by the appropriate authorities.

Memo 4 - Boiler Attendant

The said boilers shall only be operated by attendants holding a valid Certificate of competency issued under the appropriate Boiler Act.

Memo 5 - Operational Status

At the time of any explosion or collapse of any boiler or other apparatus covered hereunder the Participant shall be in possession of the unqualified permission in writing of the competent inspecting authority to operate the said boiler or apparatus. If the maximum pressure or load upon the safety valve immediately prior to the explosion or collapse was in excess of that stipulated by the said authority, the Participant shall not be entitled to any compensation or indemnity under this policy in respect of such explosion or collapse.

CONDITIONS

1. The due observance and fulfillment of the terms of this policy, in so far as they relate to anything to be done or complied with by the Participant, and the truth of the statements and answers in the proposal made by the Participant shall be a condition precedent to the participant being compensated.
2. The Participant shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Operator to prevent loss, damage or liability and shall comply with manufacturers' recommendations.
3.
 - a) Representatives of the Operator shall at any reasonable time have the right to inspect and examine any property covered hereunder and the Participant shall provide the representatives of the Operator with all details and information necessary for the assessment of the risk, e.g. the inspection reports issued by the inspectors authorized by the appropriate authorities.
 - b) The participant shall immediately notify the Operator by telegram/fax/email and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require. This shall also apply if fuel is to be used other than that for which the boiler was designed or which was used at the time the cover under this policy was effected. Non-compliance with this condition shall result in suspension of this policy in respect of the item or items where the change in risk has occurred,
4. In the event of any occurrence which might give rise to a claim under this policy, the Participant shall:
 - a) Immediately notify the Operator either by electronic mail (e-mails) or other electronics means and/or teletype (telex, telefax, telegram) or by telephone as well as in writing, giving an indication as to the nature and extent of the loss or damage;
 - b) Take all steps within his power to minimize the extent of loss or damage.
 - c) Preserve the parts affected and make them available for the loss or damage inspection by a representative or surveyor of the Operator;
 - d) Furnish all such information and documentary evidence as the Operator may require.

The Operator may at its own option repair or replace what is damaged or arrange to pay in cash for the loss or damage.

No compensation shall be made for the cost of any repairs undertaken by the Participant without the written permission of the Operator.

The Operator shall not warrant liability for loss or damage of which no notice has been received by the Operator within 14 days of its occurrence.

Upon notification of a claim being given to the Operator, the Participant may carry out repairs of any minor damage or replace items which have sustained any minor damage, but in all other cases a representative of the Operator shall have the opportunity of inspecting the damage before any alterations are effected. If an inspection by a representative of the Operator does not take place within a period of 14 days from the date of the notification of the claim, the Participant shall be entitled to proceed with the repairs or replacement. Nothing contained herein shall prevent the Participant from taking such steps as are absolutely necessary to maintain the operation of the plant.

No compensation will be made under this policy, in respect of any item of property sustaining damage, for which compensation is provided, shall cease if the said item continues in operation without being repaired to the satisfaction of the Takaful Operators.

5. The Participant shall, at the expense of the Fund, do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Operator for the purpose of enforcing any rights and remedies, or of obtaining relief or compensation from other parties for the recovery / claim. Upon continuing the membership or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after his compensation under this Policy, the Participant authorizes the Operator to deduct the proportionate amount from the recovered sum as contribution (donation) to PTF. The Participant undertakes to authorize the Operator, after the settlement, to deduct the recovery / claim proceeds to the PTF less the contribution to the PTF for the continuation of membership and deposit the same proceeds to PTF, donation on behalf of the Participants.
6. No admission, offer, promise, payment or compensation shall be made or given by or on behalf of the participant without the written consent of the Operator who are entitled if they so desire to take over and conduct in the name of the Participant the defense or settlement of any claim for compensation or damage or otherwise and who have full discretion in the conduct of any proceedings or in the settlement of any claim, and the Participant shall give all such information and assistance as the Operator may require.
7. This Policy may at any time be withdrawn by the Waqf, on 14 days' notice by registered letter to that effect being given to the Participant at his last known address. In that case, the Operator in the capacity of Waqif and Mutawalli is authorized to give participant an amount equivalent to proportionate Contribution Ratio for the unexpired period of policy from the date of such withdrawal. This Policy may also be withdrawn at any time at the request of the Participant, in which case the Waqf may give the participant an amount equivalent to the actual contribution made initially by him/her, less the amount worked as per the following ratio applicable to the period during which the policy has been in force:

Period not exceeding	Short Period Contribution Ratio as Percentage of Annual Contribution
1 week	1/8 or 12.5%
1 month	2/8 or 25%
2 months	3/8 or 37.5%
3 months	4/8 or 50%
4 months	5/8 or 62.5%
6 months	6/8 or 75%
8 months	7/8 or 87.5%
Over 8 months	Full annual contribution

However, no refund shall be allowed if any benefit has taken during the period this Policy has been in force.

8. Where any dispute arises under a policy or over a claim under a policy issued by the Operator the party to the dispute may, take-up the case before the Insurance Tribunal in accordance with the provisions of Insurance Ordinance XXXIX of 2000 in so far this doesn't conflict with Shari'ah as advised by Shari'ah Advisor / Shari'ah Board. This shall be a condition precedent to any legal proceedings to be resorted to by either party.

9. If a claim is in any respect fraudulent, or any false declaration is made or used in support thereof or if any fraudulent means or devices are used by the Participant or anyone acting on his behalf to obtain any benefit under this policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in the case of arbitration taking place as provided for herein, within three months after the Tribunal have made its award, all benefit under this policy shall be withdrawn.
10. Whenever a claim arises under this policy and the same loss, damage or liability is covered by any other insurance or Takaful policy, no payment shall be made or contributed more than Takaful Contribution ratio proportion under this policy of such loss or damage or liability. The Participant shall be obliged to inform the Operator of any other takaful covering the same property which is also covered under this policy
11. This policy is subject to the laws of the Islamic Republic of Pakistan and the exclusive jurisdiction of the courts at Karachi.

TAKAFUL OPERATOR FEES (WAKALAH FEE)

The Operator shall deduct Operator's fee on quarterly basis as per defined ratio approved by Shari'ah Advisor/Shari'ah Board out of the Contribution received under this policy. Such fee shall be based on the Wakalah principles and shall be called as Wakalah Fee since the Operator hereby acts as a Wakeel of the Fund. The payment of Wakalah Fee shall be made by the 25th day following the end of the month in which quarterly financial statements were approved by the Board of Directors.

INVESTMENT MANAGEMENT SHARE

The Operator shall act as a Mudarib or Wakeel for the purpose of managing the investment of the Fund's excess amount. As such, the Operator stands entitled to a *Mudarib's* share or *Wakala-tul-Istismaar* fee in the investment income subject to approval by the Shari'ah Advisor/ Shari'ah Board. The *Mudarib's* share or *Wakala-tul-Istismaar* fee shall be paid on quarterly basis by the 25th day following the end of the month in which quarterly financial statements were approved by the Board of Directors.

SURPLUS DISTRIBUTION & CREATION OF RESERVE(S)

In the case of Surplus within the Fund; the Operator may hold a portion of the surplus:

- As a contingency reserve (over and above the technical provisions)
- For meeting solvency level under the Insurance Ordinance-2000 and Takaful Rules-2012, if any.
- The rest of the surplus may be distributed to participants in proportion to the contributions to the PTF net of any risk related claims, which they may have received during the under valuation period in accordance with the approved Surplus Distribution Mechanism and Policy approved by the Shari'ah Advisor/ Shari'ah Board.

IMPORTANT

The Participants should, for his own protection, examine this policy to ascertain whether it is in accordance with his intentions and correctly described, if any error or misdescription is found the same should immediately be intimated to the Operator for correction.