



IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

CONTRACORS' PLANT AND MACHINERY TAKAFUL Participant's Membership Document



IGI GENERAL INSURANCE LIMITED

WINDOW TAKAFUL OPERATIONS

CONTRACTORS' PLANT AND MACHINERY POLICY

POLICY NO: _____

WELCOME TO IGI GENERAL TAKAFUL

Thank you for taking out your Contractors' Plant and Machinery 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.

PREAMBLE

- 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 PRECEDENT

- 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 made to the IGI Wondow Takaful Operations (hereinafter called "the Operator") a written proposal by completing a questionnaire which, together with any other statement made in writing by the Participant for the purpose of this Policy, is deemed to be incorporated herein.

Now this Policy of Takful witnesses that, subject to the Participant having paid to the Operator the contribution mentioned in the Schedule and subject to the terms, exclusions, conditions and provisions contained herein or endorsed hereon,

The Operator hereby agree with the Participant that if at any time during the period of Takaful stated in the Schedule or during any subsequent period for which the Participant pays and the Operator may accept the contribution for the renewal of this Policy, the items (or any part thereof) entered in the Schedule, whilst at the location or in the geographical area mentioned therein, suffer any unforeseen and sudden physical loss or damage from any cause not specifically excluded in a manner necessitating repair or replacement,

The Operator will compensate the Participant in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in any one year of Takaful in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as covered hereby.

This Policy shall apply whether the covered items are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or in the course of subsequent re-erection, but in any case only after successful commissioning.

EXCLUSIONS

The Operator shall not be liable for:

- a. the deductible stated in the Schedule to be borne by the Participant in any one occurrence; if more than one item is lost or damaged in one occurrence, the Participant shall not, however, be called upon to bear more than the highest single deductible applicable to such items;
- b. loss or damage due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be compensatable.
- c. loss of or damage to replaceable parts and attachments such as bits, drills, knives or other cutting edges, saw blades, dies, moulds, patterns, pulverizing and crushing surfaces, screens and sieves, ropes, belts, chains, elevator and conveyor bands, batteries, tyres, connecting wires and cables, flexible pipes, jointing and packing material regularly replaced;
- d. loss or damage due to explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engine;
- e. loss of or damage to vehicles designed signed and licensed for general road use unless these vehicles are exclusively used on construction sites;
- f. loss of or damage to waterborne vessels or craft;
- g. loss or damage due to total or partial immersion in tidal waters;
- h. loss or damage whilst in transit unless otherwise agreed by endorsement;
- i. loss or damage as a direct consequence of the continual influence of operation (eg wear and tear, corrosion, rust deterioration due to lack of use and normal atmospheric conditions);
- j. loss or damage occurring whilst any covered item is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
- k. loss of or damage to plant and/or machinery working underground unless otherwise agreed by endorsement;
- l. loss or damage directly or indirectly caused by, or arising out of, or aggravated by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, 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 or damage by order of any government de jure or de facto or by any public authority;
- m. loss or damage directly or indirectly caused by, or arising out of, or aggravated by nuclear reaction, nuclear radiation or radioactive contamination;
- n. loss or damage due to any faults or defects existing at the time of commencement of this Policy within the knowledge of the Participant or its representatives, whether such faults or defects were known to the Operator or not;
- o. loss or damage directly or indirectly caused by, or arising out of, or aggravated by the wilful act or wilful negligence of the Participant or its representatives;
- p. loss or damage for which the supplier or manufacturer is responsible either by law or under contract;
- q. consequential loss or liability of any kind or description;
- r. loss or damage discovered only at the time of taking an inventory or during routine servicing. In any action, suit or other proceeding where the Operator alleges that by reason of the provisions of

exclusion m - q above any loss, destruction or damage is not covered by this Policy, the onus of proving that such loss, destruction or damage is covered shall be upon the Participant

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 questionnaire and proposal made by the Participant shall be a condition precedent to any liability of the Operator.
2. The Schedule shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy", wherever used in this contract, shall be read as including the Schedule. Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
3. The Participant shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Operator to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
4.
 - a. Representatives of the Operator shall at any reasonable time have the right to inspect and examine the risk and the Participant shall provide the representatives of the Operator with all details and information necessary for the assessment of the risk.
 - b. The Participant shall immediately notify the Operator by e-mail or telegram 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, and the scope of cover and/or contribution shall, if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Participant whereby the risk is increased, unless the continuance of the Takaful is confirmed in writing by the Operator.
5. In the event of any occurrence which might give rise to a claim under this Policy, the Participant shall:
 - a. immediately notify the Operator by telephone or e-mail or telegram as well as in writing, giving an indication as to the nature and extent of the loss or damage;
 - b. take all reasonable steps within his power to minimize the extent of the loss or damage;
 - c. preserve the parts affected and make them available for inspection by a representative or surveyor of the Operator;
 - d. furnish all such information and documentary evidence as the Operator may require;
 - e. inform the police authorities in the case of loss or damage due to theft or burglary.

The Operator shall on no account be liable for loss or damage of which no notice has been received by the Operator within 14 days of its occurrence. Upon notification being given to the Operator under this condition, the Participant may carry out repairs of any minor damage or replace items which have sustained any minor damage; in all other cases a representative of the Operator shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Operator does not carry out the inspection within a period of time which could be considered adequate under the circumstances, 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 for the upkeep of operations at the respective construction site. The liability of the Operator under this Policy in respect of any items sustaining damage shall cease if said item is not repaired properly without delay.
6. The Participant shall at the expense of the Operator do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Operator in the interest of any right or remedies, or of obtaining relief or compensation from parties (other than those covered under this Policy) to which the Operator are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Participant's compensation by the Operator.

7. If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Operator.
8. a. If the proposal or declaration of the Participant is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Operator shall not be liable to make any payment hereunder.
- b. In the event of the Operator disclaiming liability in respect of any claim and if an action or suit is not commenced within three months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three months after the arbitrators or umpire have made their award, all benefit under this Policy in respect of such claim shall be withdrawn.
9. 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 a Takaful 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
10 days	10%
1 month	20%
1 ^{1/2} months	25%
2 months	30%
3 months	40%
4 months	50%
5 months	60%
6 months	70%
7 months	75%
8 months	80%
9 month	85%
Over 9 months	Full annual contribution

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

10. If at the time any claim arises under this Policy there is any other Insurance/ Takaful covering the same loss or damage, the Operatorers shall not be liable to pay or contribute more than their proportionate ratio of any claim for such loss or damage.

PROVISION

Memo 1 - Sum Covered

It shall be a requirement of this Policy that the sum covered is equal to the cost of replacement of the covered items by new items of the same kind and capacity, which means their cost of replacement

including, eg, freight, customs duties and dues, if any, and cost of erection.

If the sum covered is less than the amount required to be covered, the Operatorers shall pay 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 Loss Settlement

In the event of any loss or damage the basis of any settlement under this Policy shall be as follows:

- a. In cases where damage to an covered item can be repaired - the Operatorers shall pay expenses necessarily incurred to restore the damaged item 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, to the extent such expenses have been included in the sum covered. If the repairs are executed at a workshop owned by, the Participant, the Operator shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead 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 hereinabove equals or exceeds the actual value of the covered item immediately before the occurrence of the damage, the item shall be regarded as destroyed and settlement shall be made on the basis provided for in b below.

- b. In cases where an covered item is destroyed - the Operatorers shall pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection, customs duties, if any, provided such expenses have been included in the sum covered, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The value of any salvage shall be taken into account.

Any extra charges incurred for overtime, night work, 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 Operatorers if such repairs constitute part of the final repairs and do not increase the total cost of repair.

The amount payable by the Operatorers according to the above-mentioned provisions shall be reduced by the deductible stated in the Schedule. The Operatorers shall 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.

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.