



IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

CONTRACTORS' ALL RISK TAKAFUL Participant's Membership Document



IGI GENERAL INSURANCE LIMITED

WINDOW TAKAFUL OPERATIONS

CONTRACTORS' ALL RISK POLICY

POLICY NO: _____

WELCOME TO IGI GENERAL TAKAFUL

Thank you for taking out your Contractors' All Risk 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

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 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 has made to the Operator a written proposal by completing a questionnaire, which together with any other statements made in writing by the Participant for the purpose of this policy is deemed to be incorporated herein.

Now this Policy Witnessed that being a member of PTF, subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon, the Participant shall be compensated in the manner and to the extent hereinafter provided.

GENERAL EXCLUSION

No compensation will be made in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

- War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power or malicious person(s) acting on behalf of or in connection with any political organization, or confiscation or nationalization or requisition or commandeering or damage to property by or under the order of any government de jure or de facto or by any public authority.
- Nuclear reaction, nuclear radiation or radioactive contamination.
- Willful act or willful negligence of the Participant or of his representative.
- Cessation of work whether total or partial.

In any action, suit or other proceeding where the Operator alleges that by reason of the provision of the above exclusions, any loss, destruction, damage or liability is not covered by this Policy, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Participant

PERIOD OF COVER

This Policy shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. This Policy expires for parts of the covered Policy works taken over or put into service. At the latest, this Policy shall expire on the date specified in the Schedule. Any extensions of the Period of Policy are subject to the prior written consent of the Operator.

GENERAL CONDITIONS

- 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 compensation under this Policy.
- The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this Policy shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.
- 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 comply with statutory requirements and manufacturers' recommendations.
- - 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 in writing by telegram/fax/email 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 this Policy is confirmed in writing by the Operator.
- In the event of any occurrence which might give rise to a claim under this Policy, the Participant shall:
 - immediately notify the Operator by telephone or in writing by telegram or fax or email giving an indication as to the nature and extent of the loss or damage;
 - take all steps within his power to minimize the extent of the loss or damage;
 - preserve the parts affected and makes them available for inspection by a representative or surveyor of the Operator;
 - furnish all such information and documentary evidence as the Operator may require;
 - inform the police authorities in case of loss or damage due to theft or burglary;

The Operator shall in no case warrants liability for loss, damage or liability 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 the repairs or replacement of any minor damage; in all other cases a representative of the Operator shall have the opportunity of inspecting the loss or damage before any repair(s) 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 as adequate under the circumstances the Participant is entitled to proceed with the repairs or replacement.

The cover by this Policy in respect of any item sustaining damage shall cease and no compensation will be made if the said item is not repaired properly without delay.

- 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 proceed less the contribution to the PTF for the continuation of membership and deposit the same proceeds to the PFT as donation on behalf of the Participant.
- 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 sorted to by either party.
- If a claim is, in any respect fraudulent, or if 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 case of arbitration taking place as provided herein within three months after the Tribunal have made its award, all benefit under this Policy shall be withdrawn.
- If at the time of claim under this Policy, there would be any other insurance/ Takaful Policy covering the same loss, damage or liability, no payment shall be made or contributed more than proportionate contribution ratio under this Policy of such loss or damage or liability.
- This Policy may at any time be withdrawn by the Waqf, on Seven 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
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 been taken during the period this PMD has been in force.

- This Policy is subject to the laws of the Islamic Republic of Pakistan and the exclusive jurisdiction of the courts at Karachi.

SECTION – 1 – MATERIAL DAMAGE

If, at any time during the period of this Policy, the item(s) or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Participant being a member of PTF shall be compensated in respect of such loss or damage in the manner as hereinafter provided by payment in cash, replacement or repair (at the option of the Operator) up to an amount not exceeding in respect of each of the item(s) specified in the Schedule, not exceeding in anyone event the limit of compensation where applicable and not exceeding in all the total sum expressed in the Schedule as hereby covered. The Participant/member of PTF shall also be compensated for the cost of clearance of debris following upon any event giving rise to a claim under this Policy provided a separate sum therefore has been entered in the Schedule.

SPECIAL EXCLUSIONS TO SECTION -1

No compensation shall be made in respect of:

- The deductible stated in the Schedule to be borne by the Participant in anyone occurrence;
- Consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of Policy;
- Loss or damage due to faulty design;
- The cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- Wears and tears, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- Mechanical and/or electrical breakdown or derangement of construction plant, equipment and construction machinery;
- Loss of or damage to vehicles licensed for general road, use or water borne vessels or aircraft;
- loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt notes, securities, cheques;
- Loss or damage discovered only at the time of taking an inventory.

PROVISION APPLYING TO SECTION - I

Memo 1 - Sums Covered: it is a requirement of this Policy that the sum covered stated in the Schedule shall not be less than <For item 1> the full value of the Policy works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues, and materials or items supplied by the principal; <For items 2 and 3> the replacement value of construction plant, equipment and construction machinery; which shall mean; the cost of replacement of the items covered under this Policy by new items of and the same kind and same capacity;

The Participant undertakes to increase or decrease the amounts of coverage in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded in this Policy by the Operator. If, in the event of loss or damage, it is found that the sums covered are less than the amounts required to be covered, then the amount, recoverable by the Participant under this Policy may be reduced at the sole discretion of Operator in such proportion as the sums covered bear to the amounts required to be covered. Every object and cost item is 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:

- In case of damages which can be repaired - the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or

- In case of total loss - the actual value of the items immediately before the occurrence of the loss less salvage.

However, only to the extent the costs claimed had to be borne by the Participant and to the extent they are included in the sums covered and provided always that the provisions and conditions have been complied with. The Operator shall arrange to make payments only after being satisfied by the production of necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damages which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided above. The cost of any provisional repairs will be borne by the Operator if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and or improvements shall not be recoverable under this Policy.

Memo 3 - Extension of Cover: Extra charges for overtime, night work, on public holidays, express freight are covered by this Policy only if previously and specially agreed in writing.

SECTION - II - THIRD PART LIABILITY

The Operator shall arrange to compensate the Participant up to but not exceeding the amounts specified in the Schedule against such sums which the Participant shall become legally liable to pay as damages consequent upon:

- Accidental bodily injury to or illness of third parties (whether fatal or not);
- Accidental loss of or damage to property belonging to third parties;

Occurring in direct connection with the construction or erection of the items covered under Section I of this Policy and happening on or in the immediate vicinity of the site during the Period of Policy.

In respect of a claim for compensation to which the indemnity provided herein applies, the Operator shall additionally arrange to compensate the Participant against:

- All costs and expenses of litigation recovered by any claimant from the Participant, and;
- All costs and expenses incurred with the written consent of the Participant provided always that the amount recoverable under this section shall not exceed the limits of compensation stated in the Schedule. deductible

SPECIAL EXCLUSIONS TO SECTION - II

No compensation will be made in respect of:

- The deductible stated in the Schedule to be borne by the Participant in any one occurrence;
- The expenditure incurred in doing or redoing or making well or repairing or replacing anything covered or coverable under Section I of this Policy.
- Damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement).
- Liability consequent upon:
 - Bodily injury to or illness of employees or workmen of the contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is covered under Section-I, or members of their families;
 - Loss of or damage to property belonging to or held in care, custody or control of the contractor(s), the Principal (s) or any other firm connected with the project which or part of which is covered under Section-I, or an employee or workman of anyone of the aforesaid;
 - Any accident caused by vehicle licensed for general road use or by waterborne vessels or aircraft;
 - Any agreement by the Participant to pay any sum by way of compensation or otherwise unless such liability would have attached also in the absence of such agreement.

SPECIAL CONDITIONS APPLYING TO SECTION - II

- 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 shall be entitled, if they so desire, to take over and conduct in the name of the Participant the defense or settlement of any claim or to prosecute for their own benefit in the name of the Participant any claim for compensation or damages or otherwise and shall 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.
- The Operator may so far as any accident is concerned arrange to pay to the Participant being a member of PTF an amount equivalent to the limit of compensation for anyone accident (but deducting there from in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and the Operator shall thereafter be under no further liability in respect of such accident under this section.

TAKAKAFUL 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.