



IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

ELECTRONIC EQUIPMENT TAKAFUL Participant's Membership Document



IGI GENERAL INSURANCE LIMITED

WINDOW TAKAFUL OPERATIONS

ELECTRONIC EQUIPMENT POLICY

POLICY NO: _____

WELCOME TO IGI GENERAL TAKAFUL

Thank you for taking out your Electronic Equipment 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 the 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. This policy applies whether the items covered are at work or at rest, or being dismantled for the purpose of cleaning, overhauling or of being shifted within the premises, or in the course of the aforesaid operations themselves, or during subsequent re-erection, but in any case only after successful commissioning.

GENERAL EXCLUSIONS

No compensation will be made in respect of loss or damage directly or indirectly caused by, 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;
- Nuclear reaction, nuclear radiation or radioactive contamination;

- Willful act or willful negligence of the Participant or his representative.

In any action, suit or other proceeding where the Operator alleges that, by reason of provisions of Exclusion as above, any loss, destruction or damage is not covered by this policy, the burden of proving that such loss destruction or damage is covered, shall be upon the Participant.

GENERAL 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 compensation under this policy.
2. 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, of the Schedule or of the section(s) 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.
 - 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.
 - The Participant shall immediately notify the Operator by either by electronic mail (e-mails) or other electronics means and/or teletype (telex, telefax, telegram) or by telephone as well as 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 to ensure safe operation of the items-covered, and the scope of cover and/or Contribution shall, if necessary, be adjusted accordingly.
4. No material alteration shall be made or admitted by the Participant whereby the risk is increased, unless the continuance of the cover provided under this policy 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:
 - 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;
 - Take all steps within his power to minimize the extent of the loss or damage;
 - Preserve the parts affected and make 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 the case of loss or damage due to burglary.

No compensation will be made in respect of 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 or make good 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 alteration 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

The cover under this policy in respect of any item shall cease and no compensation will be made if said item is kept in operation after a claim without being repaired to the satisfaction of the Operator, or if temporary repairs are carried out without the Operator's consent.

6. The Participant shall, at the expense of the Funds 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 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.

7. 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.
 - 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 no payment shall be made under this policy.
 - In the event of the Operator disclaiming liability under this policy 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 Tribunal have made their award, all benefit under this policy in respect of such claim shall be withdrawn.

8. If at the time any claim arises under this policy there is any other insurance/Takaful policy covering the same loss or damage, no payment shall be made or contributed more than rate able proportion under this policy of such loss or damage.

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
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 Policy has been in force.

10. Under coverage for a third party's account, the Beneficiary shall be entitled to exercise, in his own name, the rights of the Participant. Without obtaining the Participant's approval the Beneficiary shall further have the right to receive any compensation paid under this policy and to transfer the Participant's right even if the Beneficiary is not in possession of this policy. Upon payment of compensation the Operator may require evidence of the Beneficiary having given his consent to this policy and of the Participant having given his consent to the receipt of compensation by the Beneficiary.
11. The compensation shall be payable one month after determination by the Operator of the full amount due. Notwithstanding the above, the Participant may, one month after the Operator have been duly notified of the loss and have acknowledge their liability, claim as an installment the minimum amount payable under the prevailing circumstances. The timing of the periods shall be suspended for the time during which the compensation is unascertainable or not payable due to reasons within the Participant's control.
12. The Operator shall be entitled to withhold compensation:
 - if there are doubts regarding the Participant's right to receive the compensation, pending receipt by the Operator of the necessary proof;
 - if in connection with the claim an examination by the police or an inquiry under criminal law has been instituted against the Participant, pending completion of such examination or inquiry.
13. This policy is subject to the laws of the Islamic Republic of Pakistan and the exclusive jurisdiction of the courts at Karachi.

SECTION - I - MATERIAL DAMAGE

Scope of Cover:

If at any time during the period of policy 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 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 Operator shall arrange to compensate the Participant in respect of such loss or damage as hereinafter provided, by payment in cash, replacement or repair (at the Operator's option) up to an amount not exceeding in anyone year of this policy 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 hereby covered.

SPECIAL EXCLUSIONS TO SECTION - I

No compensation will be made in respect of:

- the deductible stated in the schedule to be borne by the Participant in anyone occurrence, if more than one items 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;
- loss or damage directly or indirectly caused by or arising out of earthquake, volcanic eruption, tsunami, hurricane, cyclone or typhoon;
- loss or damage directly or indirectly caused by theft;
- loss or damage caused by any faults or defects existing at the time of commencement of this policy within the knowledge of the Participant or his representatives, whether such faults or defects were known to the Operator or not;
- loss or damage directly or indirectly caused by the failure or interruption of any gas, water or electricity service or supply;
- loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitation, erosion, corrosion, incrustation) or of gradual deterioration due to atmospheric conditions;
- any costs incurred in connection with the elimination of functional failures, unless such failures were caused by compensable loss of or damage to the items covered under this policy;

- any costs incurred in connection with the maintenance of the items covered under this policy, such exclusion also applying to parts exchanged in the course of maintenance operations;
- loss or damage for which the manufacturer or supplier of the items covered under this policy is responsible either by law or under policy;
- loss of or damage to rented hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement;
- consequential loss or liability of any kind or description;
- loss of or damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves of fabrics, or any operating media (e.g. lubrication oil, fuel, chemicals);
- aesthetic defects, such as scratches on painted, polished or enameled surfaces.

In respect of the parts mentioned above, the Participant shall be compensated only in the event that such parts are affected by a compensable loss of or damage to the items covered under this policy.

PROVISIONS APPLYING TO SECTION - I

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 items covered by new items of the same kind and capacity, which means their replacement cost including, e.g. freight, customs duties and dues, if any, and erection costs. If the sum covered is less than the amount required to be covered, the Operator shall arrange to 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 COMPENSATION

a) In case where damage to items covered under this policy can be repaired, the Operator shall arrange to 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 herein above equal or exceed the actual value of the items covered immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

b) In case where an item covered under this policy is destroyed, the Operator shall pay the actual value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection, customs duties and dues, if any, to the extent 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 Operator shall also pay any normal charges for dismantling of the item destroyed, but the value of any salvage shall be taken into account. The destroyed item shall no longer be covered under this policy, and all necessary data on the relevant substitute items shall be indicated for its inclusion in the schedule. (The Operator may agree by application of the relevant endorsement to extend the policy to cover reimbursement of the full replacement value).

As from the date of a compensable occurrence the sum covered shall be reduced for the remaining period of policy by the amount of compensation paid, unless the sum covered is reinstated. Any extra charges incurred for overtime, night work, work on public holidays or express freight shall be covered by this policy only if especially agreed in writing. The costs of any alteration, additions, improvements or overhauls shall not be recoverable under this policy. The costs 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 repair expenses. The Operator 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.

SECTION - III - INCREASED COST OF WORKING

SCOPE OF COVER

The Operator hereby agrees with the Participant that if material damage compensable under Section I of this policy gives rise to a total or partial interruption of operation of the EDP equipment entered in the schedule, the Operator will arrange to compensate the Participant, as hereinafter provided, for any additional expenditure incurred for the use of substitute EDP equipment not covered under this policy up to an amount not exceeding the agreed compensation per day and not exceeding in all the sum covered in anyone year of this policy, provided always that such interruption occurs during the period of policy 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.

SPECIAL EXCLUSION TO SECTION III

The Operator shall, however, not warrants liability for any additional expenditure incurred as a result of:

- restrictions imposed by public authorities concerning construction or operation of the EDP equipment covered;
- the necessary funds not being available to the Participant in time for repairing or replacing damaged or destroyed equipment.

PROVISION APPLYING TO SECTION - III

MEMO I- SUM COVERED

It shall be a requirement of this policy that the sum covered stated in the schedule is the amount which the Participant would have to pay as additional expenditure for 12 months' use of substitute EDP equipment of similar performance to the EDP equipment covered. The sum covered shall be based on the amounts agreed per day and per month as specified in the schedule.

The Operator shall also arrange to reimburse the Participant for personnel expenses and costs for the transportation of materials following upon any event giving rise to a claim under this section, provided separate sums therefore have been entered in the schedule.

MEMO 2 - BASIS OF COMPENSATION

In the event of failure of the EDP equipment covered under this policy the Operator shall arrange for the additional expenditure that can be proved to have been incurred for the period during which the use of substitute EDP equipment is essential, but at the most for the compensation period agreed.

The compensation period shall commence as soon as the substitute equipment is put into use.

The Participant shall bear that proportion of each claim which corresponds to the time excess mutually agreed between Operator and Participant.

If it is found following an interruption of the operation of the EDP equipment covered under this policy that the additional expenditure incurred during the period of interruption is higher than the proportionate share of the annual sum covered which is applicable to this period, the Operator shall only arrange to compensate the Participant in respect of that proportion of the agreed annual sum covered which is applicable to the period of interruption, duly taking into account the compensation period agreed.

Any savings resulting from discount obtained shall be taken into account when calculating the amount of compensation to be paid under this policy.

As from the date of a compensable occurrence the sum covered shall be reduced for the remaining period of Takaful by the amount of compensation paid, unless the sum covered is reinstated.

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.