



IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

PRODUCT LIABILITY TAKAFUL Participant's Membership Document



IGI GENERAL INSURANCE LIMITED

WINDOW TAKAFUL OPERATIONS

PRODUCT LIABILITY POLICY

POLICY NO: _____

WELCOME TO IGI GENERAL TAKAFUL

Thank you for taking out your Product Liability 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.

Subject to the terms, exceptions, limits and conditions contained in this Policy and Schedule, which are based on a proposal and declaration, and further subject to the payment of contribution, the Operator shall compensate the Participant against:

1. All sums which the Participant becomes legally liable to pay as compensation in respect of:
 - a. accidental bodily injury to or illness of any person;
 - b. accidental loss of or damage to property caused by any goods, sold, supplied, repaired, altered, treated or serviced by the Participant in connection with the business carried on by the Participant and occurring during the period of Takaful and within the territorial limits stated in the Schedule.
2. All costs and expenses of litigation:
 - a. recovered by any claimant against the Participant;
 - b. incurred with the written consent of the Operator.

in respect of any claim against the Participant for compensation to which the cover expressed in this Policy applies.

Provided that the liability of the Operator for all compensation payable to any claimant or any number of claimants in respect of or arising out of any occurrence or in respect of or arising out of all occurrences of a series consequent on or attributable to one source or original cause does not exceed the limit of compensation specified in the Schedule for any one occurrence, and in respect of all injury, loss or damage sustained as a result of all occurrences happening during any one period of Takaful does not exceed the limit of compensation specified in the Schedule for any one period of Takaful.

In the event of death of the Participant, the Operator shall in respect of the liability incurred by the Participant compensate the Participant's personal representatives under the terms of and subject to the limitations of this policy, provided that such personal representatives observe, fulfill and are subject to the terms, exceptions, limits and conditions of this policy so far as they are applicable, as though they themselves were the Participant.

EXCEPTIONS

This policy does not cover:

1. Liability in respect of injury, illness, loss or damage which results from a deliberate act or omission of the Participant and which could reasonably have been expected having regard to the nature and circumstances of such act or omission;
2. Liability assumed by the Participant by agreement, unless such liability would have attached to the Participant notwithstanding such agreement;
3. Liability in respect of injury to or illness of any person under a contract of service or apprenticeship with the Participant, if such liability is in respect of injury or illness arising out of and in the course of the employment of such person by the Participant or in respect of any sums payable by the Participant under legislation relating to occupational injury or illness;
4. Liability in respect of loss of or damage to property:
 - a) belonging to the Participant;
 - b) in the charge or under the control of the Participant or any servant or agent of the Participant;
5. Liability in respect of injury, illness, loss or damage:
 - a) caused by anything bought by the Participant in terms whereby the legal liability of the seller under statutory or common law is qualified or limited;
 - b) caused by any goods (or container):
 - (i) in the charge or under the control of the Participant;
 - (ii) supplied by the Participant in connection with the business carried on by the Participant at any premises elsewhere than within the territorial limits;
6. Liability incurred by the Participant resulting from bodily injury, loss or damage arising directly or indirectly from the design, plan, formula or specification of any goods or instruction, advice or information on the characteristic, use, storage or application of any goods;
7. Liability in respect of loss or damage to any goods supplied by the Participant if such loss or damage is attributable to any defect in or the harmful nature or unsuitability of such goods;
8. Any actions for compensations brought in the Courts of Law of any territory outside the country where the Participant's Head Office as stated in the Schedule is located;
9. Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - a) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel (including self-sustaining process of nuclear fission);
 - b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear weapons material or nuclear component thereof,
10. Liability directly or indirectly occasioned by or through or in consequence of:
 - a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not);
 - b) civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, conspiracy, military or usurped power;
 - c) martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege;
 - d) any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of any de jure or de facto Government or the influencing of it by

terrorism or violence, or looting, sack or pillage in connection with any of the aforementioned occurrences.

CONDITIONS

This Policy and the Schedule shall be read together as one contract and 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 specific meaning wherever it may appear.

1. In the event of any occurrence which may give rise to a claim for compensation under this Policy, the Participant shall as soon as possible give notice thereof to the Operator in writing; every letter, claim, writ, summons and process shall be notified or forwarded to the Operator immediately on receipt.
2. The Participant shall not without the consent in writing of the Operator repudiate liability, negotiate or make any admission, offer, promise or payment in connection with any occurrence or claim, and the Operator shall be entitled if it so desires to take over and conduct in the name of the Participant the defence of any claim or to prosecute in the name of the Participant at its own expenses and for its own benefit any claim for indemnity or compensation or the like against any person and shall have full discretion in the conduct of any proceedings and in the settlement of any claim, and the Participant shall give all information and assistance that the Operator may require.
3. The Operator may in the case of any injury, illness, loss or damage pay to the Participant the maximum sum payable under this Policy in respect of such occurrence or any lesser sum for which the claim or claims arising from such occurrence can be settled, and the Operator shall thereafter not be under further liability in respect of such occurrence except for the payment of costs and expenses of litigation incurred prior to the date of payment.
4. If at the time of any claim rising under this Takaful there is any other Takaful/Insurance covering the same risk or any part thereof, the Operator shall not be liable for more than its proportionate ratio thereof.
5. The Operator may at all reasonable times, for the purposes of enquiry or examination by their authorized officials and agents, enter into any premises or place to which this Takaful applied of in which injury, illness, loss or damage has occurred and may remain in possession for a reasonable period for the purpose of such enquiry or examination, and the Participant shall give all necessary facilities in connection therewith.
6. The Participant shall give immediate notice to the Operator of any alterations materially varying any of the facts existing at the date of proposal.
7. The Participant shall take reasonable precautions to prevent the supply of goods and/or containers which are not in good condition and fit for the purpose for which they are intended and shall exercise reasonable care that all legislation and all by laws and directions made by statutory or local authority are duly observed and complied with.
8. If the contribution for this Policy has been calculated on any estimate furnished by the Participant, the Participant shall keep accurate records of all particulars relative thereto and shall at all times allow the Operator to inspect such records. The Participant shall within one month from the expiry of each period of Takaful supply to the Operator such particulars and information as the Operator may require. The contribution or such period shall thereupon be adjusted and the difference paid by or allowed to the Participant, as the case may be, subject however to any minimum contribution hereon.
9. 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.

10. The due observance and fulfillment of the Terms, Provisions, Conditions and Endorsement of this Agreement in so far as they relate to anything to be done or complied with by the Employer and the truth of the statements referred to shall be conditions precedent to any liability of the Operator to make any payment under this Agreement.
11. 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, by giving Seven days' notice, 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.

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.