



# IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

## **PROFESSIONAL INDEMNITY TAKAFUL** Participant's Membership Document



# **IGI GENERAL INSURANCE LIMITED**

## **WINDOW TAKAFUL OPERATIONS**

### **PROFESSIONAL INDEMNITY POLICY**

**POLICY NO:** \_\_\_\_\_

### **WELCOME TO IGI GENERAL TAKAFUL**

Thank you for taking out your Professional Indemnity 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.

### **1. Breach of Professional Duty**

The Operator will compensate the Participant in respect of loss arising from any claim which may be made upon the Participant and which is notified to the Operator during the Period of Policy in respect of any legal liability (including claimant's costs and expenses) arising from any:

- i. breach of professional duty by reason of any negligent act error or omission or
- ii. libel or slander or defamation or any breach of warranty of authority:
  - (a) committed in good faith in connection with the conduct of the business carried on by or on behalf of the Participant or
  - (b) by the Participant whilst holding individual appointments in respect of work incidental to the Participant's business providing that the fee (if any) paid is taken into account in ascertaining the income of the business.

### **2. Dishonesty**

**The Operator** will compensate the Participant in respect of any legal liability (including claimant's costs and expenses) arising from any claim caused by any dishonest or fraudulent act or omission committed by any present Partner, Director or Employee of the Participant in connection with the conduct of the business and made upon the Participant and notified to the Operator during the Period of Policy provided that:

- a) no person committing or conspiring to commit or condoning any such dishonest or fraudulent act or omission shall be entitled to compensation;

- b) if the Operator so request the Participant shall take all reasonable steps to effect recovery from the person committing or conspiring to commit or condoning any such dishonest or fraudulent act.

### **3. Other Costs**

The Operator will in addition pay all other costs and expenses which are incurred by the Operator or by the Participant with the Operator's written consent in connection with any claim under this Policy.

Provided that if the amount paid to dispose of a claim exceeds the Limit of Compensation the liability of the Operator for other costs and expenses will be only the proportion which the Limit of Compensation bears to the total amount paid to dispose of such claim.

### **4. The Excess**

In respect of any one claim or number of claims arising out of one source or original cause under this Policy the Operator will not be liable for the amount of the Excess (or any lesser amount for which a claim may be settled) shown in the Schedule.

The Excess shall not apply to:

- (a) claims for libel or slander or defamation;
- (b) costs and expenses incurred with the Operator written consent;
- (c) claims arising out of Takaful Clause 3 (b) or 4 of this Policy.

### **EXCEPTIONS**

1. The Operator will not be liable in respect of:
  - (a) any Bodily Injury sustained by any Employee of the Participant arising out of and in the course of being engaged in and upon the service of the Participant or;
  - (b) any other Bodily Injury or loss of or damage to property unless arising out of any breach of professional duty by the Participant.
2. any claim arising from the provision of advice design or specification where the Participant contracts to manufacture construct, erect, install or supply materials or equipment.
3. any dispute between the Participant and any present or former Employee or any person who has been offered employment with the Participant.
4. any claim where the Participant is entitled to compensation under any other Insurance/Takaful except in respect of any excess beyond the amount which would have been payable under such Insurance/Takaful had this Policy not been effected,
5. any circumstance or occurrence which has been notified under any other Policy or Certificate of Takaful attaching prior to the inception of this Policy.
6. any claim arising from an agreement by the Participant to pay penalties or liquidated damages insofar as his liability under such an agreement exceeds the amount of his liability in the absence of such an agreement.
7. any punitive penal or exemplary damages where such can be identified separately within any award of a court.
8. any claim arising from or brought by a firm, company or organization which has a controlling interest in any or all of the Participant firms or companies or in which any Partner(s)/Director(s) or Principal of the Participant have a controlling interest unless such claim or claims are brought against the Participant by an independent third party source.
9. any claim arising from the financial failure of any Operator.
10. any claim directly or indirectly caused by or arising out of or in any way involving pollution or contamination.

11. any claim arising out of or in connection with any trading losses or trading liabilities incurred by any business managed or carried on by the Participant.
12. work in connection with contracts outside Pakistan.
13. 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;
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
14. any loss arising as a consequence of war, invasion act of foreign enemy, hostilities (whether war be declared or not civil war, rebellion, revolution, insurrection or military or usurped power nationalization or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority.

## DEFINITIONS

1. **The Participant** shall mean:
  - (a) any firm or company named in the Schedule or any predecessors in business or ;
  - (b) any person who is a Director, Partner, Principal or Employee of any such firm or company together with any person who has been a Director, Partner, Principal or Employee of such firm or company or who may during any Period of Policy become such a Director, Partner, Principal, or Employee or;
  - (c) the estate or personal representative or trustee or assignee in bankruptcy of such persons and the partnership in addition to the members thereof;
2. **Proposal** shall mean any signed proposal form and declaration and any information supplied by or on behalf of the Participant in addition thereto or in substitution therefore.
3. **Business** shall mean those activities shown in the Schedule as the business
4. **Employee** shall mean any person who is or has been under a contract of service or apprenticeship with the Participant. Agency staff and Self Employed persons under a contract for service with the Participant in connection with the business shall be deemed to be Employees provided that all sums paid to such persons are declared to the Operator.
5. **Documents** shall mean all:
  - (a) documents whether written, printed or reproduced by any other method (excluding any bearer, Bonds, coupons, bank or currency notes or other negotiable instruments);
  - (a) computer systems records, the property of the Participant or for which the Participant is responsible
6. **Bodily Injury** includes death, illness, disease or nervous shock.
7. **Pollution or Contamination** shall be deemed to mean:
  - (a) all pollution or contamination of buildings or other structures or of water or land or the atmosphere and;
  - (b) all loss or damage or death, injury, illness or disease directly or indirectly used by or arising out of or in any way involving such pollution or contamination.

## CONDITIONS

The Participant shall not admit liability for or settle any claim or incur any costs or expenses in connection therewith without the written consent of the Operator which shall be entitled at its own expense at any time to take over and conduct in the name of the Participant the defence or settlement of any such claim.

- 1) The Participant shall give written notice to the Operator as soon as reasonably practicable of any claim or intimation to the Participant of possible claims made against the Participant or upon the Participant becoming aware of any circumstances which might give rise to a claim under this Policy regardless of any excess and the Participant shall upon request give to the Operator all such information and assistance as the

Operator may reasonably require and as may be in the Participant 's power to provide and will in all such matters do and concur in doing all such things as the Operator may require.

- 2) If any payment is made under this Takaful in respect of a claim and the Operator is thereupon subrogated to all the participant's right of recovery in relation thereto the Operator shall not exercise any such rights against any employee of the participant unless the claim has been brought about or contributed to by the dishonest, fraudulent, a criminal or malicious act or omission of the employee.
- 3) If the Participant shall make any claim for compensation under this Policy knowing the same to be false or fraudulent as regards amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited.
- 4) The Operator will not exercise their right to avoid this Policy where it is alleged that there has been non disclosure or mis-representation of facts or untrue statements in the proposal form provided always that the Participant shall establish to the Operator' satisfaction that such alleged non-disclosure mis-representation or untrue statement was free of any fraudulent intent.

However in any case of a claim first made against the Participant during the period of this Takaful where:

- (a) the Participant had previous knowledge of the circumstances which could give rise to such claim;
  - (b) the Participant should have notified the same under any preceding Takaful then where the compensation or cover under this Policy is greater or wider in scope than that to which the Participant would have been entitled under such preceding Takaful the Operator shall only be liable to afford compensation to such amount and extent as would have been afforded to the Participant by such preceding Takaful.
- 5) In connection with any claim against the Participant the Operator may at any time pay to the Participant the Limit of Compensation (after deduction of any sums already paid as damages or claimant's costs and expenses in respect of such claim) or less any amount for which such claim can be settled and thereupon the Operator shall relinquish the control of such claim and be under no further liability in connection therewith except for costs and expenses for which the Operator may be responsible under this Policy in respect of matters prior to the date of such payment.
  - 6) Where the Participant's breach of or non-compliance with any condition of this Policy has resulted in prejudice to the handling or settlement of any claim the compensation afforded by this Policy in respect of such claim (including costs and expenses) shall be reduced to such sum as in the Operator's opinion would have been payable to them in the absence of such prejudice.
  - 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.
  - 8) 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.

This Takaful is subject to the laws of the Islamic Republic of Pakistan.

#### **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 25<sup>th</sup> 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 25<sup>th</sup> 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.