



IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

TERRORISM TAKAFUL Participant's Membership Document



IGI GENERAL INSURANCE LIMITED

WINDOW TAKAFUL OPERATIONS

TERRORISM POLICY

POLICY NO: _____

WELCOME TO IGI GENERAL TAKAFUL

Thank you for taking out your Terrorism 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.
- The Operator hereby agrees (subject to the Conditions contained herein or endorsed or otherwise expressed herein which Conditions shall so far the nature of them respectively will permit be deemed to be Conditions precedent to the right of the Participant to recover hereunder) that the Property Covered described in the said Schedule, or any part of such Property, be destroyed or damaged by the risk of Terrorism as herein defined at any time before 4 O'clock in afternoon of last day of the period of PMD named in the said Schedule or at any time before when the First Loss is made, whichever shall occur first, the Participant will be compensated an amount equivalent of the value of the property at the time of the happening of its destruction or the amount of such damage or at the Operator's option it will be reinstated or replaced.
- Provided that the amount of compensation shall in no case exceed in respect of each item the sum expressed in the said Schedule to be covered thereon, or in the whole the total sum covered hereby, or such other sum or sums as may be substituted thereof, by memorandum hereon, or attached hereto, signed by or on behalf of the Waqf.

COVERAGE CLAUSE

Subject to the exclusions, limits, terms, clauses and conditions hereinafter contained, this policy covers property as stated in Schedule attaching to and forming part of this PMD (hereinafter referred to as the "Schedule") against physical loss or physical damage occurring during the period of Takaful caused by an Act of Terrorism or Sabotage, as herein defined.

For the purpose of this Takaful, an act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention of influence any government and/or to put the public in fear for such purposes.

For the purpose of this Takaful, an act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention of influence any Government and/or to put the public in fear for such purposes.

LOSSES EXCLUDED

No compensation will be made in respect of:

- Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
- Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, civil commotion assuming the proportions of or amounting to an uprising.
- Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage.
- Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or Government authority which deprives the Participant of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
- Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.
- Any fine or penalty or other assessment which is incurred by the Participant or which is imposed by any court, government agency, public or civil authority or any other person.
- Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Takaful) arising from the use of a computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
- Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating there construction, repair or demolition of any property covered hereunder.
- Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by Operator in writing prior to such measures being taken.
- Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.
- Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
- Loss or increased cost as a result of threat or hoax.
- Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
- Loss or damage caused by mysterious disappearance or unexplained loss.
- Loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

PROPERTY EXCLUDED

This PMD does not cover physical loss or physical damage to:

- Land or land values.
- Power transmission, feeder lines or pipelines not on the Participant's premises
- Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its normal operations.
- Aircraft or any other aerial device, or watercraft.
- Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property covered herein at the time of its damage.
- Animals, plants and living things of all types.
- Property in transit not on the Participant's premises.

CONDITIONS

- JOINT PARTICIPANT

The total amount of compensation available under this Takaful for any loss or losses sustained by any one or more of the Participants will not exceed the sum covered shown in the Schedule.

No compensation will be made for losses exceeding the sum covered whether such amount of losses sustained by all of the Participants or any one or more of the Participants.

▪ **OTHER TAKAFUL/INSURANCE POLICIES**

This PMD shall be excess of any other Takaful/insurance available to the Participant covering a loss covered hereunder except such other Takaful/insurance which is written specifically as excess Takaful/insurance over this PMD, When this PMD is written specifically in excess of other Takaful/insurance covering the peril Participant hereunder, this PMD shall not apply until such time as the amount of the underlying Takaful/insurance, by Loss and damage covered by this PMD in excess of the deductible with respect to each and every covered loss.

▪ **SITUATION**

This PMD covers property located at the addresses stated in the Schedule.

▪ **SUM COVERED**

No compensation will be made for more than the sum covered stated in the Schedule in respect of each occurrence and in the PMD aggregate.

▪ **DEDUCTIBLE**

Each occurrence shall be adjusted separately and from each such amount the sum stated in the Schedule shall be deducted. deductible

▪ **OCCURRENCE**

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Participant at the property of the Participant herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this PMD unless the Participant shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this PMD.

▪ **DEBRIS REMOVAL**

This PMD also covers, within the sum covered, expenses incurred in the removal from the Participant location of debris of property stated in the Schedule damaged by an Act of Terrorism or Act of Sabotage.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

▪ **DUE DILIGENCE**

The Participant (or any of the Participant's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the covered property, to avoid or diminish any loss herein covered and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or compensation.

▪ **PROTECTION MAINTENANCE**

It is agreed that any protection provided for the safety of the property covered shall be maintained in good order throughout the currency of this PMD and shall be in use at all relevant time, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Operator without their consent.

▪ VALUATION

It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

Until replacement has been effected the amount of liability under this PMD in respect of loss shall be limited to the actual cash value at the time of loss;

If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this PMD;

The limit of compensation under this PMD shall not exceed the smallest of the following amounts:

The PMD limit applicable to the destroyed or damaged property,

The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,

The amount actually and necessarily expended in replacing the said property or any part thereof.

The Operator will normally expect the Participant to carry out repair or replacement of the Participant property, but if there is mutual agreement between the Operator and the Participant that it is not practicable or reasonable to do this, the Operator will arrange to compensate the participant for the amount based on the repair or replacement costs, less any fees and associated costs which are not otherwise incurred, the Operator will only compensate the Participant up to the Sum Covered shown in the Schedule.

▪ INCORRECT DECLARATION

If the values declared as stated in the Schedule are less than the correct values to be declared as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Participant shall be responsible for the balance.

▪ NOTIFICATION OF CLAIMS

The Participant, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to the Operator within seven (7) days of such knowledge of any occurrence and it is a condition precedent to claims hereunder that such notification is given by the Participant as provided for by his PMD.

If the Participant makes a claim under this PMD he must give the Operator such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Operator, the Participant must submit to examination under oath by any person designated by the Operator.

▪ PROOF OF LOSS

The Participant shall render a signed and sworn proof of loss, within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of the Operator) stating the time, place and cause of loss, the interest of the Participant and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If the Operator has not received such proof of loss within two years of the expiry date of this PMD, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this PMD, the burden of proving that the loss is recoverable under this PMD and that no limitation or exclusion of this PMD applies and the quantum of loss shall fall upon the Participant.

▪ **SUBROGATION**

Any release from liability entered into in writing by the Participant prior to loss hereunder shall not affect this PMD or the right of the Participant to recover hereunder. The right of subrogation against any of the Participant's subsidiary or affiliated companies or any other companies associated with the Participant through ownership or management is waived.

In the event of any compensation under this PMD, the Operator shall be subrogated to the extent of such compensation to all the Participant's right of recovery therefore the Participant shall execute all papers required, shall cooperate with the Operator and, upon the Operator's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The Operator will act in concert with all other interests concerned (including the Participant) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- Any particulars, (including the Participant's), exclusive of any deductible or self-covered retention/portion on which the participant is own responsible, suffering a loss of the type covered by this PMD and in excess of the coverage under this PMD shall be reimbursed up to the amount of such loss (excluding the amount of the deductible),
- Out of the balance remaining, the Operator shall be reimbursed to the extent of payment under this PMD,
- The remaining balance, if any, shall inure to the benefit of the Participant, or any Takaful Operator providing Takaful/insurance PMD primary to this PMD, with respect to the amount of such primary Takaful/insurance PMD, deductible, self-covered on which the Participant is own responsible retention, and/or loss of a type not covered by this PMD.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Participant, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of the Operator, the expense thereof shall be borne by the Operator.

▪ **SALVAGE AND RECOVERIES**

All salvages, recoveries and payments recovered or received the subsequent to loss settlement under this PMD shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

▪ **FALSE OR FRAUDULENT CLAIMS**

If the Participant shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this PMD shall become void and all claims and benefit hereunder shall be withdrawn or cost incurred or paid shall be recovered by the Waqf, if any.

▪ **MISREPRESENTATION**

If the Participant has concealed or, misrepresented any material fact or circumstance relating to this PMD; this PMD shall become void. If the Participant is unsure what constitutes material fact(s) or circumstance(s), they should consult their agent.

▪ **ABANDONMENT**

There shall be no abandonment to the Operator of any property.

▪ **INSPECTION AND AUDIT**

The Operator or their agents shall be permitted but not obligated to inspect the Participant’s property at any time neither the Operator's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Participant or others, to determine or warrant that such property is safe.

The Operator may examine and audit the Participant books and records at any time up to two years after the final termination of this PMD, as far as they relate to the subject matter of this Takaful.

▪ **ASSIGNMENT**

Assignment or transfer of this PMD shall not be valid except with the prior written consent of the Operator.

▪ **RIGHTS OF THIRD PARTIES EXCLUSION**

- This PMD is effected solely between the Participant and the Operator,
- This PMD shall not confer any benefit on any third parties, including shareholders, and no such third party may enforce any term of this PMD,
- This clause shall not affect the rights of the Participant.

▪ **POLICY WITHDRAWAL (TERMINATION)**

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 proportionate 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 benefit has been taken during the period this Policy has been in force.

▪ **ARBITRATION**

If the Participant and the Operator fail to agree in whole or in part regarding any aspect of this PMD, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two (2) chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matter in worth the Participant and the Operator shall so fail to agree and shall make an award thereon and the award in writing of any two (2) duly-verified, shall determine, the same, and if they fail to agree, they will submit their differences to the umpire.

The parties to such arbitration shall pay the arbitrator respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

▪ **SEVERAL LIABILITY**

The Operator's obligations of each Co-subscribing/Takaful Operator under this PMD are several not joint and are limited solely to its individual subscriptions. The Co-subscribing Companies are not responsible for the subscription of any Co-subscribing Operator who for any reason does not satisfy to all or part of its obligations.

▪ **LEGAL ACTION AGAINST OPERATOR**

No one may bring a legal action against the Operator unless:

There has been full compliance by the Participant with all of the terms of this PMD; and

The action is brought within two (2) years after the expiry or termination of this PMD.

▪ **MATERIAL CHANGES**

The participant shall notify the Operator of any average of circumstance which would materially affect this Takaful.

▪ **EXPERTS FEES**

The PMD includes within the sum covered, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the Participant property following loss/damage covered under this PMD.

▪ **LAW**

As per specified in the schedule.

▪ **JURISDICTION**

As per specified in the schedule.

▪ **SERVICE OF SUIT**

Any summons, notice or process to be served upon the Operator for the purpose of instituting any legal proceedings against them in connection with this PMD may be served upon of who have authorized to accept service on their behalf.

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.