

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the **IKHLAS Fire Protect Takaful**. Be sure to also read the general terms and conditions of this Takaful Certificate.)

TAKAFUL IKHLAS GENERAL BERHAD
(Member of PIDM)

(Licensed under Islamic Financial Services Act 2013
and regulated by Bank Negara Malaysia)

IKHLAS FIRE PROTECT TAKAFUL

Date:

1) What is this product about?

This product provides you with coverage for your property against loss or damage by fire or lightning. The plan also extends to protect buildings and contents against loss by theft during or after the occurrence of a fire or any other covered perils.

2) What are the Shariah concepts applicable?

- **Tabarru'** – shall mean donation for the purpose of solidarity and cooperation among the Takaful Participants and to be used to help all Takaful Participants in times of misfortune. In the context of the Company, Tabarru' will be allocated into the Participants' Risk Fund.
- **Wakalah** – refers to a contract where a party, as principal (*muwakkil*) authorizes another party as his agent (*wakil*) to perform a particular task on matters that may be delegated, with or without imposition of a fee. In the context of the Company, we are appointed as an agent (*wakil*) to carry out the Takaful Business and a Wakalah fee (*Ujrah*) to be paid to the Company.

Note: Please refer to the Takaful Certificate for more information.

3) What are the covers / benefits provided?

This Takaful Certificate covers:

- loss or damage to your property due to fire, lightning or explosion caused by gas used for domestic purposes; and
- loss by theft during or after the occurrence of a fire or any other covered perils

In consideration of additional Takaful Contribution, the Takaful coverage shall extend to include loss or damage to the property covered directly caused by:

- aircraft damage;
- earthquake and volcanic eruption;
- storm and tempest;
- flood;
- explosion;
- impact damage;
- bursting or overflowing of water tanks apparatus or pipes;
- electrical installations;
- bush / lalang fire;
- subsidence and landslide;
- spontaneous combustion;
- riot strike and malicious damage;
- damage by falling trees or branches and objects;
- cold storage;
- smoke damage;
- goods and stocks undergoing any heating or drying process;
- sprinkler leakage.

Note: Please refer to the Takaful Certificate for the specific terms and conditions applicable to the benefits stated above.

Duration of cover is for one (1) year. As such, you need to renew your Takaful Certificate annually.

4) How much Takaful Contribution do I have to pay?

The total Takaful Contribution that you have to pay is based on the Sum Covered selected, trade / occupation classification and building classification.

Example:

Fire (building) – One unit of shop, fully built of bricks and occupied as a coffee shop with Sum Covered RM100,000

Rate applicable (for shop houses, fully built of bricks) = 0.161%

The estimated Takaful Contribution that you have to pay is = $100,000 \times 0.161\%$
= RM161.00

Note: Different rates are applicable for other trades and building types. Please enquire from us or your Takaful intermediary.

5) What are the fees and charges that I have to pay?

The following charges are applicable:

What you have to pay in addition to the Takaful Contribution amount :-

- Applicable taxes are chargeable at the prevailing rates.
- Stamp duty : RM10.00

What is included in the Takaful Contribution amount :-

- Wakalah Fees -
 - ✓ Commissions : up to max. 15% of Takaful Contribution
 - ✓ Management Expenses : 29% of Takaful Contribution

What you have to pay if you cancel the Takaful Certificate :-

- Cancellation Fee : RM10.00

6) What are some of the key terms and conditions that I should be aware of?

Duty of Disclosure

- Pursuant to paragraph 5 of Schedule 9 of the Islamic Financial Services Act 2013, if you are applying for this Takaful wholly for purposes unrelated to your trade, business or profession, you have a duty to take reasonable care not to make any misrepresentation in answering the questions in the proposal form (or when you apply for this Takaful). You must answer the questions fully and accurately. Failure to have taken reasonable care in answering the questions may result in avoidance of your contract of Takaful, refusal or reduction of your claim(s), change of the terms or termination of your contract of Takaful.
- The above duty of disclosure shall continue until the time your contract of takaful is entered into, varied or renewed with us.

Contribution Warranty

- Takaful Contribution due to the Company must be paid and received by the Company within sixty (60) days from the inception date of this Takaful Certificate or Endorsement/ renewal Takaful Certificate. If the condition is not complied with, this Takaful Certificate shall be automatically cancelled and the Company shall be entitled to the pro-rated Takaful Contribution for the period the Company provides the cover.

Amount to be Covered

- You must ensure that your property is covered at the appropriate amount taking into account the renovations made to your property.
- You may select to cover your property on Market Value or reinstatement value basis:
 - a) Market Value basis – we will pay the cost of repairing the damaged property less the amount for wear and tear and depreciation.
 - b) Reinstatement value basis – we will pay the full cost of repairing the damaged property without any deductions being made for wear and tear and depreciation, provided that the Sum Covered is adequate to cover the total cost of reinstating the property.
- If the amount covered on your property is less than the actual value at the time of loss, you are deemed to be responsible for the difference and bear a proportional share of the loss.
- Excesses, being the amount you have to bear before we indemnify you, are applicable for certain perils, such as claims against overflowing of water tanks, windstorm, earthquake and flood.

Surplus

- The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of the financial year. However, the Company may at its discretion and where appropriate charge SAC less than 50% of the gross distributable surplus.
- Any net distributable surplus arising (after deducting the SAC) from the Risk Fund will be allocated in full (100%) to the Participant. Upon Takaful Certificate expiry, if the amount due to Takaful Participants is less than RM10, the amount shall either be retained in the Risk Fund or donated to charity in behalf of the Takaful participants as an act of good deed. The threshold, method and time of settlement of the surplus distribution shall be defined in the Surplus Management Policy. The threshold is not applicable if the Takaful Participants provided their banking information to the Company.

7) What are the major exclusions under the Takaful Certificate?

1. This Takaful Certificate is not intended to and does not cover:

- (a) Loss or damage to property occasioned by its own fermentation, natural heating or spontaneous combustion (except as may be provided in accordance with Exclusion 2(f)) or by its undergoing any heating or drying process.
- (b) Loss or damage occasioned by or through or in consequence of the burning of property by order of any public authority.
- (c) Loss or damage occasioned by or through or in consequence of subterranean fire.
- (d) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
- (e) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this exclusion only, combustion shall include any self-sustaining process of nuclear fission.

2. Unless otherwise expressly stated, this Takaful Certificate does not cover:

- (a) Goods held in trust or on commission.
- (b) Bullion or unset precious stones.
- (c) Any curiosity or work of art for an amount exceeding RM500.
- (d) Manuscripts, plans, drawings, or designs, patterns, models or moulds.
- (e) Securities, obligations, or documents of any kind, stamps, coins or paper money, cheques, books of account or other business books, or computer systems records.
- (f) Coal, against loss or damage occasioned by its own spontaneous combustion.
- (g) Explosives.
- (h) Any loss or damage occasioned by or through or in consequence of explosion; but loss or damage by explosion of domestic boilers and gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works, will be deemed to be loss by fire within the meaning of the Takaful Certificate.
- (i) Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, prairie, pampas or jungle, and the clearing of lands by fire.

3. This Takaful Certificate does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

- (a) Earthquake, volcanic eruption or other convulsion of nature.
- (b) Typhoon, hurricane, tornado, cyclone or other atmospheric disturbance.
- (c) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war.
- (d) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, 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.
- (e) Any act of terrorism.

Note: *This list is non-exhaustive. Please refer to the Takaful Certificate for the full list of exclusions under this Takaful Certificate.*

8) Can I cancel my Takaful Certificate?

You may cancel your Takaful Certificate by giving written notice to us. Upon cancellation, you are entitled to a refund of the pro rata Takaful Contribution for the unexpired period of cover. No refund of Takaful Contribution is allowed if there is a claim under the Takaful Certificate.

9) What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10) Where can I get further information?

Should you require additional information about *IKHLAS* Fire Protect Takaful, please contact us at:

Takaful Ikhlas General Berhad
Customer Relationship Management Department
IKHLAS Point, Tower 11A, Avenue 5, Bangsar South,
No. 8 Jalan Kerinchi, 59200 Kuala Lumpur

Tel: 03-2723 9696

Fax: 03-2723 9998

Website : www.takaful-ikhlas.com.my

E-mail: ikhlascare@takaful-ikhlas.com.my

11) Other similar types of cover available.

- *IKHLAS* Houseowner/Householder Takaful
- *IKHLAS* Fire Takaful
- *IKHLAS* Fire Plus Takaful

Notification of PIDM's Protection

The benefits payable under eligible Takaful Certificate are protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact Takaful Ikhlas General Berhad or PIDM (visit www.pidm.gov.my).

IMPORTANT NOTE:

YOU SHOULD ENSURE THAT YOUR PROPERTY IS COVERED AT THE APPROPRIATE AMOUNT AS IT WILL AFFECT THE AMOUNT YOU CAN CLAIM. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

The information provided in this product disclosure sheet is valid as at 01/05/2024