

## PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the “IKHLAS Education Takaful Plus”. Be sure to also read the general terms and conditions).

**TAKAFUL IKHLAS FAMILY BERHAD**  
(Formerly known as Takaful Ikhlas Berhad)

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

**IKHLAS EDUCATION TAKAFUL PLUS**

Date: 01/12/2018

### 1) What is this product about?

This plan is specially designed for children between ages at entry of thirty (30) days to twelve (12) years old, which provides coverage in the event of death or Total Permanent Disability (TPD) of the Person Covered before the maturity of the Takaful Certificate.

### 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 Takaful Participants in times of misfortune. In the context of the Company, Tabarru' will be allocated into the 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 Wakalah fee (*Ujrah*) to be paid to the Company.

### 3) What are the covers / benefits provided?

#### a) Death or Total and Permanent Disability Benefit (TPD)

In the event of death or total and permanent disability (TPD) of the Person Covered before the Takaful Certificate matures, a lump sum payment of the Sum Covered plus the amount accumulated in the PIA, inclusive of investment income from the PIA and net distributable surplus from the Risk Fund is payable to the Takaful Participant/ Beneficiary. However should death or TPD occur before the Person Covered age five (5) at the next birthday, the amount payable will be as follows:

Age at Death/ TPD (Next Birthday)	Percentage of SC Payable
1 Year	20%
2 Year	40%
3 Year	60%
4 Year	80%
5 Year and above	100%

Conditions:

TPD is based on “Own or Suited Occupation” definition and the benefit is payable subject to an elimination period of six (6) months, provided that:

- The total permanent disability claim is confirmed.
- The Takaful Contributions are not overdue.

#### b) Takaful Certificate Maturity Benefit

Amount accumulated in the PIA, inclusive of investment income from the PIA and net distributable surplus from the Risk Fund, if any, is payable to the Takaful Participant upon maturity.

**c) Takaful Certificate Surrender Benefit**

Amount accumulated in the PIA, inclusive of investment income from the PIA and net distributable surplus from the Risk Fund if any, after deducting the administration fee up to RM 50, is payable to the Takaful Participant upon the surrender of the Takaful Certificate.

**d) Education Excellent Award**

Under this plan, the Person Covered will be awarded for their excellent academic results in UPSR, PT3, SPM, STAM or STPM. This benefit is payable only if the Takaful Certificate has been in force for a minimum number of three (3) years. The award benefit schedule is as follows:

No.	Examination Category	Minimum Criteria	Benefit Payable (per distinction/ Mumtaz)
1	UPSR (Standard 6)	5A	RM100
2	PT3 (Form 3)	7A	RM100
3	SPM (Form 5)	7A	RM100
4	STAM (Form 6)	7 Mumtaz	RM100
5	STPM (Form 6)	5A	RM100

**e) Top-up Option**

Top-up of Takaful Contribution is allowed from the commencement of the Takaful Certificate. The amount of top-up shall be subject to a minimum of RM 50 per top-up. This top-up amount shall be wholly allocated to the PIA.

**f) Cash Withdrawal**

Partial cash withdrawal from the balance in the PIA is allowed when the Takaful Certificate has reached the minimum term of five (5) years. For each Takaful Certificate, only five (5) withdrawals are allowed during the lifetime of the Takaful Certificate where the minimum interval imposed is two (2) years between each withdrawal. The amount allowed being withdrawn is subjected to a maximum of 50% from the PIA at such time. Each withdrawal will be subjected to an Administration Fee up to RM50 per withdrawal.

**g) Riders that can be attached to this Plan:**

- (i) For Person Covered:
  - *IKHLAS* Term Takaful Rider Plus
  - *IKHLAS* Critical Illness Takaful Rider Plus
  - *IKHLAS* Accidental Death and Disability Takaful Rider Plus
  - *IKHLAS* Immediate Death Expenses Takaful Rider Plus
  - *IKHLAS* Hospital Benefit Takaful Plus
  - *IKHLAS* Comprehensive Personal Accident Benefit Takaful Rider Plus
  - *IKHLAS* Top-up Rider Plus
- (ii) For Takaful Participant (Payor):
  - *IKHLAS* Payor Savings Takaful Plus
  - *IKHLAS* Term Takaful Plus
  - *IKHLAS* Critical Illness Takaful Plus

Please read Takaful Certificate for more information about product benefits.

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

The total Takaful Contribution that you have to pay depends on the underwriting requirements, age, term, rider participate, occupational class and Sum Covered. Your Takaful Contribution is as follows:

Sum Covered	:	RM10,000.00
Gender	:	Male
Age	:	12 years
Term	:	8
<b>Annual Takaful Contribution</b>	:	<b><u>RM672.00</u></b>

The renewal Takaful Contribution is NOT GUARANTEED and the Company reserves the right to revise the Takaful Contribution rate applicable specifically to each Person Covered at the time of Takaful Certificate anniversary based on the emerging claims experience of the product. The Company shall give the Takaful Participant a three (3) months written notice in the event of revision of Takaful Contribution or portfolio withdrawal. The Takaful Contribution could be revised due to deterioration in claims experience, changes in the product benefits as well as a change in the risk profile of the Person Covered and/or Takaful Participant. These conditions are not exhaustive and the Takaful Contribution rates may be reviewed under other justified circumstances.

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

a) Wakalah Fee\*

Year	Wakalah Fee	Commission
1	85% of Annual Takaful Contribution or RM571.20	65% of Annual Takaful Contribution or RM436.80
2	55% of Annual Takaful Contribution or RM369.60	40% of Annual Takaful Contribution or RM268.80
3	38% of Annual Takaful Contribution or RM255.36	26% of Annual Takaful Contribution or RM174.72
4	32% of Annual Takaful Contribution or RM215.04	20% of Annual Takaful Contribution or RM134.40
5	22% of Annual Takaful Contribution or RM147.84	10% of Annual Takaful Contribution or RM67.20
6	22% of Annual Takaful Contribution or RM147.84	10% of Annual Takaful Contribution or RM67.20
7 and above	10% of Annual Takaful Contribution or RM67.20	No Commission Payable

\* The Wakalah Fee inclusive of the commission.

b) The tabarru' amount are deducted monthly from the Personal Investment Account (PIA)/ Personal Risk Investment Account (PRIA). The tabarru' amount increase as the Person Covered grows older. Details of the tabarru' amount and other charges for this plan are illustrated in the benefit illustration.

c) Surrender Charge of up to RM50.

d) RM 10.00 stamp duty is imposed for each Takaful Certificate.

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

a) Importance of disclosure – you must disclose all material facts such as your age, occupation and health condition correctly. The Company has the right to repudiate liability in the event that you failed to disclose relevant information that would affect the decision to accept or reject the risk, and on the terms to be applied to you.

- b) Cooling-Off Period - you may cancel your Takaful Certificate by returning the Takaful Certificate to the Company within fifteen (15) days after you have received the Takaful Certificate. The Takaful Contribution that you have paid (less any medical charges - if any) will be refunded to you. The Company shall cancel the Takaful Certificate immediately upon receipt and shall be deemed not effective from the date of issuance.
- c) Balance in PIA - The actual investment income may fluctuate based on market conditions. As a result, the balance of PIA may rise above or fall below the total Takaful Contribution made into PIA (possibly leading to early Takaful Certificate lapsation).
- d) Investment profit arising from PIA, if any, shall be returned to the Takaful Participant (through PIA) after deducting an Investment Performance Fee of 30% from the profit. However, the Company may at its discretion deduct less than 30% from the profit as Investment Performance Fee.
- e) The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus declared at the end of each Financial Year. The net distributable surplus (after deducting SAC) from the Risk Fund will be allocated in full (100%) to the Takaful Participant.
- f) It may not be advantageous to switch from one Takaful plan to another, as you may be subject to new underwriting requirements, full waiting period and any applicable period for the exclusion of specified illnesses or pre-existing conditions of the new Takaful Certificate.
- g) It is important for you to receive receipts and keep them as proof of payment of Takaful Contributions.
- h) If you do not receive the Takaful Certificate after fourteen (14) days from the date of participation, please contact us.
- i) Notification of claim must be given in writing to the Company within thirty (30) days after occurrence of any claim. The Company, upon receipt of notice of claim, will furnish to the claimant appropriate forms for filing proof of claim and shall notify the claimant of any other requirements. This shall not preclude the Company from requiring further documentation in respect of the loss as deemed fit by the Company. All such information and evidence must be furnished to the Company within ninety (90) days from the date of the events covered.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the terms and conditions under this Takaful Certificate.

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

### a. Exclusion on Death

Should the Person Covered, whether sane or insane commits suicide within one (1) year from the effective date, dies as a result of Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases, no Takaful benefit shall be payable under this Takaful Certificate.

The Company shall refund the amount accumulated in the PIA and/or PRIA, inclusive of investment income from the PIA and/or PRIA and net distributable surplus from the Risk Fund, if any.

### b. Major Exclusion (Other than Death)

- i. War, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not) or civil war;
- ii. Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, martial law or state of siege any of the events or causes which determine the proclamation or maintenance of martial law or state of siege;

- iii. Any act of terrorism. For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government or organization and/or to put the public, or any section of public in fear;
- iv. Cause by or consequent upon suicide or attempted suicide or willful self injury or indulgence in alcohol or narcotics or drugs or insanity or arising from venereal disease;
- v. Disability sustained by the Person Covered whilst entering, operating or servicing, ascending or descending from or any other activities relating to and including sky diving, parachuting, bungee jumping, hang-gliding or ballooning or any other aerial device, contraption, conveyance except while the Person Covered is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route;
- vi. Disability arising prior to inception of coverage;
- vii. Any breach of the law by the Person Covered or any assault provoked by him;
- viii. Involvement in any underwater activity necessitating the use of artificial breathing apparatus;
- ix. Injury caused by nuclear fission, nuclear fusion, nuclear weapons material or radioactive contamination.

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?**

Participating in a family Takaful plan is a long-term financial commitment. If you do not pay your Takaful Contributions within the grace period, your Takaful Certificate may lapse. The cash amount that the Takaful operator will pay you when you cancel the Takaful Certificate before the maturity period will be much less than the total amount of Takaful Contribution that you have paid.

#### **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 on Family Takaful, please refer to *insuranceinfo* booklet on 'Family Takaful'. You can obtain a copy from our Takaful agent or visit [www.insuranceinfo.com.my](http://www.insuranceinfo.com.my)

If you have any enquiry, please contact us at:

**Takaful Ikhlas Family Berhad**

(Formerly known as Takaful Ikhlas Berhad)

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**11) Other types of similar Takaful cover available.**

- *IKHLAS* Saving Prime Takaful

**IMPORTANT NOTE:**

**PARTICIPATING IN A FAMILY TAKAFUL PLAN IS A LONG TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF TAKAFUL CERTIFICATES THAT BEST SUITS YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.**

**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 TAKE REASONABLE CARE IN ANSWERING THE QUESTIONS MAY RESULT IN VOIDANCE 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.**

**IN ADDITION TO ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL), YOU ARE REQUIRED TO DISCLOSE ANY OTHER MATTER THAT YOU KNOW TO BE RELEVANT TO OUR DECISION IN ACCEPTING THE RISKS AND DETERMINING THE RATES AND TERMS TO BE APPLIED.**

**YOU ALSO HAVE A DUTY TO TELL US IMMEDIATELY IF AT ANY TIME AFTER YOUR CONTRACT OF TAKAFUL HAS BEEN ENTERED INTO, VARIED OR RENEWED WITH US ANY OF THE INFORMATION PROVIDED IN THE PROPOSAL FORM (OR WHEN YOU APPLIED FOR THIS TAKAFUL) IS INACCURATE OR HAS CHANGED.**

*The information provided in this Product Disclosure Sheet is valid effective as at: 01/12/2018*