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IKHLAS FIRE PLUS TAKAFUL CERTIFICATE

For Consumer Takaful Contracts (Takaful plan wholly for purposes unrelated to Takaful Participant's trade, business or profession)

This Takaful Certificate is issued in consideration of the payment of Takaful Contribution as specified in the Takaful Certificate Schedule and pursuant to the answers given in the Takaful Participant's Proposal Form (or when the Takaful Participant applied for this Takaful) and any other disclosures made by the Takaful Participant between the time of submission of the Takaful Participant's Proposal Form (or when the Takaful Participant applied for this Takaful) and the time this contract is entered into. The answers and any other disclosures given by the Takaful Participant shall form part of this contract of takaful between the Takaful Participant and **Takaful Ikhlas General Berhad** (hereinafter called "the Company"). However, in the event of any pre-contractual misrepresentation made in relation to the Takaful Participant's answers or in any disclosures given by the Takaful Participant, only the remedies in Schedule 9 of the Islamic Financial Services Act 2013 will apply.

This Takaful Certificate reflects the terms and conditions of the contract of Takaful as agreed between the Takaful Participant and the Company.

For Non - Consumer Takaful Contracts (Takaful plan for purposes related to Takaful Participant's trade, business or profession)

This Takaful Certificate is issued in consideration of the payment of Takaful Contribution as specified in the Takaful Certificate Schedule and pursuant to the answers given in the Takaful Participant's Proposal Form (or when the Takaful Participant applied for this Takaful) and any other disclosures made by the Takaful Participant between the time of submission of the Takaful Participant's Proposal Form (or when the Takaful Participant applied for this Takaful) and the time this contract is entered into. The answers and any other disclosures given by the Takaful Participant shall form part of this contract of Takaful between the Takaful Participant and **Takaful Ikhlas General Berhad** (hereinafter called "the Company"). In the event of any pre-contractual misrepresentation made in relation to the Takaful Participant's answers or in any disclosures made by the Takaful Participant, it may result in avoidance of the Takaful Participant's contract of Takaful, refusal or reduction of the Takaful Participant's claim(s), change of terms or termination of the Takaful Participant's contract of Takaful.

This Takaful Certificate reflects the terms and conditions of the contract of Takaful as agreed between the Takaful Participant and the Company.

Whereas the Takaful Participant named in the schedule hereto has made to the Company; a written proposal by completing a questionnaire which, together with any other statements made in writing by the Takaful Participant for the purpose of this Takaful Certificate, is deemed to be incorporated herein.

Subject to the Takaful Participant having paid to the Company the Takaful Contribution as mentioned in the schedule (hereinafter referred to as the "Schedule") including the terms, exclusions, provisions and conditions contained herein or endorsed hereon under Section 1 and 2 respectively, the Company will indemnify the Takaful Participant in the manner and to the extent hereinafter provided.

DUTY OF DISCLOSURE

The duty of disclosure is different for a Consumer Takaful Certificate and for a Non-Consumer Takaful Certificate. They are separately outlined below:

A. Consumer Takaful Contracts

Where You have applied for this Takaful wholly for purposes unrelated to Your trade, business or profession, You had a duty to take reasonable care not to make a misrepresentation in answering the questions in the Proposal Form (or when You applied for this Takaful) i.e. You should have answered 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 terms or termination of Your contract of Takaful in accordance with the remedies in Schedule 9 of the Islamic Financial Services Act 2013. You were also required to disclose any other matter that You knew 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 given in the Proposal Form (or when You applied for this Takaful) is inaccurate or has changed.

B. Non-Consumer Takaful Contracts

Where You have applied for this Takaful wholly for purposes related to Your trade, business or profession, You had a duty to disclose any matter that You know to be relevant to Our decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant otherwise it may result in avoidance of Your contract of Takaful, refusal or reduction of Your claim(s), change of terms or termination of Your contract of Takaful.

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 given in the Proposal Form (or when You applied for this Takaful) is inaccurate or has changed.

SECTION 1 - FIRE

BASIS OF TAKAFUL

The Company hereby agrees with the Takaful Participant that if at any time during the Period of Takaful stated in the Schedule or during any subsequent period for which the Takaful Participant pays and the Company may accept the Takaful Contribution for the renewal of this

Takaful Certificate, the Property Covered described in the said Schedule or any part of such property be destroyed or damaged by FIRE or LIGHTNING, the Company will pay or make good to the Takaful Participant the actual value of the Property Covered at the time of the happening of its destruction or the actual amount of such damage.

EXCLUSIONS (APPLICABLE TO SECTION 1 ONLY)

1. This Takaful Certificate is not intended to and does not cover:
 - (a) Loss by theft during or after the occurrence of a fire.
 - (b) 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.
 - (c) Loss or damage occasioned by or through or in consequence of the burning of property by order of any public authority.
 - (d) Loss or damage occasioned by or through or in consequence of subterranean fire.
 - (e) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
 - (f) 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 in 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 this Takaful Certificate.
 - (i) Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, lalang, 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.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this Takaful, except to the extent that the Takaful Participant shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of this condition any loss or damage is not covered by this Takaful, the burden of proving that such loss or damage is covered shall be upon the Takaful Participant.

4. This Takaful coverage does not cover any liability for:

Loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property covered caused by

 - (a) pollution or contamination which itself results from a contingency hereby covered against.
 - (b) any contingency hereby covered against which itself results from pollution or contamination.

5. This Takaful coverage does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is covered by or would, but for the existence of this Takaful Certificate, be covered by any Marine Certificate or Policies except in respect of any Excess beyond the amount which would have been payable under the Marine Certificate or Policies had this Takaful not been affected.

CONDITIONS

1. MISDESCRIPTION

If there be any material misdescription of any of the property hereby covered, or of any building or place in which such property is contained, or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, the Company shall not be liable upon this Takaful Certificate so far as it relates to property affected by any such misdescription, misrepresentation or omission.

2. NOTICE OF OTHER TAKAFUL/ INSURANCE

The Takaful Participant shall give notice to the Company of any Insurance or Takaful already affected, or which may subsequently be affected, covering any of the property hereby covered, and unless such notice be given and the particulars of such Takaful or Insurances be stated in or endorsed on this Takaful Certificate by or on behalf of the Company before the occurrence of any loss or damage, all Benefits under this Takaful Certificate shall be forfeited.

3. OTHER TAKAFUL/ INSURANCE

If there are any other Takaful/ Insurance covering the same or part of the same loss, damage or liability, the Company will only pay a share of the total loss, damage or liability proportionally.

4. FALLEN BUILDINGS OR DISPLACEMENT

This Takaful Certificate which covers the following

- (1) on any building or part of any building,
- (2) on any property contained in any building,
- (3) on rent or other subject matter of Takaful in respect of or in connection with any building or any property contained in any building,

shall cease immediately upon any fall or displacement

- (a) of such building or of any part thereof,
- (b) of the whole or any part of any range of buildings or of any structure of which such building forms part,

PROVIDED that such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leave such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material.

AND PROVIDED that such fall or displacement is not caused by fire, loss or damage by which is covered by this Takaful Certificate or would be covered if such building, range of buildings or structure were covered under this Takaful Certificate.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon the Takaful Participant.

5. ALTERATIONS AND REMOVALS

Under any of the following circumstances, this Takaful Certificate ceases to attach as regards to the affected property unless the Takaful Participant, before the occurrence of any loss or damage, obtains the sanction of the Company signified by Endorsement upon the Takaful Certificate, by or on behalf of the Company.

- (a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building covered or containing the covered property be changed in such a way as to increase the risk of loss or damage by fire.
- (b) If the building covered or containing the covered property becomes unoccupied and so remains for a period of more than thirty (30) days.
- (c) If property covered be removed to any building or place other than that in which it is herein stated to be covered.
- (d) If the interest in the property covered pass from the Takaful Participant otherwise than by will or operation of law.
- (e) If a notice to quit by any order by the local Authorities for the requisition or acquisition of the land on which the Takaful Participant's property is situated has been issued.

6. CLAIM NOTIFICATION

On the happening of any loss or damage the Takaful Participant shall forthwith give notice thereof to the Company and shall within thirty (30) days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company

- (a) A claim in writing for the loss and damage containing as particular an account as may be reasonably practicable of all the several articles or items of property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage, not including profit of any kind.
- (b) Particulars of all other Takaful/Insurance, if any.

The Takaful Participant shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the fire and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this Takaful Certificate shall be payable unless the terms of this Condition have been complied with.

7. RECEIPT OF DISCHARGE

Payment of any amount paid or made by the Company shall be a valid discharge of liability to the Company and shall release the Company of all claims and demands whatsoever in respect thereof.

8. EXTENSIONS

This Takaful Certificate extends to include:

- (a) wages of the Takaful Participant's Employees other than full-time members of a Works Fire Brigade.
- (b) the cost of replacement of firefighting appliances and destruction of or damage to materials (including Employees' clothing and Personal Effects) unless otherwise specifically covered.
- (c) fire brigade charges.

provided always that the liability of the Company in respect of such wages, costs and charges shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the property covered by this Takaful Certificate or immediately threatening to involve such property.

9. TOTAL SUM COVERED

The liability of the Company shall in no case exceed in respect of each item the coverage amount expressed in the Schedule thereon or in the whole the total sum covered hereby or such other sum or sums as may be substituted therefor by Endorsement hereon or attached hereto signed by or on behalf of the Company.

10. RIGHTS OF ENTRY

On the happening of any loss or damage to any of the property covered by this Takaful Certificate, the Company may:-

- (a) Enter and take and keep possession of the building or Premises where the loss or damage has happened.
- (b) Take possession of or require to be delivered to it any property of the Takaful Participant in the building or on the Premises at the time of the loss or damage.
- (c) Keep possession of any such property and examine, sort, arrange, remove, or otherwise deal with the same.
- (d) Sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this clause shall be exercisable by the Company at any time until notice in writing is given by the Takaful Participant that he makes no claim under the Takaful Certificate or, if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Takaful Participant or diminish its right to rely upon any of the conditions of this Takaful Certificate in answer to any claim.

If the Takaful Participant or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of its powers hereunder, all Benefits under this Takaful Certificate shall be forfeited.

The Takaful Participant shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

11. FRAUD

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices and damage be occasioned by the wilful act, or with the connivance of the Takaful Participant; or, if the claim be made and rejected and an action or suit be not commenced within three (3) months after such rejection, or (in the case of an Arbitration) within three (3) months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefits under this Takaful Certificate shall be forfeited.

12. REINSTATEMENT AND REPLACEMENT

The Company may at its option reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other Takaful Operators or Insurers in so doing; but the Company shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, nor more than the sum covered by the Company thereon.

If the Company so elect to reinstate or replace any property the Takaful Participant shall, at his own expense, furnish the Company with such plans, specifications, measurements, quantities, and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view to reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby covered, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

13. MARKET VALUE

The Company will indemnify the Takaful Participant the covered value or the Market Value of the covered property whichever is lower subject to the deduction of any Excess.

Market value means the value of the property covered at the time of loss or damage less allowance for Wear and Tear and/or Depreciation.

The market value shall be determined by a valuation obtained by the Company from the:

- (a) Manufacturer;
- (b) Authorized sole agent or agent;
- (c) Authorized broker, authorized distributor;
- (d) Building contractor;

- (e) Loss adjuster licensed under Islamic Financial Services Act 2013; or
- (f) Registered Valuer under the Valuers and Appraisers Act 1981 to be mutually appointed by both the Participant and the Company.

The valuation so obtained shall be conclusive in any legal proceedings against the Company.

14. SUBROGATION

The Company is entitled to undertake in the Takaful Participant's name and on the Takaful Participant's behalf:

- a. The full conduct, control and settlement of any proceedings;
- b. Recover compensation or secure Indemnity from any third party in respect of anything covered by this Takaful Certificate.

at the Company's own expense and benefit.

15. AVERAGE

If the market value of the property covered at the time of any loss is collectively of higher value than the sum covered stated in the Schedule, then the Takaful Participant will be responsible for the difference and bear a proportional share of the loss. The sharing of proportional loss will apply separately to each item covered.

16. REINSTATEMENT OF LOSS

In the event of a loss, the Takaful hereunder shall be maintained in force for the full Sum Covered and the Takaful Participant shall be liable to pay an additional Takaful Contribution at the rate stated on the Takaful Certificate calculated on the amount of loss on a pro rata basis from the date of such loss to the expiry of the current Period of Takaful.

17. ARBITRATION

Any difference on the amount of any loss of damage between the Takaful Participant and the Company shall be referred to an Arbitrator who shall be appointed in writing by the Takaful Participant and the Company. In case the Takaful Participant and the Company are unable to agree on a single Arbitrator, within two (2) months of being required in writing to do so by either party, then the Takaful Participant and the Company shall be entitled to appoint an Arbitrator each who shall appoint an Umpire to preside over their meetings. However, one (1) party is at liberty to appoint a sole Arbitrator, should the other party within two (2) months of the written notice fail to appoint the other Arbitrator.

The costs of arbitration and awards shall be decided by the Arbitrator, Arbitrators or Umpire.

The Takaful Participant and the Company clearly agree that the awards by the Arbitrator, Arbitrators or Umpire shall be obtained first before the Takaful Participant can commence legal proceedings on the Company.

18. LIMITATION

In no case whatever shall the Company be liable for any loss or damage after the expiration of twelve (12) months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

SECTION 2 - TERRORISM

BASIS OF TAKAFUL

Subject to the exclusions, limits and conditions hereinafter contained, this particular section shall cover buildings and contents against physical loss or physical damage by an Act of Terrorism, as herein defined, occurring during the period of this Takaful Certificate as stated in the Schedule.

For the purpose of this Takaful, an act of terrorism means an act, 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 to influence any government and/or to put the public in fear for such purposes.

EXCLUSIONS (APPLICABLE TO SECTION 2 ONLY)

1. This Takaful Certificate DOES NOT COVER AGAINST: -

- (a) Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused.
- (b) Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or martial law or confiscation by order of any Government or public authority.
- (c) Loss by seizure or illegal occupation.
- (d) Loss or damage caused by confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the Takaful 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.
- (e) Loss or damage directly or indirectly arising from or in consequence of the discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant of 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.
- (f) Loss or damage by chemical or biological release or exposure of any kind.
- (g) Loss or damage by attacks by electronic means including computer hacking or the introduction of any form of computer virus.

- (h) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion unless physical loss or damage is caused directly by an Act of Terrorism.
- (i) Loss or increased cost occasioned by any Public or Civil Authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property covered hereunder.
- (j) Any consequential loss or damage caused by any other ensuing cause.
- (k) Loss of use, delay or loss of markets, however caused or arising, and despite any preceding loss covered hereunder.
- (l) Loss or damage caused by cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service.
- (m) Loss or increased cost as a result of threat or hoax, in the absence of physical damage due to an act of terrorism.
- (n) Loss or damage caused by or arising out of burglary, house - breaking, theft or larceny or caused by any person taking part therein.

2. This Takaful Certificate DOES NOT COVER: -

- (a) Land or Land Values.
- (b) Power Transmission or feeder lines not on the Takaful Participant's premises.
- (c) Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty (30) days.
- (d) Aircraft or any other Aerial device, or watercraft.
- (e) 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.
- (f) Animals, plants and living things of all types.
- (g) Property in transit not on the Takaful Participant's premises.

ONUS OF PROOF

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

OTHER TAKAFUL/ INSURANCE

This Takaful Certificate does not cover any loss or damage, which at the time of the happening of such loss or damage is covered by, or would, but for the existence of this Takaful Certificate, be covered by any other takaful certificate/ insurance policy or certificates/ policies either primary or excess.

TERRITORIAL LIMITS

This Takaful Certificate covers property owned by the Takaful Participant and located as described in the Schedule.

SUM COVERED

The Company hereon shall not be liable for more than the sum covered stated in the Schedule in respect of each occurrence and in the annual aggregate.

DEDUCTIBLE

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

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 for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Takaful Participant at the property covered herein during any period of seventy-two (72) consecutive hours arising out of the same purpose or cause. However, no such period of seventy-two (72) consecutive hours may extend beyond the expiration of this Takaful Certificate unless the Takaful Participant shall first sustain direct physical damage by an Act of Terrorism prior to expiration and within said period of seventy-two (72) consecutive hours nor shall any period of seventy-two (72) consecutive hours commence prior to the attachment of this Takaful Certificate.

DEBRIS REMOVAL

This Takaful Certificate also covers, within the sum covered, expenses incurred in the removal of debris of property covered hereunder which may be directly destroyed or damaged by an Act of Terrorism.

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

CONDITIONS

1. DUE DILIGENCE

The Takaful Participant (or any agent, sub or co-contractor of the Takaful Participant) shall at all times and at his own expense use due diligence and do (and concur in doing and permit to be done) all things reasonably practicable (including but not limited to precautions to protect or remove the property and interests covered herein) to avoid or diminish any loss herein covered.

2. PROTECTION MAINTENANCE

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

3. 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) 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: -

- (a) The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
- (b) Until replacement has been effected the amount of liability under this Takaful Certificate in respect of loss shall be limited to the actual cash value at the time of loss;
- (c) 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 Takaful Certificate.

The Company's liability for loss under this Takaful Certificate including this endorsement shall not exceed the smallest of the following amounts: -

- (i) The amount of the Takaful Certificate applicable to the destroyed or damaged property,
- (ii) The replacement cost of the property or any part thereof identical with such property and intended for the same occupancy and use,
- (iii) The amount actually and necessarily expended in replacing said property or any part thereof.

4. INCORRECT DECLARATION PENALTY

If the values declared as stated in the Schedule are less than the correct covered values 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 Takaful Participant shall co-insure for the balance.

5. NOTIFICATION OF CLAIMS

The Takaful Participant, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give immediate written advice thereof to the Company within seventy-two (72) hours of such knowledge of any occurrence.

6. RECEIPT OF DISCHARGE

Payment of any amount paid or made by the Company shall be a valid discharge of liability to the Company and shall release the Company of all claims and demands whatsoever in respect thereof.

7. PROOF OF LOSS

The Takaful 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 Company) stating the time, place and cause of loss, the interest of the Takaful Participant and all others in the property, the sound value thereof and the amount of loss or damage thereto. If Company have not received such proof of loss within two (2) years of the expiry date of this Takaful Certificate, they shall be discharged from all liability hereunder.

8. SUBROGATION

The Company is entitled to undertake in the Takaful Participant's name and on the Takaful Participant's behalf:

- (a) the full conduct, control and settlement of any proceedings;
- (b) recover compensation or secure Indemnity from any third party in respect of anything covered by this Takaful Certificate.

at the Company's own expense and benefit

9. SALVAGE AND RECOVERIES

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

10. FALSE OR FRAUDULENT CLAIMS

If the Takaful Participant shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Takaful Certificate shall become void and all claims hereunder shall be forfeited.

11. ABANDONMENT

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

12. INSPECTION AND AUDIT

The Company shall be permitted but not obligated to inspect the Takaful Participant's property at any time. Neither the Company'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 Takaful Participant or others, to determine or warrant that such property is safe.

The Company may examine and audit the Takaful Participant's books and records at any time during the Takaful Certificate period and extensions thereof and within two (2) years after the final termination of this Takaful Certificate, as far as they relate to the subject matter of this Takaful.

13. ASSIGNMENT

Assignment or transfer of this Takaful Certificate shall not be valid except with the written consent of Company.

14. RIGHTS OF THIRD PARTIES EXCLUSION

This Takaful Certificate is affected solely between the Takaful Participant and Company. This Takaful Certificate shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Takaful Certificate. The Contract (Rights of Third Parties) Act 1999 is expressly excluded from this Takaful Certificate.

15. JURISDICTION

This Takaful Certificate and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the Malaysia. In the absence of specialized laws governing takaful contracts in Malaysia, the Law of England and Wales is to apply. Each party agrees to submit to the exclusive jurisdiction of the Courts of Malaysia.

16. ARBITRATION

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

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

17. SEVERAL LIABILITY

The Company's obligations under this Takaful Certificate are several and not joint and are limited solely to their individual subscriptions. The Company is not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations

GENERAL CONDITION

This terms and conditions shall be read together and form as integral part of this Takaful Certificate. Any word or expression to which a specific meaning has been attached in any part of this Takaful Certificate or in the Schedule shall bear such meaning wherever it may appear.

In carrying out the mandate conferred on it by the Takaful Participants, the Company, may find it necessary to avail itself the services of third parties, therefore the Takaful Participants hereby authorise the Company to engage with the third party for the purpose and benefit of participants and Takaful Business.

1. NOTICE

Every notice or communication to be given or made under this Takaful Certificate shall be delivered in writing to the Head Office or any Branch Office of the Company. No change in this Takaful Certificate shall be valid unless approved by the Company and duly endorsed hereon by an authorized representative of the Company.

2. CONTRIBUTION PAYMENT

No payment in respect of any Takaful Contribution shall be deemed to be payment to the Company unless a printed form of receipt for the same signed by an Official or duly appointed agent of the Company shall have been given to the Takaful Participant.

3. RECEIPT OF DISCHARGE

Payment of any sum made by the Company shall be a valid discharge of liability to the Company and shall release the Company of all claims and demands whatsoever in respect thereof.

4. CANCELLATION

This Takaful coverage may be terminated at any time upon request by the Takaful Participant, in which case the Company will refund the Unearned Contribution for the unexpired period of cover, less related expenses. This Takaful Certificate may also be terminated at the option of the Company by sending fourteen (14) days' notice by registered letter to the Takaful Participant at his last known address, in which case the Company shall be liable to refund the same as described earlier.

Note: A handling fee of RM10.00 will be charged in the event of cancellation made by the Takaful Participant.

5. EXPENSES

The Company shall bear all its own operating expenses. Takaful Participants shall bear necessary expenses incurred for their benefits as allowed by the regulator.

6. CONTRIBUTIONS ALLOCATION

Payment of the Takaful Contribution by the Takaful Participant as shown in the Schedule shall be placed in the General Risk Investment Account (GRIA) where the Company will manage according to the Wakalah and Shariah principles. The Company will charge 36% of the Takaful Contribution as an upfront Wakalah fee and the balance shall be allocated into the Risk Fund at inception for Tabarru' charges and be used to help other Takaful Participants in times of misfortune.

7. SURPLUS

At each financial year-end, the Actuary will assess the surplus position of the Risk Fund, to preserve long term sustainability of the fund. 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 the SAC for 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 Takaful Participant. If the amount due to Takaful Participant is less than the threshold, the amount shall either be retained in the Risk Fund or donated to charity on behalf of the Takaful Participants. Both the threshold and the treatment of such amount shall be as defined in the Surplus Management Policy.

Any deficit in the Risk Fund would be met through an interest free loan (Qard) from the Shareholders' Fund. Such loan would be a first charge against the future surplus arising from the Risk Fund.

If there is a deficit in the Risk Fund due to the Company's negligence, then it is the responsibility of the Company to ensure that the fund is stable through outright transfer method and not deemed as an advance through the Qard.

8. OBSERVANCE AND FULFILLMENT OF CONDITIONS

The due observance and fulfilment of the terms, conditions and Endorsements of this Takaful Certificate in so far as they relate to anything to be done or complied with by the Takaful Participant and the truth of any statement or declaration in the Proposal and Declaration shall be deemed conditions precedent to any liability of the Company for which compensation is payable.

THIS TAKAFUL CERTIFICATE AND ITS CONDITIONS SHOULD BE EXAMINED IMMEDIATELY UPON RECEIPT HEREOF BY THE TAKAFUL PARTICIPANT AND IF INCORRECT RETURNED AT ONCE FOR ALTERATION. AND THE TAKAFUL PARTICIPANT CONTINUANCE SUBSCRIPTION OF THE TAKAFUL COVERAGE PLANS DEEMED AS THE TAKAFUL PARTICIPANT ACCEPTANCE AND AGREE TO BE BOUND AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS TAKAFUL CERTIFICATE.

IMPORTANT NOTICE

We care about the service that we provide for our customers, and our staff makes every effort to maintain as high a standard as possible. In the event that we do not meet your expectations and you are dissatisfied in some way, we would like to know and would ask you to write to our:

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

Tel: +603-27239696
Fax: +603-27239998
E-mail: complaints@takaful-ikhlas.com.my

For legal notices to be considered as properly served or any official correspondences, please send to:

**Takaful Ikhlas General Berhad,
IKHLAS Point, 9th Floor, Tower 11A, Avenue 5, Bangsar South,
No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.**

Attention to: President and Chief Executive Officer

We will make sure that your case is examined thoroughly. If you are still not satisfied with the decision of the Company, you may then refer the case to the Ombudsman for Financial Services within six (6) months from the final decision of the Company. The address is as follows:

Ombudsman for Financial Services (664393P) Level 14, Main Block Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel: 03-2272 2811 Fax: 03-2272 1577 E-mail: enquiry@ofs.org.my Website: www.ofs.org.my	Contact Centre (BNMTELELINK) Laman Informasi Nasihat dan Khidmat (LINK) Bank Negara Malaysia P.O. Box 10922 50929 Kuala Lumpur Tel : 1-300-88-5465 (1-300-88-LINK) Fax : 03-21741515 E-mail: bnmtelelink@bnm.gov.my
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