



PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the *IKHLAS* Mortgage Reducing Term Takaful. Be sure to also read the general terms and conditions.)

TAKAFUL IKHLAS FAMILY BERHAD

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

IKHLAS Mortgage Reducing Term Takaful

Tarikh: 29/11/2019

1. What is this product about?

This product is designed to provide coverage to pay the Prevailing Sum Covered to any institution (Master Certificate Holder) in the event of death of the Participant (who is the borrower) or if the Participant becomes totally and permanently disabled.

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 a Wakalah fee (Ujrah) to be paid to the Company.

Note: "the Company" refers to Takaful Ikhlas Family Berhad.

3. What are the covers / benefits provided?

Benefits	Description
Death	<p>Upon death of the Participant, the Prevailing Sum Covered is payable to the institution where financing is arranged. The benefit is payable subject to the following condition:</p> <ul style="list-style-type: none"> Pre-Existing Condition is excluded. <p>An additional Immediate Death Expense Benefit as per the amount stated in the Individual Certificate shall be paid to the next-of-kin.</p> <p>In addition, the balance in Personal Risk Investment Account (PRIA), if any, also will be payable to the Master Certificate Holder.</p>
Total Permanent Disability	<p>Upon total permanent disablement of the Participant, the Prevailing Sum Covered is payable to the institution where financing is arranged. The total permanent disability benefit is payable subject to the following conditions:</p> <ul style="list-style-type: none"> The total permanent disability is based on "Any occupation" definition. The total permanent disability benefit is payable after satisfying a qualifying period (waiting period) that such disability must last for a continuous period of not less than six (6) months in duration. Pre-Existing Condition is excluded. <p>In addition, the balance in Personal Risk Investment Account (PRIA), if any, also will be payable to the Master Certificate Holder.</p>
Maturity	<p>Upon maturity of the Certificate, Participant will receive the balance amount in the PRIA, if any.</p>
Surrender	<p>Upon surrender of the Certificate, Participant will receive the balance amount in the PRIA, if any, after deducting the administration fee up to RM 50.</p>

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

The total Takaful Contribution that you have to pay varies, depending on the amount of financing arranged. In addition, there are also other factors determining the amount of contribution, such as age, occupation type and previous medical history. For example:

• Entry Age	: 35 years old
• Financing Amount	: RM150,000
• Profit Rate	: 7.0% p.a.
• Financing Term	: 30 years (Inclusive of deferment period)
• Deferment Period	: -
Takaful Contribution	: RM 6,332.85

The Takaful Contribution above assume that the proposed Person Covered has no medical/ health impairments, occupational risks or habits that may require additional loading on the Takaful Contribution.

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

Type	%
Wakalah Fee*	30% of Takaful Contribution or RM 1899.86
Commission	10% of Takaful Contribution or RM 633.29
Stamp Duty**	RM10.00

* The Wakalah fee is inclusive of the commission.

Note : The Company has the right to recover from the Takaful Participant any taxes, levies or charges imposed by the relevant authorities in Malaysia at the prevailing rate unless otherwise stated from Takaful Participant's PRIA.

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

- Importance of disclosure – you must disclose all material facts such as your health condition, age and occupation 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.
- Assignment of Individual Certificate - As the Individual Certificate is issued under the Scheme with the Master Certificate Holder specified in the Master Certificate being named as the Master Certificate owner, no assignments of Individual Certificates shall be allowed under this Master Certificate.
- Cooling-off Period (Right of Cancellation) - Provided that a prior written notice is given by the Master Certificate Holder, within fifteen (15) days from the date of receipt of this Certificate, any Participant may return this Certificate to the Company and the Company shall cancel it immediately upon receipt of the document and refund the contribution less any medical expenses incurred by the Company. Once a Certificate is returned to the Company and cancelled by the Company, it shall be deemed not effective from the date of issuance.
- Investment profit arising from PRIA, if any, shall be returned to the Participant (through PRIA) after deducting an Investment Performance Fee of 30% from the profit. However, the Company may at its discretion deduct less than 30% Investment Performance Fee from the profit.
- The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of each Financial Year. The net distributable surplus arising (after deducting SAC) from the Risk Fund will be allocated in full (100%) to the Participant.

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 Takaful Certificate effective date, dies as a result of Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases, or dies as a result of Pre-Existing Conditions, no Takaful Benefit shall be payable.

b. Exclusion on Total and Permanent Disability (TPD)

This Takaful Certificate shall not cover any disability caused directly or indirectly, proximately or remotely occasioned by or contributed or traceable to or arising out of or in connection with the following occurrences:

- i) Self inflicted injury or any attempt thereat while sane or insane;
- ii) Military or naval service in time of declared or undeclared war or while under orders for war like operations or restoration of public order;
- iii) entering, operating or servicing, ascending or descending from or with any aerial device or 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 or when the Person Covered is a passenger of a fully licensed aircraft or helicopter services operating in areas not serviced by a regular scheduled passenger aircraft;
- iv) if the Person Covered is found to be infected by any Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases;
- v) if the Person Covered is under the influence of alcohol or drugs other than in accordance with the direction of a registered medical practitioner;
- vi) if the Person Covered participates in a riot, or commits a criminal offence;
- vii) if the Person Covered is found to be involved in the act of terrorism where an act of terrorism shall mean 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 or in connection with any organization(s) or government(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear;
- viii) Pre-Existing Conditions, and/or related or evocative conditions except those which have been fully disclosed to and accepted in writing by the Company prior to the inception of the coverage.

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

7. Can I cancel my Takaful Certificate?

(If Payment of Takaful Contribution by the Person Covered)

When you have fully settled your Financing Facility prior to the maturity date, you may request to cancel your Takaful Certificate at any time by giving written notice and valid discharge to the Company. Upon cancellation, you are entitled to the balance amount in the PRIA.

(If Payment of Takaful Contribution by the Takaful Participant)

When you have fully settled your Financing Facility prior to the maturity date, the Takaful Participant may request to cancel your Takaful Certificate at any time by giving written notice to the Company. Upon cancellation, the balance amount in the PRIA will be refunded to the Takaful Participant.

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 *insurance info* booklet on 'Family Takaful', available at all our branches or you can obtain a copy from our Takaful agent or visit www.insuranceinfo.com.my.

If you have any enquiries, please contact us at:

Takaful Ikhlas Family Berhad

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11. Other types of similar Takaful cover available?

IKHLAS Group Credit Term Takaful

IMPORTANT NOTE:

PARTICIPATING IN A FAMILY TAKAFUL PLAN IS A LONG TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF 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.

The information provided in this disclosure sheet is valid as at: 29/11/2019