

PRODUCT DISCLOSURE SHEET

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

TAKAFUL IKHLAS BERHAD

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

IKHLAS Term Secure Takaful Rider

Date: dd/mm/yyyy

1. What is this product about?

This rider provides protection against death and Total and Permanent Disability (TPD) of the Covered Person* within the term of the Takaful Certificate.

*Covered Person refers to the Takaful Participant and/or the Payor who is participating in the '*IKHLAS* Term Secure Takaful Rider'.

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 Takaful IKHLAS, Tabarru' will be allocated into the Risk Fund.
- **Wakalah** – shall mean agency. In this context, it refers to a contract between the Company and the Takaful Participant where the Takaful Participant authorises the Company to manage the fund on his/her behalf, which allows the Company to charge a Wakalah fee.

3. What are the covers / benefits provided?**a) Death Benefit**

In the event of death of the Covered Person within the term of Takaful Certificate, the Term Rider Takaful Benefit plus the amount accumulated in the PRIA, inclusive of investment income from the PRIA and net distributable surplus from the Risk Fund, if any, will be payable in one lump sum to the Takaful Participant, beneficiary, or next of kin.

b) Total and Permanent Disability (TPD) Benefit

In the event of TPD of the Covered Person within the term of the Takaful Certificate, the Term Rider Sum Covered* plus amount accumulated in the PRIA, inclusive of investment income from the PRIA and net distributable surplus from the Risk Fund, if any, will be payable to the Covered Person.

The TPD coverage will expire upon Covered Person attaining age sixty five (65) at Takaful Certificate anniversary.

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 TPD claim is confirmed.
- The Takaful Contributions are not overdue.

c) Takaful Certificate Maturity Benefit

Lump sum amount equivalent to the amount accumulated in the PRIA, inclusive of investment income from the PRIA and net distributable surplus from the Risk Fund, if any, is payable upon maturity of the Takaful Certificate.

d) Takaful Certificate Surrender Benefit

Lump sum amount equivalent to the amount accumulated in the PRIA, inclusive of investment income from the PRIA and net distributable surplus from the Risk Fund, if any, is payable upon the surrender of the Takaful Certificate.

* There are two types of Sum Covered available in this rider:

- Level Sum Covered – Sum Covered amount is equal throughout the Takaful Certificate duration.
- Flat Reducing Sum Covered – Sum Covered is flat reducing on yearly basis through out the Takaful Certificate duration.

Table below illustrates the difference of Term Rider Sum Covered between the Level Sum Covered and the Flat Reducing Sum Covered for the Takaful Certificate term ten (10) years and RM 100,000 Sum Covered.

Years	1	2	3	4	5	6	7	8	9	10
Level Sum Covered	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Flat Reducing Sum Covered	100,000	90,000	80,000	70,000	60,000	50,000	40,000	30,000	20,000	10,000

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 and Sum Covered. Your Annual Takaful Contribution is as follows:

	Takaful Participant
Sum Covered Type	-na-
Sum Covered	-na-
Gender	-na-
Age	-na-

Term	-na-
Yearly Takaful Contribution	-na-

The renewal Takaful Contribution is not guaranteed and Takaful IKHLAS reserves the right to revise the Takaful Contribution rate applicable specifically to each Covered Person at the time of Takaful Certificate anniversary based on the emerging claims experience of the portfolio. Takaful IKHLAS shall give the Covered Person a three (3) months written notice in the event of revision of Takaful Contribution or product 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 Covered Person. 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 Fees

Year	Wakalah Fee	Commission
1st year	0% of Annual Takaful Contribution or RM0	0% of Annual Takaful Contribution or RM0
2nd year	0% of Annual Takaful Contribution or RM0	0% of Annual Takaful Contribution or RM0
3rd year	0% of Annual Takaful Contribution or RM0	0% of Annual Takaful Contribution or RM0
4th year	0% of Annual Takaful Contribution or RM0	0% of Annual Takaful Contribution or RM0
5th year	0% of Annual Takaful Contribution or RM0	0% of Annual Takaful Contribution or RM0
6th year	0% of Annual Takaful Contribution or RM0	0% of Annual Takaful Contribution or RM0
7th year and above	0% of Annual Takaful Contribution or RM0	No Commission payable

* The Wakalah fee is inclusive of the commission.

b) Tabarru' charge is deducted from the PRIA. Tabarru' will increase as the Takaful Participant and/or Payor grow older.

Note : The charges imposed by Takaful IKHLAS may not include any future taxes (including the Goods and Services Tax (GST)). Upon implementation of the GST, Takaful IKHLAS has the right to recover from the Takaful Participant any taxes required by law.

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. Takaful IKHLAS 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 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) Waiting period – thirty (30) days from the commencement date.
- d) Amount accumulated in the PRIA - The actual investment income may fluctuate based on market conditions. As a result, the amount accumulated in the PRIA may rise above or fall below the total Takaful Contribution made into PRIA (possibly leading to early Takaful Certificate lapsation).
- e) Investment profit arising from PRIA, if any, shall be returned to the Takaful 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% from the profit as Investment Performance Fee.
- f) 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.
- 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 certificate?

Exclusions on Death Benefits

Should the Takaful Participant, 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 benefit shall be payable under this Takaful Certificate.

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

Exclusions on TPD Benefits

This Takaful rider shall not cover any disability caused directly or indirectly, wholly or partly, by any one of the following occurrences:

- a) War, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not) or civil war;
- b) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, 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;
- c) 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;
- d) 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;
- e) Disability sustained by the Covered Person 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 Covered Person is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route;
- f) Disability arising prior to inception of coverage;
- g) Any breach of the law by the Covered Person or any assault provoked by him;
- h) Involvement in any underwater activity necessitating the use of artificial breathing apparatus;
- i) Injury caused by nuclear fission, nuclear fusion, nuclear weapons material or radioactive contamination;
- j) Acquired immune deficiency syndrome (AIDS) and any AIDS related conditions;
- k) Suicide or any attempt thereat or self-inflicted injury while sane or insane.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the full list of exclusion under this 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', 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 enquiry, please contact us at :

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11. Other types of similar Takaful cover available

-Nil-

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 effective as at: dd/mm/yyyy