



INSURANS ISLAM TAIB GENERAL TAKAFUL

CERTIFICATE FOR CONTRACTORS ALL RISKS TAKAFUL SCHEME

NOTICE

The Participant must give prompt and immediate notice to Insurans Islam TAIB General Takaful Sendirian Berhad of any claim with full particulars of the accident and injuries sustained. Failure to do so may result in disclaim of liability.

CERTIFICATE FOR CONTRACTORS ALL RISKS TAKAFUL

WHEREAS the Certificate Holder (hereinafter referred to as “**the Participant**”) named in the attached Schedule (hereinafter referred to as “**the Schedule**”) has made to Insurans Islam TAIB General Takaful Sendirian Berhad (hereinafter referred to as “**IITGT**”) a written Proposal by completing questionnaires therein which together with any other statements made in writing by the Participant for the purpose of this Certificate is deemed to be incorporated herein.

NOW THIS CERTIFICATE WITHNESSETH that subject to the Participant having paid to IITGT the takaful contribution mentioned in the Schedule and subject to the terms, exclusion, provision and conditions contained herein or endorsed hereof IITGT will indemnify the Participant in the manner and to the extent hereinafter provided.

GENERAL EXCLUSIONS

IITGT shall not indemnify the Participant in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

- a) War, invasion, act of foreign enemy, hostilities, (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riots, strike, lock-out, civil commotion, military or usurped power, a group of malicious person or persons acting on behalf of or in connection with any political organisation, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure de facto or by any public authority,
- b) Nuclear reaction, nuclear radiation or radioactive contamination,
- c) Wilful act or willful negligence of the Participant or of his representatives,
- d) Cessation of work whether total or partial.

In any action, suit or other proceeding where IITGT alleges that by reason of the provisions of Exclusion (a) above any loss, destruction, damage or liability is not covered by this takaful the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Participant.

PERIOD OF COVER

The liability of IITGT shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. IITGT’s liability expires for parts of the covered contract works taken over or put into service.

At the latest, this takaful shall expire on the date specified in the Schedule. Any extension of the Period of Takaful is subject to the prior written consent of IITGT.

GENERAL CONDITIONS

1. CONDITION PRECEDENT

The due observance and fulfilment of the terms of this Certificate in so far as they relate to anything to be done or complied with by the Participant and the truth of the statements and answers in the Proposal made by the Participant shall be a condition precedent to any liability of IITGT.

2. THE CONTRACT

The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Certificate and the expression "this Certificate" wherever used in this contract shall be read as including the Schedule and the Section(s) Any word or expression to which a specific meaning has been attached in any part of this Certificate or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.

3. PREVENTION OF ACCIDENT

The Participant shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of IITGT to prevent loss, damage or liability and comply with statutory requirements and manufacturer's recommendations.

4. ASSESSMENT OF RISKS

- a) Representative(s) of IITGT shall at any reasonable time have the right to inspect and examine the risk and the Participant shall provide the representative(s) of IITGT with all details and information necessary for the assessment of the risk.
- b) The Participant shall immediately notify IITGT in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or takaful contribution shall, if necessary be adjusted accordingly.

No material alteration shall be made or admitted by the Participant whereby the risk is increased unless the continuance of the takaful is confirmed in writing by IITGT.

5. CLAIM

In the event of any occurrence which might give rise to a claim under this Certificate, the Participant shall:

- a) Immediately notify IITGT by telephone as well as in writing, giving an indication as to the nature and extent of loss or damage,
- b) Take all steps within his power to minimise the extent of the loss or damage,
- c) Preserve the parts affected and make them available for inspection by a representative or surveyor of IITGT,
- d) Furnish all such information and documentary evidence as IITGT may require,
- e) Inform the police in case of loss or damage due to theft or burglary.

IITGT shall not in any case be liable for loss, damage or liability of which no notice has been received by IITGT within fourteen (14) days of its occurrence.

Upon notification being given to IITGT under these conditions, the Participant may carry out the repairs or replacement of any minor damage; in all other cases, a representative of IITGT shall have the opportunity to inspect the loss or damage before any repairs or alterations are effected. If a representative of IITGT does not carry out the inspection within the period of time which could be considered as adequate under the circumstances, the Participant is entitled to proceed with the repairs or replacement.

The liability of IITGT under this Certificate in respect of any item sustaining damage shall cease if the said item is not repaired properly without delay.

6. SUBROGATION OF RIGHTS

The Participant shall at the expense of IITGT do and concur in doing and permit to be done all such acts and things as may be necessary or required by IITGT in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those covered under this Certificate) to which IITGT shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Certificate, whether such acts and things shall be or become necessary or required before or after the Participant's indemnification by IITGT.

7. ARBITRATION

If any difference shall arise as to the amount to be paid under this Certificate (liability being otherwise admitted) such difference shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in different or if they cannot agree upon a single Arbitrator to the decision of two (2) Arbitrators, one (1) to be appointed in writing by each of the parties, within one (1) calendar month after having been required in writing so to do by either of the parties, or in case the Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators before entering the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an award shall be condition precedent to any right of action against IITGT.

8. FORFEITURE

If a claim is in any respect fraudulent or if any false declaration is made or used in support thereof or if any fraudulent means or devices are used by the Participant or anyone acting on his behalf to obtain any benefit under this Certificate or if a claim is made and rejected and no action or suit is commenced within three (3) months after such rejection or in case of arbitration taking place as provided herein, within three (3) months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Certificate shall be forfeited.

9. OTHER TAKAFUL OR INSURANCE

If at the time any claim arises under the Certificate there be any other takaful or insurance covering the same loss, damage or liability, IITGT shall not be liable to pay or contribute more than their rateable proportion of any claim for loss, damage or liability.

10. TABARRU'

Tabarru' is an agreement by a Participant to relinquish as donation, a sum of contribution that he or she agrees to pay into a Takaful Fund.

Participants give sixty-five per cent (65%) of their contributions as *Tabarru'* with the purpose of providing mutual indemnity to Takaful Participants, where the *Tabarru'* acts as mutual help and joint guarantee should any fellow Participants suffer from a defined loss.

11. WAKALAH

Wakalah refers to a contract in which a party as principal (*Muwakkil*) authorises another party as his agent (*Wakil*) to perform a particular task, in matters that may be delegated, either voluntary or with imposition of a fee.

The Participant will make contribution to the Takaful Fund as *Tabarru'*. Then all the Participants in a group will appoint or authorise the IITGT as their agent (*Wakil*) to manage the Takaful Fund for the purpose of executing Takaful activities such as underwriting, risk management and claim management. In this *Wakalah* arrangement, IITGT will charge a fee of thirty-five per cent (35%) from the contribution that has been determined and agreed upon in the proposal form.

12. DISTRIBUTION OF SURPLUS

The surplus will be determined at the end of financial period and the surplus (if any) from the Takaful Fund will be allocated to Participants' Fund and IITGT with the proportion of seventy per cent (70%) to the Participants' Fund and thirty per cent (30%) to IITGT. The surplus in the Participants' Fund will then be declared and distributed to the eligible Participants. Based on *Ju'alah* concept, IITGT is entitled for the surplus distribution from the Takaful Fund as fee for the good performance of IITGT in managing the Takaful Fund.

The Participants who have incurred claim or received benefit, their portion of surplus will not be distributed back to them and shall be credited back as *Tabarru'* to the Takaful Fund.

For the Participants who have surrendered their Takaful Certificate before financial year end, they are entitled for the surplus. The surplus will be calculated based on their contribution and participation period in the Takaful Fund.

13. TREATMENT OF SMALL PAYMENT AMOUNT

For any amount due and payable to the Participants from refund/surrender/maturity /termination/claim that is BND 5.00 (Brunei Dollars: Five) and below, IITGT will donate to charity which will be utilised as '*amal jariah*' on behalf of the Participants.

14. CANCELLATION OF CERTIFICATE

Participant or IITGT may cancel this Certificate at any time during the Period of Takaful.

a) Cancellation by Participant:

- Participant may cancel this Certificate at any time, by returning the Certificate to us if no claim has occurred or made during the period of Takaful.
- After returning the Certificate, Participant will be entitled to a refund of the balance of the takaful contribution on a pro-rata basis for the period the Certificate was not in force.
- IITGT will not return the *Wakalah* fee to the Participant unless the cancellation was made by the Participant due to unforeseen circumstances* and subject to IITGT's discretion and approval, which shall not be unreasonably withheld. In such event, no cancellation fee will be imposed on the Participant who makes the cancellation.

b) Cancellation by IITGT:

- IITGT may also cancel this Certificate by giving the Participant fourteen (14) days' notice by registered letter to the Participant at his last known address.
- Participant will be entitled to a pro-rata refund of the contribution for the remaining period calculated on a pro-rata basis fourteen (14) days from the date of the notice to the expiry date of the Certificate.

***Note: Unforeseen circumstances means event of death, insanity (as certified by qualified medical practitioner) and bankruptcy declared by the courts of Brunei Darussalam.**

SECTION 1 – MATERIAL DAMAGE

It is hereby further agreed if any time during the Period of Takaful, the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, IITGT shall pay or inspect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at its own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one (1) event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as covered hereby.

IITGT shall also reimburse the Participant for the cost of clearance of debris following upon any event giving rise to a claim under this Certificate provided a separate sum therefore has been entered in the Schedule.

SPECIAL EXCLUSION TO SECTION 1

IITGT shall not, however, be liable for:

- a) The deductible stated in the Schedule which will be borne by the Participant in any one (1) occurrence,
- b) Consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contact,
- c) Loss or damage due to faulty design,
- d) The cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship,
- e) Wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions,
- f) Mechanical and/or electrical breakdown or derangement of construction plant equipment and construction machinery,
- g) Loss of or damage to vehicles licensed for general road use or water borne vessels or aircraft,
- h) Loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debts, notes, securities, cheques,
- i) Loss or damage discovered only at the time of taking an inventory.

PROVISIONS APPLYING TO SECTION 1

MEMO 1 – SUMS COVERED

It is the requirement of this takaful, that the sums covered stated in the Schedule shall not be less than:

- For item 1 : the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties and materials or items supplied by the Principal.
- For item 2 and 3 : the replacement value of construction plant, equipment and construction machinery which shall mean the cost of replacement of the covered items by new items of the same kind and same capacity.

And the Participant undertakes to increase or decrease the amount of sum covered in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded on the Certificate by IITGT.

If, in the event of loss or damage, it is found that the sums covered are less than the amounts required to be covered then the amount recoverable by the Participant under this Certificate shall be reduced in such proportion as the sums covered bear to the amount required to be covered. Every object and cost item is subject to this condition separately.

MEMO 2 – BASIS OF LOSS SETTLEMENT

In the event of any loss or damage the basis of any settlement under this Certificate shall be:

- a) In the case of damage which can be repaired – the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage; or
- b) In the case of a total loss – the actual value of the items immediately before the occurrence of the loss less salvage.

However, only to the extent the costs claimed had to be borne by the Participant and to the extent they are included in the sums covered and provided always that the provisions and conditions have been complied with.

IITGT shall make payment only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damages which can be repaired shall be repaired but, if the cost of repairing any damage equals or exceeds the value of the item immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) above.

The cost of any provisional repairs will be borne by IITGT if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Certificate.

MEMO 3 – EXTENSION OF COVER

Extra charges for overtime, night work, work on public holidays, express freight are covered by this takaful only if previous and specially agreed upon in writing.

SECTION II – THIRD PARTY LIABILITY

IITGT shall indemnify the Participant up to but no exceeding the amounts specified in the Schedule against such sums which the Participant shall become legally liable to pay as damages consequent upon:

- a) Accidental bodily injury to or illness of third parties (whether fatal or not),
- b) Accidental loss of or damage to property belonging to third parties.

Occurring in direct connection with the construction or erection of the items covered under Section 1 and happening on or in the immediate vicinity of the site during the Period of Takaful.

In respect of a claim, for compensation to which the indemnity provided herein applies IITGT shall in addition indemnify the Participant against:

- a) All costs and expenses of litigation recovered by any claimants from the Participant; and
- b) All costs and expenses incurred with the written consent of IITGT, provided always that the liability of IITGT under this section shall not exceed the limits of indemnity stated in the Schedule.

SPECIAL EXCLUSIONS TO SECTION II

IITGT shall not indemnify the Participant in respect of:

1. The deductible stated in the Schedule to be borne by the Participant in any one (1) occurrence,
2. The expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section 1 of this Certificate,
3. Damage to any property or land building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless specially agreed upon by endorsement),
4. Liability consequent upon:
 - a) Bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is covered under Section 1, or members of their families,
 - b) Loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is covered under Section 1 or an employee or workman of one (1) of the aforesaid,
 - c) Any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft,
 - d) Any agreement by the Participant to pay sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

SPECIAL CONDITION APPLYING TO SECTION II

1. No admission, offer, promises, payment or indemnity shall be made or given by or on behalf of the Participant without the written consent of IITGT who shall entitled, if they so desire, to take over and conduct in the name of the Participant the defence or settlement of any claim or to prosecute for their own benefit in the name of the Participant any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlements of any claim and the Participant shall give all such information and assistance as IITGT may require.
2. IITGT may so far as any accident is concerned pay to the Participant the limit of indemnity for any one (1) accident (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and IITGT shall thereafter be under no further liability in respect of such accident under this section.