

Product Disclosure Sheet

MACHINERY ALL RISK TAKAFUL SCHEME



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General Takaful Sdn Bhd
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Important Note

Read this Product Disclosure Sheet before you decide to take up the Product. Be sure to also read the general terms and conditions. Seek clarification from us if you do not understand any part of this document or general terms.

For the purposes of this Product Disclosure Sheet:

Insurans Islam TAIB General Takaful Sdn Bhd shall be referred to as "IITGT" or "Us".

"Participant" shall be referred to as "the participant" or "You".

1. What is this Scheme about?

Machinery All Risk Takaful Scheme ("Takaful Scheme") provides coverage for individuals or company/business owners against losses due to unexpected damage to the machinery or equipment whether owned, rented or borrowed by the participants.

2. What are the Syariah concepts applicable?

This product applies the Syariah concepts of *Tabarru'* and *Wakalah*.

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 assistance and a joint guarantee in the event any fellow participants suffer from a defined loss.

Wakalah refers to a contract in which a party as principal (Muwakkil) authorizes another party as his agent (Wakil) to perform a particular task, in matters that maybe delegated, either voluntary or with imposition of a fee. The participant will make contribution to the Takaful fund as *Tabarru'*. Subsequently, all the participants in a group will appoint or authorize 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. *Wakalah* fee will not be returned to the participant upon cancellation or surrender.

3. What are the coverage provided?

This Takaful Scheme covers participants from losses resulting from any unforeseen and sudden physical loss to the machinery or equipment as described in the Takaful schedule.

Below are the examples of machines that can be covered but not limited to:

Type of machines	Example
Industrial Machine	This can include various types of manufacturing equipment such as presses, lathes, milling machines, and industrial ovens
Construction Equipment	Machinery used in construction projects such as cranes, excavators, bulldozers, and concrete mixers may be covered.
Agriculture Equipment	Farm machinery such as tractors, harvesters, irrigation systems, and agricultural implements may be included in the coverage.
Printing Presses	Machinery used in printing operations, including offset presses, digital printers, bindery equipment, and finishing machines, may be covered.
Medical Equipment	Sophisticated medical devices such as MRI machines, X-ray machines, CT scanners, and medical lasers.
Material Handling Equipment	This can include forklifts, conveyor belts, hoists, and other equipment used for moving materials within warehouses or manufacturing facilities.

4. Who can participate?

Any individuals or company/business owners who owns, rents or borrows machinery or equipment can participate in this Takaful Scheme.

5. What are the exclusions under this Scheme?

This Scheme does not cover certain losses, such as:-

- Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exception, combustion shall include any self-sustaining process of nuclear fission;
- Nuclear weapons material;
- War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war;
- Mutiny, civil commotion, assuming the proportion of or amounting to a popular rising military, rising insurrection, rebellion, revolution, military or usurped power;.
- The act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence;.
- Permanent or temporary dispossession resulting from confiscation, nationalization, commandeering or requisition by any lawfully constituted authority;
 - Permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person provided that IITGT is not relieved of any liability to the Participant in respect of physical damage to the Machinery occurring before dispossession of during temporary dispossession which is otherwise covered by this Certificate.

In any action suit or other proceedings where IITGT alleges that by reason of the provisions of Exceptions (c) (d) and (e) above by any loss damage or destruction is not covered by this Takaful, the burden of proving that such loss damage or destruction is covered shall be upon the Participant.

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

6. What is the period of Takaful for this Scheme?

Duration of cover is for one (1) year. You need to renew your Certificate annually.

7. How much contribution do I have to pay?

The contribution You have to pay may vary depending on the sum covered, risk exposure and IITGT's underwriting requirements such as:

- Value of the machinery being covered;
- Physical conditions of the machine (new or used);
- Nature of business;
- The potential risks factors;
- The financial capacity of the covered business.

Subject to minimum contribution of B\$50.00.

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

In addition to contribution amount

Stamp Duty B\$0.10.

9. What are some of the important notes that I should know?

Your duty to tell Us

The Takaful coverage under your Certificate is based on the information You have given to Us. Before You enter into a Takaful contract, You have a duty to tell Us fully and faithfully anything that You know, or could reasonably be expected to know, that may affect our decision to cover You and on what terms. Otherwise, You may receive no benefit from your Certificate.

Takaful Contribution Warranty

You have to pay the full takaful contribution to Us or our wakil within thirty (30) calendar days from the inception date of your Certificate. Your Certificate will be automatically cancelled if we or our wakil do not receive the contribution at the end of thirty (30) calendar days of the takaful contribution warranty period.

Deductible

It is an amount you have to pay towards the cost of your claims. Deductible is stated in the Schedule and the Certificate.

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 a fee for the good performance of IITGT in managing the Takaful fund.

If You have incurred claims or received benefit, your portion of surplus will not be distributed back to You and shall be credited back as *Tabarru'* to the Takaful fund.

If You surrender your Certificate before financial year end, You are entitled for the surplus. The surplus will be calculated based on your contribution and participation period in the Takaful fund.

Treatment of Small Payment Amount

For any amount due and payable to You from surplus/refund that is B\$5.00 and below, IITGT will donate this amount to charity which will be utilized as '*amal jariah*' on your behalf.

Contribution Condition

If at the time any claim arises under the Certificate there is any other insurance/Takaful covering the same loss, damage or liability, we shall not be liable to pay or contribute more than its rateable proportion of any claim for such loss, damage or liability.

Claims Requirement

To make a claim, you have to submit a complete Claims Form to Us within fourteen (14) calendar days along with necessary document to substantiate the financial loss suffered due to covered perils. Extend full cooperation to surveyor or loss adjuster appointed by us.

10. What do I need to do if there are changes to my details?

It is important that You inform Us of any changes in your details to ensure that all correspondences reach You in a timely manner.

11. What happens in the event of cancellation

You may cancel your Certificate at any time by giving written notice to Us. Upon cancellation, You are entitled to a pro-rate refund of the contribution provided that You have not made any claims. In the event of Certificate cancellation, the *Wakalah* fee will not be returned to You.

We will not refund anything if there is any benefit payable under your Certificate or if the total refund of the net takaful contribution (after the *Wakalah* fee) is less than B\$5.00.

12. What is a notice of expiry?

You will receive a notice of expiry two (2) months before the expiry date of the Certificate. The notice will be sent via postal service and email.

13. What happens in the event that a Takaful agent ceases to operate?

This will not affect You and we will assume responsibility in enforcing your Takaful Scheme.

14. What are the documents that I need to submit to apply for this Scheme?

If You are interested to apply for this Scheme, You only need to provide the following documentation:

For new participant:

- Completed Proposal Form.
- Copy of Company Business Registration (Section 16 and 17 – for Sole Proprietor and Partnership).
- Certificate of Incorporation and Form X – for limited companies.
- Copy of previous Machinery All Risk Takaful Certificate/Insurance Policy (if any).

For renewal participant:

- Completed Renewal Proposal Form.
- Copy of previous Machinery All Risk Takaful Certificate.

15. Where can I get assistance and redress?

If You have any queries, You must contact Us as soon as possible. You may contact Us at:

Insurans Islam TAIB General Takaful Sdn Bhd
Unit 5, 6 & 7,
Bangunan Suria, Kiulap
Bandar Seri Begawan BE1518
Negara Brunei Darussalam
Tel: 222-3004
E-mail: enquiries@insuranstaib.com.bn

If your query or complaint is not satisfactorily resolved by Us, You may contact Financial Consumer Issues, Brunei Darussalam Central Bank via e-mail at fci@bdc.gov.bn or visit their address as follows:

Financial Consumer Issues
Brunei Darussalam Central Bank
Level 7, Ministry of Finance and Economy Building
Commonwealth Drive
Brunei Darussalam
Tel: 238-0007

16. Where can I get further information?

If You require further information or need assistance on Machinery All Risk Takaful Scheme. You may contact Us at 222-3004 or visit our website at www.insuranstaib.com.bn.

IMPORTANT NOTE:

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YOU SHOULD ENSURE THAT YOUR PROPERTY IS INSURED AT THE APPROPRIATE AMOUNT. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT US DIRECTLY FOR MORE INFORMATION.

The terms and conditions indicated in this Product Disclosure Sheet are indicative and not binding on IITGT. The final terms and conditions are stipulated in the Certificate after IITGT's assessment.

I/We hereby confirm having explained the Product Disclosure Sheet (PDS) to the Participant in their preferred language English/Malay.

Signature:

Name:
I.C. No:
Date:

I/We hereby received and understand the explanation of the Product Disclosure Sheet (PDS) given in my preferred language in English/Malay.

Signature:

Name:
I.C. No:
Date: