



# INSURANS ISLAM TAIB FAMILY TAKAFUL

## MORTGAGE TAKAFUL PLAN CERTIFICATE

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**WHEREAS** the Certificate Holder (hereinafter called **'the Participant'**) described in the Schedule hereto (hereinafter called **'the Schedule'**) by a written Proposal and Declaration has applied to Insurans Islam TAIB Family Takaful Sendirian Berhad (hereinafter called **'the Company'**) for the Takaful coverage hereinafter mentioned for the Participant and has paid or agreed to pay the Takaful contribution stated in the Schedule as consideration for the said Takaful coverage.

**NOW THIS CERTIFICATE WITNESSETH** that if the Takaful contribution stated in the Schedule is duly paid to the Company, then during the period of Takaful as described in the Schedule:-

- (a) in the event of death of the Participant; and/or
  - (b) in the event that the Participant sustains Permanent Total Disablement\*,
- as a result of accident or disease or illness or unknown cause, then the Company will pay to the financier of the Participant stated in the Schedule (hereinafter called **'Bank or Financial Institution'**) (or to such person(s) as the Company agrees in writing) the appropriate benefit(s) as specified in the Schedule which is based on the Table of Reducing Sum Covered for the purpose of settling the amount still owing to the Bank or Financial Institution under the financing provided by the Bank or Financial Institution stated in the Schedule (hereinafter called **'the Facility'**) subject to the terms, limitations, exclusions and conditions contained in this Certificate, Schedule and any endorsements to this Certificate (hereinafter collectively referred to as **'the Terms of this Certificate'**).

*\* This contract of Takaful does not provide Takaful coverage for Permanent Total Disablement sustained by the Participant unless it is specifically mentioned in the Schedule.*

The following shall make up the whole of this contract of Takaful:-

- (a) this Certificate together with the Schedule;
- (b) the written Proposal and Declaration and any other statements in writing relating to this Takaful coverage given by the Participant and/or the Financier at the time of the Participant's application for this Takaful coverage (which form the basis of this contract);
- (c) any subsequent written notice given by the Company to the Participant and/or the Bank or Financial Institution.

## TERMS AND CONDITIONS

### 1. THE CONTRACT

This Certificate, the Schedule and any endorsement to this Certificate shall be read together as one contract and any word or expression to which specific meaning has been attached to any part of this Certificate or the Schedule or any endorsement to this Certificate shall bear such specific meaning wherever it may appear.

### 2. CONDITION PRECEDENT TO LIABILITY

The due observance and fulfillment of the Terms of this Certificate by the Participant and the truth of the statements and answers in the Proposal and Declaration shall be conditions precedent to any liability of the Company to make any payment under this Certificate.

### 3. THE PARTICIPANT

During the period of Takaful, the Participant must be between eighteen (18) and sixty-five (65) years of age (at the next birthday).

### 4. THE BENEFITS

The benefit payable by the Company under this contract of Takaful is based on the Table of Reducing Sum Covered for the purpose of settling the amount still owing to the Bank or Financial Institution under the Facility at the time of the Participant's death or when the Participant sustains Permanent Total Disablement provided that:-

- (a) the Company shall not be liable to pay for any overdue amount owing to the Bank or Financial Institution; and
- (b) this contract of takaful does not provide takaful coverage for Permanent Total Disablement sustained by the Participant unless it is specifically mentioned in the Schedule.

### 5. PERIOD OF TAKAFUL

The period of takaful is equivalent to the period of financing by the Bank or Financial Institution under the Facility provided that in the event the period of financing is extended after the commencement date of this takaful coverage, the Company shall not be liable to pay any benefit under this contract of takaful and this contract of takaful shall automatically be terminated.

### 6. TERRITORIAL LIMIT

This Takaful coverage is a worldwide coverage.

### 7. RECORDS AND REPORTS

The Participant shall keep a record of the essential particulars of this takaful plan. The Participant shall immediately furnish to the Company such information concerning or relating to him / her and/or the Facility as may be reasonably required for the purpose of administering this takaful plan. The Participant shall allow the Company to inspect such records at any reasonable time.

## **8. NON-DISCLOSURE OF FACTS**

This Certificate shall become void and the Company shall not be liable to pay the takaful benefit under this contract of takaful in the event of misrepresentation, misdescription or non-disclosure of fact(s) by the Participant.

## **9. EVIDENCE OF AGE**

The Company reserves the right at any time to require that the age of the Participant under this contract of Takaful be proven to its satisfaction.

## **10. PAYMENT OF TAKAFUL CONTRIBUTION**

The takaful contribution payable by the Participant shall be paid in one lump sum and shall be credited into the Participants' Special Account of the Family Takaful Fund below mentioned.

## **11. PAYMENT OF BENEFITS**

- (a) The Company shall only pay the benefits payable under this Certificate upon satisfactory proof that such benefits are payable.
- (b) Unless otherwise agreed in writing by the Company, all takaful benefits payable by the Company under this contract of Takaful shall be made payable to the Bank or Financial Institution.

## **12. ALTERATION OF CERTIFICATE**

This Certificate may, at any time, be amended and changed upon written request being made by the Participant and agreed to by the Company but any amendment shall be without prejudice to any claim arising prior to the date of the change and subject to such terms and provisions the Company may impose.

No change in this Certificate shall be valid unless evidenced by endorsement signed by an authorised officer of the Company.

## **13. SURRENDER**

Upon the receipt by the Company of a written notification from the Bank or Financial Institution on the early settlement of the Facility, this Certificate / contract of takaful shall be terminated automatically provided that such notification is duly signed by an authorised officer of the Bank or Financial Institution.

The Participant may terminate / cancel this Certificate / contract of Takaful by giving a written notice to the Company together with a written notification from the Bank or Financial Institution duly signed by an authorised officer of the Bank or Financial Institution supporting such termination or cancellation.

Upon early termination or cancellation of this Certificate / contract of Takaful in accordance with this Clause 13, the Participant shall be entitled to receive a surrender benefit calculated based on the formula as follows:-

$$\text{Takaful Contribution} \quad \times \quad \frac{\text{Unexpired Period of Takaful (in days) Net}}{\text{Period of Takaful (in days)}}$$

*Wakalah* fee has been deducted from the Net Takaful Contribution therefore in the event of certificate cancellation; *Wakalah* fee will not be returned and no cancellation fee shall be imposed.

**14. NON ASSIGNMENT**

This Certificate and the benefits under this Certificate is not assignable by the Participant.

**15. EXISTING HEALTH CONDITION**

Unless otherwise stated, no benefit shall be payable under this contract of Takaful for claims due to disease, illness or injury occurring before the commencement of this Takaful coverage ('Pre-existing illness').

For the avoidance of doubt, in this contract of Takaful, 'Pre-existing illness' means any injury, disease, illness, condition or symptom:-

- (a) for which treatment or medication or advice or diagnosis has been sought or received or was foreseeable prior to the commencement of this Takaful coverage; or
- (b) which presented signs or symptoms of which the Participant was aware or should reasonably have been aware or which originated or existed prior to the commencement of this Takaful coverage.

The Participant is considered to have reasonable knowledge of a Pre-existing illness where:-

- (a) the Participant had received or is receiving treatment;
- (b) medical advice, diagnosis, care or treatment has been recommended;
- (c) clear and distinct symptoms are or were evident; or
- (d) its existence would have been apparent to a reasonable person in the circumstances.

**16. MISSTATEMENT OF AGE**

If the age of the Participant was misstated in his/her proposal form by the Participant, then no benefit will be payable.

If the Participant shall be found to be older than as stated in the Proposal and Declaration Form, this Certificate shall not be void on the account that the Participant is still within the age stated in Clause 3 above but any benefits payable under this Certificate shall be pro-rated based on the ratio of the actual takaful contribution paid to the takaful contribution that should have been charged.

**17. PREVENTION OF ACCIDENT, DISEASE AND ILLNESS**

The Participant shall take all reasonable precautions to safeguard himself/herself against accidents, diseases and illnesses and shall comply with all statutory obligations.

## 18. ARBITRATION

The Participant and the Company shall make every effort to amicably resolve, by direct informal negotiations, any disagreement or disputes arising or relating to this Certificate. If the Participant and the Company are unable to amicably resolve any disagreement or dispute within thirty (30) business days from the date when the negotiation failed, either party shall notify in writing for the disagreement or dispute to be referred for resolution by arbitration in accordance with the provisions of the Brunei Darussalam Arbitration Order, 2009.

The arbitration tribunal shall consist of a single arbitrator, such person to be agreed between the Participant and the Company, or failing agreement, to be nominated in accordance with the Arbitration Order, 2009. The applicable rules of arbitration shall be the UNCITRAL Rules of Arbitration. The seat and place of arbitration shall be Brunei Darussalam and the language of arbitration shall be English.

All rights and obligations of the Participant and the Company under this Certificate shall continue in full force and effect pending the final outcome of such arbitration. Any reference to arbitration under this clause shall be a submission to arbitration within the meaning of the Arbitration Order, 2009 for the time being in force in Brunei Darussalam.

## 19. JURISDICTION

The Company shall not be liable under this contract of takaful in respect of judgments that are not in the first instance delivered by or obtained from a Court of competent jurisdiction within Brunei Darussalam.

## 20. PLACEMENT OF TAKAFUL CONTRIBUTION

The Takaful contributions payable by the Participant under this contract of Takaful shall be managed by the Company based on the concept of *Tabarru'* and *Wakalah*, whereby:

### ***Tabarru'***

- a) *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.
- b) Participants give 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.

### ***Wakalah***

- a) *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.
- b) The participant will make contribution to the Takaful fund as *Tabarru'*. Then all the participants in a group will appoint or authorize the Company 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, The Company will charge a fee of 35% from the contribution that has been determined and agreed upon in the proposal form.

## **21. 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 the Company with the proportion of 70% to the Participants' Fund and 30% to the Company. The surplus in the Participants' Fund will then be declared and distributed to the eligible participants. Based on *Ju'alah* concept, the Company is entitled for the surplus distribution from the Takaful fund as fee for the good performance of the Company 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.

## **22. TREATMENT OF SMALL PAYMENT AMOUNT**

For any amount due and payable to the participants from refund/surrender/maturity/termination/claim that is BND5.00 and below, the Company will donate to charity which will be utilized as '*amal jariah*' on behalf of the participants.

## **23. NOTICE**

Any notice or communication between the parties shall be in writing.

Any notice required to be served to the Participant shall be deemed to be sufficiently served if the same is delivered personally to the address of the Participant at his/her last known address in Brunei Darussalam or if by post then by prepaid registered letter addressed to the Participant at his/her last known address in Brunei Darussalam and such notice shall be deemed to have been served in the normal course of post.

Any notice required to be served to the Company shall be delivered personally by hand or by registered post to its Head Office address as stated herein or at such other address as the Company shall notify the Participant in writing from time to time.

## **24. GOVERNING LAW**

This contract of Takaful is governed by the laws of Brunei Darussalam.

## **25. COOLING OFF PERIOD**

Notwithstanding anything herein contained to the contrary, if the Participant should find that this Certificate and this contract of Takaful do not meet the Participant's needs and/or requirements, the Participant may cancel this Certificate and this contract of Takaful within fourteen (14) days after the commencement date of this Certificate. In the event of such occurrence, the Participant shall be entitled to the full refund of the Takaful contribution paid without surplus from the Company provided that no claim has been made prior to the cancellation of this Certificate and this contract of Takaful.

## GENERAL EXCLUSIONS

The Company shall not be liable to the Participant under this contract of Takaful for claims arising either directly or indirectly as a result of:-

1. War, invasion, act of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, riot, civil commotions assuming the proportions of or amounting to an uprising, military uprising, insurrection, rebellion, revolution, military or usurped power.
2. Any act of any person acting on behalf of or in connection with any organization actively directed towards the overthrow by force of any Government or to the influencing of it by terrorism or violence.
3. Nuclear fission, nuclear fusion, nuclear weapons material, ionizing, radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of the exclusion, combustion shall include any self-sustaining process of nuclear fission.
4. Any breach of the law by the Participant or any assault provoked by him / her.
5. Suicide, attempted suicide or self-inflicted injuries by the Participant whilst sane or insane.
6. Pre-existing illness (unless otherwise stated).
7. Acquired Immuno-Deficiency Syndrome (AIDS) or Human Immunodeficiency Virus (HIV) or any HIV related illness including AIDS Related Complex (ARC) and/or any mutant derivative or variations howsoever this syndrome has been acquired or may be named.
8. Any unlawful act(s) and other causes prohibited by the law and/or the Syariah.
9. Terrorism and Sabotage.
10. Any pandemic and related causes.
11. Participation in or training for any dangerous or hazardous sport or competition, hobbies or activities (such as racing, glider flying, hunting and other comparably dangerous and risky activities) or riding or driving in any form of race or competition.
12. Under the influence of alcohol, misuse of drugs and/or hallucinogenic substances.
13. Pregnancy, miscarriage, abortion, child birth, sterilization or menopause or related complications.



## COVERAGE

### 1. DEFINITION

“Death”, as used in the Certificate, shall mean die, whether caused by accident or illness or disease or unknown cause.

### 2. AMOUNT OF BENEFITS AND PAYMENT OF CLAIMS

- (i) In the event that the Participant shall die during the takaful coverage period shown in the schedule, the Company shall pay the takaful benefits to the Financier or such other person(s) to whom the Takaful benefits are hereby expressed to be payable, and the takaful benefit payable is as specified in the Schedule calculated on a reducing sum covered by reference to the amount of initial sum covered.
- (ii) The payment of takaful benefits is subject to the following conditions:-
  - (a) that the information and particulars disclosed and declared by the Participant in the proposal and declaration form are true and correct;
  - (b) that the death of the Participant is not due to and arising from suicide and other causes prohibited by the Syariah;
  - (c) that the Participant has not made a request to surrender the Certificate / Takaful coverage prior to the date of his / her death;
  - (d) that the Participant is not in breach of any terms of this contract of Takaful.

## ENDORSEMENT

The following endorsement only apply to this Certificate when specifically mentioned in the Schedule and are subject otherwise to the Terms of this Certificate.

### E1. PERMANENT TOTAL DISABLEMENT

#### 1. DEFINITION

Permanent Total Disablement shall mean disablement, whether caused by bodily injury or disease or illness, which wholly prevents the Participant from engaging in any business or occupation or performing any work for compensation or profit, and the disablement must continue uninterruptedly for a period of at least six (6) months. The loss of both arms or both legs or of one arm and one leg or both eyes shall be considered Permanent Total Disablement, without prejudice to other causes of Permanent Total Disablement. Loss shall mean with regard to arms and legs, dismemberment by physical separation at or above the wrist and ankle; with regard to eyes, total and irrevocable loss of sight.

The word “Disablement” whenever it hereafter appears, means Permanent Total Disablement as above defined and limited.

## 2. ADDITIONAL EXCLUSIONS

In addition to the General Exclusions mentioned above, the Company shall not be liable to the Participant if Permanent Total Disablement occurred either directly or indirectly from any of the following causes:-

- (a) Aviation, gliding or any other form of aerial flight other than as a fare paying passenger of a recognized airline or charter service.
- (b) Injury caused by nuclear fission, nuclear fusion, nuclear weapons material or radioactive contamination.
- (c) Serving in any capacity for any navy, army, air force or police force.
- (d) Cosmetic or plastic surgery, any dental work, treatment or surgery, eye or ear examination, except to the extent that any of them is necessary for the repair or alleviation of damage to the Participant caused solely by accident.

## 3. AMOUNT OF BENEFITS & PAYMENT OF CLAIMS

Subject to the other provisions of this Certificate, the Company will pay the benefits for Permanent Total Disablement only if Permanent Total Disablement occurs after the deferment period of **nine (9) calendar months** from the commencement of this contract of takaful and after the Company is satisfied with proof that the Participant has suffered/ incurred Permanent Total Disablement during the period of Takaful.

This Takaful coverage shall terminate in the event of a valid claim made for the benefit for death of the Participant or for the benefit payable under Permanent Total Disablement, whichever occurs earlier.

## 4. NOTICE AND PROOF OF CLAIM

The Participant and/or his/her representatives must within ninety (90) days from the date of the occurrence of the disablement give to the Company a written notice of the injury or sickness or condition upon which a claim may be based. The written notice must state the particulars of the Participant and the circumstances of the injury, disease and/or illness (as the case may be). Failure to furnish the aforesaid written notice within the aforesaid period shall not invalidate any claims if it is shown not to have been reasonably possible to furnish such notice and that such notice was furnished as soon as was reasonably possible.

Provided Always that where the Participant suffers / suffered Permanent Total Disablement as defined in this contract of Takaful, affirmative proof / evidence must be submitted to the Company within nine (9) months from the date of occurrence of the disablement. The Company shall not be liable to make any payment of benefits if affirmative proof/ evidence is not submitted within the said period.

All documents, information and evidence required by the Company shall be furnished at the expense of the Company and shall be in such form and of such nature as the Company may prescribe.

Before the Company makes any payment of the benefit under this contract of Takaful, the

Company shall have the right and opportunity through its medical representatives to examine the Participant when and as often as it may reasonably require during the course of a claim hereunder.

## **CLAIMS**

### **1. NOTICE OF CLAIMS**

In the event of death of the Participant, the representative of the Participant or the claimant must within ninety (90) calendar days from the date of occurrence of the death give a written notice to the Company.

The aforesaid written notice to the Company must state:-

- (a) the particulars of the Participant; and
- (b) the circumstances of the death, injury, disease and/or illness (as the case may be).

Failure to furnish the aforesaid written notice within the aforesaid period shall not invalidate any claims if it is shown not to have been reasonably possible to furnish such notice and that such notice was furnished as soon as reasonably possible.

### **2. EXAMINATION**

Before the Company makes any payment of the benefit(s) under this contract of takaful, the Company shall have the right and opportunity through its medical representatives to examine the Participant when and as often as it may reasonably require during the course of a claim hereunder and, in case of death, to investigate the circumstances of death.

### **3. PROOF OF CLAIM**

In the event of an occurrence upon which a claim under this Certificate or contract of takaful may be based, the Participant and/or his / her representatives must provide to the Company in writing such detailed particulars and evidence as may be reasonably required by the Company including but not limited to all reports, certificates and information relating to the accident, injury, disease and/or illness (as the case may be).

### **4. PAYMENT OF CLAIM**

Unless otherwise agreed by the Company, any payments under this Certificate shall be payable to the Bank or Financial Institution or to such person(s) as agreed by the Company in writing, and the Bank or Financial Institution (or the recipient(s) of such payments, as the case may be) shall be liable for any estate duty which may become payable in respect thereof.

Any receipt or discharge which the Bank or Financial Institution (or the Participant or the aforesaid recipient, as the case may be) may give to the Company for any benefit under this Certificate shall be deemed a final and complete discharge of all liability of the Company.

### **5. OTHER TAKAFUL**

If at the time any claim arises under this Certificate and should there be any other subsisting takaful whether effected by the Participant or by any other person(s) covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any claim for such loss, damage or liability.

## **6. RESTRICTIONS**

If no notice of claim is received by the Company during the period of Takaful, then the Company shall not be liable to indemnify, pay or compensate the Participant under this contract of takaful for any claim whatsoever.

## **7. FRAUDULENT CLAIMS**

If the Participant or any person acting on his / her behalf makes any claim under this contract of takaful knowing the claim to be fraudulent or exaggerated or make false declaration in support of any claim, then this contract of takaful shall become void and all benefits shall be forfeited. The Company reserves the right to take legal action against the Participant in such event, and there shall not be a refund of the Takaful contribution.

## **8. LEGAL PROCEEDINGS**

No action at law or in equity shall be brought to recover under this contract of takaful prior to the expiration of one (1) year from the date of commencement of occurrence.

### **CLAIMS CONTACT DETAILS**

**Please contact:**

**Claims Division,  
Insurans Islam TAIB Family Takaful Sdn Bhd  
Head Office Unit 6, Block A, Setia Kenangan II, Kiulap  
Bandar Seri Begawan BE1518  
Negara Brunei Darussalam  
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