

ANNUAL FINANCING TAKAFUL CERTIFICATE

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ANNUAL FINANCING TAKAFUL CERTIFICATE

Whereas the certificate holder (hereinafter referred to as the **Participant**) named in the attached Schedule (hereinafter referred to as the **Schedule**) by a written proposal declaration, which shall be the basis of this contract and is deemed to be incorporated therein, has applied to Takaful Brunei Keluarga Sdn Bhd (hereinafter called the **Company**) to participate in this takaful and in consideration thereof has paid to the Company the takaful contribution shown in the Schedule in accordance with the Laws of Brunei Darussalam.

NOW THIS CERTIFICATE WITNESSETH in respect of events occurring during the period of takaful as stated in the Schedule and subject to the terms, exceptions, provisions and conditions contained herein or endorsed hereon.

SECTION 1: DEFINITIONS AND INTERPRETATIONS

DEFINITIONS:

Unless otherwise required by the context, the following definitions shall apply:

Certificate

Means the entire takaful certificate comprising of the basic contract, the proposal, personal statements and any declarations made by the Participant and all Supplementary Contracts and endorsements incorporated in the Schedule or endorsed thereon and all written amendments made by the Company.

Commencement Date

Means the date of commencement or renewal of cover as shown on the Schedule or endorsement.

Hospital

Means any lawfully operating institution, which has twenty-four (24) hours a day nursing services by registered nurses, one or more physicians available at all times and organised facilities for diagnosis and major surgery and shall not primarily be a clinic, a place for alcoholics or drug addicts, a nursing, rest for convalescent home or home for the aged or similar establishment.

Illness

Means sickness or disease contracted or commencing any time after fourteen (14) days following the Commencement Date during the Period of Takaful.

Injury

Means bodily injury affected directly and independently of all other causes by violent, accidental, external and visible means and not by sickness, disease or gradual physical or mental process which, except in the case of drowning or of internal injury revealed by autopsy, there is evidence of a visible contusion or wound on the exterior of the body.

Period of Takaful

Means the period of takaful specified in the Schedule and includes any extensions thereof as may be granted by the Company at its sole discretion.

Person Covered

Means the Person Covered named in the Schedule, subject to the eligibility criteria defined in Section 3 of the Certificate.

Physician

Means a qualified and registered medical practitioner or medical specialist licensed under any applicable laws and acting within the scope of their licensing and training. The attending Physician shall not be the Participant or Participant's business partner, employer, employee, agent, or person who is related to the Participant in any way.

Pre-Existing Conditions

Mean any injury, illness, condition or symptom:

- a) for which treatment, medication, advice or Diagnosis has been sought, received or was foreseeable prior to the commencement of the Certificate; or
- b) which originated or was known to exist by the Person Covered prior to the commencement of the Certificate whether treatment, medication, advice or diagnosis was sought or received.

Schedule

Means the schedule for this Certificate and the information that contains the details of Participant, Coverage, Contributions, and the Period of Takaful.

Sum Covered

Means the maximum amount of benefit payable by the Company.

Supplementary Contracts

Means additional benefits or coverage to the basic Certificate for additional Contribution approved by the Company and is effective only when incorporated in the Schedule or endorsed thereon and when so incorporated or endorsed form an integral part of the whole Certificate.

Tabarru'

Means a commitment to donate in a pool or a fund for the purpose of mutual indemnity by all participants.

Total Permanent Disability

Means disability, whether caused by bodily injury or disease, which wholly prevents the Participant from engaging in any business, or occupation or performing any work, for compensation or profit, provided, however, that to determine if the total disability has become a permanent one, it must continue uninterrupted 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 disability, without prejudice to other causes of permanent total disability. 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.

Wakalah

Means a contract whereby the participant appoints the Company as Wakeel (agent) to administer, manage, invest and distribute the Takaful fund in the event of claim and the participant agrees to give Wakalah Fee for the aforementioned services.

INTERPRETATIONS

1. Unless the context otherwise requires, any reference to this Certificate to the masculine gender includes the feminine and neuter gender and vice versa.
2. Headings are for ease of reference only and shall not affect the construction and interpretation of this Certificate.
3. Words denoting the singular shall include the plural and vice versa.
4. Reference to persons include corporations, companies, firms, partnership, body corporate, unincorporated bodies or any state or government agency or body.
5. Where there are two (2) or more persons included in any term used herein, all agreements, terms, covenants, conditions, stipulations, undertakings and warranties herein contained shall be deemed to be made by and be binding on such persons jointly and severally.
6. References to Clauses and Schedules unless otherwise stated are to be construed as references to Clauses and Schedules of this Certificate.
7. Unless the context otherwise requires or otherwise expressly stated, any reference to any "laws, legislation, statutes or rules" shall mean the "laws, legislation, statutes or rules" of Brunei Darussalam for the time being in force and includes common or customary law, any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, or any present or future directive, regulation, request or requirement (in each case, whether or not having the force of law but if not having the force of law the compliance with which is in accordance with the practice of persons to whom the directive, regulation, request or requirement is addressed).
8. Unless otherwise stated, any reference to a time of the day shall be reference to Brunei time.
9. Any reference to legislation, statutes and rules includes all amendments and replacements which may be enacted from time to time.
10. The Schedule hereto shall form an integral part of this Certificate and shall be taken, read and construed as an essential part hereof.
11. Any liberty, power, right, option or discretion which may be exercised or any determination which may be made hereunder by the Company may be exercised, or made to the Company's sole, absolute and unfettered discretion and the Company shall not be under any obligation to give any reason.

SECTION 2: TERMS AND CONDITIONS

1. COOLING OFF PERIOD

If the Participant should find that the Certificate does not meet his needs, he may return it within fourteen (14) days after the Commencement Date of Certificate. In such event, provided no claim has been made during the current Certificate year, the Participant shall be entitled for a full refund of the contribution paid without profit minus the medical expenses incurred by the company in considering his application.

2. THE CONTRACT

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

3. CONDITION PRECEDENT TO LIABILITY

The due observance and fulfilment of the terms, conditions and endorsements of the Certificate insofar 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 and Declaration shall be condition precedent to any liability of the Company to make any payment under this Certificate.

In addition, the Participant and/or Person Covered shall co-operate fully with the Company and its medical advisers and will fully and faithfully disclose all material facts and matters which the Person Covered knows or ought to know and will upon request execute any document to empower the Company to obtain relevant information, at the Person Covered's expense, from any doctor or Hospital or other source.

4. NON-DISCLOSURE OF FACTS

If proven where there is misrepresentation or non-disclosure of facts, this Certificate shall become void and the Company will not be liable to pay the takaful benefit.

5. EVIDENCE OF AGE

The Company reserves the right at any time to require that the age of any Person Covered under this Certificate be proven to its satisfaction.

Evidence of age of a Person Covered must be satisfactory to the Company and will be required before any benefit in respect of him is paid under this Certificate.

6. ALTERATION OF CERTIFICATE

The 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 the terms and provisions the Company may impose.

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

7. NON-ASSIGNMENT

The benefits under this Certificate shall be non-assignable.

8. EXISTING HEALTH CONDITIONS

No benefit shall be payable under this Certificate for coverage of Participant or any Person Covered due to Illness or Injury occurring before the commencement of this Certificate unless the condition was declared and accepted by the Company at time of proposal and was not excluded in this Certificate.

9. MISSTATEMENT OF AGE

If, at the correct age, the Participant would not have been eligible for coverage under this Certificate, no benefit will be payable.

10. RENEWAL AND CANCELLATION OF CERTIFICATE

The Company shall not be bound to accept any renewal of this Certificate or to send any notification of the renewal takaful contribution becoming due. The Certificate shall not be renewable in respect of any Person Covered after the end of the Period of Takaful during which such Person Covered reaches the age limit as stated in the Schedule. The Company reserves the right to vary the terms and provisions of this Certificate on any Certificate anniversary.

This Certificate may be cancelled by the Participant by serving at least seven (7) days' notice to the Company, such notice to state when thereafter cancellation shall become effective.

In such event, provided no claim has been made during the current Certificate year, the Participant shall be entitled for a return of the net takaful Contribution (after deduction of Wakalah fee) calculated pro-rata for the unexpired Period of Takaful.

This Certificate may be cancelled by the Company by giving written notice of cancellation to the Participant at the business address shown therein, stating when, not less than seven (7) days thereafter, such cancellation shall become effective. Similarly, a pro-rata refund of net contribution (after deduction of wakalah fee) for the unexpired Period of Takaful will be made to the Participant for this cancellation provided the Company has not been advised of any claim.

11. SURRENDER

The Participant may elect to surrender the Certificate. The surrender benefits shall be equivalent to the Net takaful contribution (after deduction of Wakalah Fee) for the unexpired period of his participation which is calculated based on the Participant's age at next birthday at the time of surrender of the Certificate and amount of the reducing Sum Covered corresponding to that unexpired period of participation shown in Table of Reducing Sums Covered attached herewith.

12. SERVICE CHARGE

In the event that the Certificate is endorsed or surrendered, the Company shall charge BND30.00 per Certificate. There will be no service charge should the Participant surrender the Certificate during the cooling off period. The Company shall be entitled at its sole discretion to revise the service charge at any time and will use reasonable endeavors to notify the Participant of such revisions.

13. IN THE EVENT OF FRAUD

If any claim shall, in any respect, be false or fraudulent or if fraudulent means or devices are used by the Participant or Person Covered or anyone acting on their behalf to obtain benefit hereunder, then the coverage for the Person Covered shall be cancelled immediately and all benefits and contribution forfeited.

14. SUBROGATION OF RIGHTS.

The Participant shall, at the expense of the Company, do, and concur in doing, permit to be done, all such acts and things as may be necessary or reasonably required to be done on their own accord or as directed to be done by the Company or otherwise, for the purpose of enforcing all rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon the Company paying for or making good any loss or damage under this Certificate, whether such acts or things shall be or become necessary or required before or after the Participants' indemnification by the Company.

15. CONTRIBUTION WARRANTY

It is a fundamental and absolute special condition of this contract of takaful that the Takaful Contribution due must be paid and received by the Company within thirty (30) days from the inception date of this Certificate/Endorsement.

If the Takaful Contribution is not received by the 30th day, then this contract of takaful will be automatically cancelled and the Company shall be entitled to the pro-rata Takaful Contribution on the period they have been on risk subject to a minimum of BND50.

Where the Takaful Contribution payable pursuant to this warranty is received by the Company or an authorised takaful agent of the Company, the payment shall be deemed to be received by the Company for the purposes of this warranty and the onus of proving that the Takaful Contribution payable was received by a person, including an authorized takaful agent, who was not authorised to receive such Takaful Contribution shall lie on the Company.

Subject otherwise to the terms and conditions of the takaful Certificate.

16. CO-ORDINATION OF BENEFITS

The Certificate will not provide compensation other than on a proportionate basis if the Participant or Person Covered has any other takaful or insurance in force or is entitled to indemnity from any other source in respect of the same Injury, Illness, death or expense. The Company has full rights of subrogation and may take proceedings in the Participant's or Person Covered's name, but at the Company's expense, to recover for the Company's benefit paid under the Certificate.

17. IN THE EVENT OF FRAUD

If any claim shall, in any respect, be false or fraudulent or if fraudulent means or devices are used by the Participant or Person Covered or anyone acting on their behalf to obtain benefit hereunder, then the coverage for the Person Covered shall be cancelled immediately and all benefits and contribution forfeited.

18. TAKAFUL PRINCIPLES AND DISTRIBUTION OF UNDERWRITING SURPLUS.

Tabarru`

The Participant hereby entrust the Takaful Contribution to the Company, of which 62% of the Takaful contribution will be donated as Tabarru` into the Financing / Mortgage Takaful Fund/Participant's Risk Fund to help other eligible Participants under the takaful contract. Any profit arising out of the investment in each month, shall be allocated back to the Mortgage/Financing Takaful Fund/Participant's Risk Fund.

Al-Wakalah

The Participant hereby appoints the Company as Wakeel (agent) to administer, manage, invest and distribute the Takaful Fund/Participant's Risk Fund to other Participants in times of misfortune subject always to the terms and conditions stated in the Takaful Certificate and Schedule. To this end, the Participant agrees to give apportions 38% of the Takaful contribution to the Company as Wakalah Fee for the aforementioned services. The Participant hereby also agree to give a fee from the surplus of the Takaful fund (if any) to the Company at a percentage as approved by the Shariah Advisory Body of the Company.

Distribution of Underwriting Surplus

The Participant also understands that the underwriting surplus arising from the said Fund, if any, shall be managed by the Company in a manner deemed fit by the Company and in accordance to Shariah principles which shall give benefits to the Participant and the said Takaful Funds/Participant's Risk Funds.

As agreed and approved by the Shariah Advisory Body, the underwriting surplus, if any, as shown in the last valuation by the Company, will only be distributed to the matured Certificate and if the Participant has not incurred any claim and/or received any compensation and/or benefit under the takaful contract whilst the same is in force, which are also subject to the discretion of the Company and the integrity of the Takaful Fund/Participant's Risk Fund.

19. NON-GUARANTEE OF CONTRIBUTION PAYABLE

The Takaful Contribution payable is not guaranteed and the Company reserves the right to revise the Takaful Contribution payable based on future claim experience.

20. DISPUTE SETTLEMENT

The Parties hereby consent to the jurisdiction of the Courts of Brunei Darussalam to settle any disputes that may arise out of or in connection with this Certificate. However, prior to commencing of any legal action or proceedings before the Courts, Parties shall have first made every effort to resolve such dispute

amicably through direct informal negotiation within thirty (30) working days from the date when such dispute arose.

21. GOVERNING LAW

This Certificate is to be governed by and construed in accordance with the laws of Negara Brunei Darussalam and parties agree to submit to the exclusive jurisdiction of the Courts of Brunei Darussalam.

22. RETAKAFUL (REINSURANCE)

The Company shall have the discretion to secure adequate retakaful (reinsurance) from any sources it deems fit for the benefit of the Participant.

SECTION 3: ELIGIBILITY

On the Commencement Date of the coverage, the Person Covered must be:

1. Adult Aged Next Birthday eighteen (18) and above and the Certificate must mature before the age of sixty-five (65) years; and
2. Brunei Citizens or Residents of Brunei.

SECTION 4: COVERAGE

I. BASIC COVER: DEATH BENEFIT

- i. In the event of death of the Participant during the Period of Takaful shown in the Schedule, the Company shall pay takaful benefits to the financial institution stated in the proposal form. The takaful benefits shall be the amount of the reducing sum covered corresponding to the date of death of the Participant as advised by the financial institution or as shown in the Schedule's Table of Reducing Sums Covered, whichever is lower.
- ii. The payment of takaful benefits is subject to the following condition:
 - a. that the information and particulars disclosed and declared by the Participant in the proposal form are true and correct;
 - b. that the death of the Person Covered is not due to or arising from the exclusions;
 - c. that the Participant has not made a request, written or otherwise, to surrender the Certificate prior to the date of his death.

II. SUPPLEMENTARY CONTRACTS

The following endorsements only apply to this Certificate when specifically mentioned in the Schedule and are subject otherwise to the terms of the Certificate (hereinafter referred to as "the Basic Certificate").

The following clauses are added to the Certificate in consideration of the application thereof and of payment in advance when due of the additional contribution set out in the Schedule.

E1: TOTAL PERMANENT DISABILITY BENEFIT

Upon receipt and approval of due proof that the Person Covered shall have suffered from a total permanent disability as defined, the Company shall subject to the other provisions of this Clause, pay to the Person covered the benefit payable under Certificate.

If both death and Total Permanent Disability occur, the Company's liability is limited to one event whichever comes first.

SECTION 5: EXCLUSIONS

1. DEATH BENEFIT

The Company shall not pay takaful benefit if the death of the Person Covered resulted either directly or indirectly from:

- a) Pre-Existing Conditions as defined and/or as agreed by the Company in writing prior to Commencement Date of the Certificate;
- b) War, invasion, act of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming military uprising, insurrection, rebellion, military or usurped power or any act or any person action on behalf or in connection with any organisation actively directed towards the overthrow by force of any Government or to the influencing to it by terrorism or violence;
- c) Any unlawful acts or such acts prohibited by law and/or Shariah Principles;
- d) Suicide or self – inflicted injury whilst sane or insane;
- e) Being under the influence of alcohol, misuse of drugs, hallucinogenic substances, whether or not within the prescribed limit under the law;
- f) Directly or indirectly being infected by Acquired Immune Deficiency Syndromes (AIDS) or related conditions.

2. TOTAL PERMANENT DISABILITY

The Company shall not pay takaful benefit if Total Permanent Disability of the Person Covered resulted either directly or indirectly from:

- a) Pre-Existing Conditions as defined and/or as agreed by the Company in writing prior to the Commencement Effective Date of the Certificate;
- b) War, invasion, act of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming military uprising, insurrection, rebellion, military or usurped power or any act or any person action on behalf or in connection with any organization actively directed towards the overthrow by force of any Government or to the influencing to it by terrorism or violence;
- c) Any unlawful acts or such acts prohibited by law and/or Shariah Principles;
- d) Attempted suicide or self – inflicted injury whilst sane or insane;
- e) Any breach of the law by the Person Covered inclusive of those which result in imprisonment or any assault provoked by him;
- f) Being under the influence of alcohol, misuse of drugs, hallucinogenic substances, whether or not within the prescribed limit under the law;

- g) Injury caused by nuclear fission, nuclear fusion, nuclear weapons material or radioactive contamination; or
- h) Directly or indirectly being infected by Acquired Immune Deficiency Syndromes (AIDS) or related conditions.

SECTION 6: CLAIM

1. NOTICE OF CLAIM

Written notice of an occurrence upon which a claim under this Certificate may be based must be given to the Company within thirty (30) days of such occurrence. Notice given by or on behalf of the Participant to the Company with particulars sufficient to identify the person covered, shall be deemed to be notice to the Company.

Provided that the Person Covered has become totally and permanently disabled, affirmative proof must be submitted to the Company after six (6) months and within nine (9) months from the date of occurrence of the disability. Failure to furnish such notice within the said period shall not invalidate any claims provided that 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.

2. EXAMINATION

The Company shall have the right and opportunity through its medical representative to examine the person covered when and as often as it may reasonably require during the course of a claim hereunder and, in the case of death, to investigate the circumstances of the death.

3. PROOF OF CLAIM

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

4. PAYMENT OF CLAIM

Any payments under this Certificate shall be payable to financial institution and the Participant shall be liable for any estate duty which may become payable in respect thereof. Any receipt or discharge which the Participant 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. RATEABLE PROPORTION

Subject to the maximum liability under this Certificate, if at the time any claim arises under this Certificate and there be any other subsisting takaful / insurances, whether effected by the Participant or any other person or persons, covering the same Person Covered, the Company shall not be liable to pay or contribute more than its rateable proportion of such claim and in relation to the maximum liability of the company under this Certificate.

6. LIMITATION

It is hereby provided that if no notice of claim of any claim made by the Person Covered is served on the Company within six (6) months of the expiry of this Certificate, the Company shall not be liable to indemnify the Participant under this Certificate of any claims whatsoever by the Person Covered on the Participant.

7. FRADULENT CLAIM

If the claim be in any respect fraudulent or if any false declaration be made or used in support thereof, or if any fraudulent means or devices be used by the Participant or any one acting on his behalf to obtain any benefit under this Certificate, or if the claim be occasioned by the wilful act or with the connivance of the Participant, all benefit under this Certificate shall be forfeited. If any payment has been made by the Company, the Company has the right to recover such payment and take legal action against the Participant.

8. LEGAL PROCEEDINGS

No action at law or in equity shall be brought to recover prior to the expiration of one (1) year or after the expiration of two (2) years from the date of commencement of occurrence.

CLAIMS CONTACT DETAILS

Please contact:

Takaful Brunei Keluarga Sdn Bhd
Claims & Retakaful Section
Unit 1, Level 1
Dar Takaful IBB Utama
Jalan Pemancha, Bandar Seri Begawan, BS8711
Negara Brunei Darussalam.

Telephone No.: +673 2231 100

The English version of the Certificate is valid and will be referred to, in the event of any dispute arising from this Certificate.