



# IGI General Takaful

IGI General Insurance Limited - Window Takaful Operations

## COMMERCIAL VEHICLES TAKAFUL Participant's Membership Document



# **IGI GENERAL INSURANCE LIMITED**

## **WINDOW TAKAFUL OPERATIONS**

### **COMMERCIAL VEHICLES POLICY**

**POLICY NO:** \_\_\_\_\_

### **WELCOME TO IGI GENERAL TAKAFUL**

Thank you for taking out your Commercial Vehicles Takaful Policy with us – and welcome to IGI General Insurance Limited – Window Takaful Operations.

IGI General Insurance Limited (part of the Packages Group) is considered amongst the earliest, most diverse and respectable insurers in Pakistan offering a wide range of insurance products including all Takaful covers. We are proud to serve customers all over Pakistan through a wide network of branches.

Over the last sixty years, IGI has established a sound business base in the insurance sector in Pakistan off the back of well governed operational infrastructure. We are renowned for only highest level of standards of integrity.

At IGI General Insurance Limited – Window Takaful Operations we have your future in mind and look forward to working closely with you.

Tahir Masaud  
Chief Executive Officer

This document may be called **Participant's Membership Document** (hereinafter referred to interchangeably as "policy") as defined in the Takaful Rules, 2012.

## **PREAMBLE**

This is to acknowledge that the applicant (hereinafter called the 'Participant'), as more fully described in the schedule hereto:

- I. Participant shall be deemed as ***Mauqoof Alaihe*** (Member) of the ***Waqf*** (hereinafter called ***Waqf*** Fund or Participant Takaful Fund or PTF) established and operated by IGI General Insurance Limited "Window Takaful Operations" (hereinafter called the Operator and ***Mutawalli***)) when he/she has paid the contribution by way of *Tabarru'* described as per the schedule annexed.
- II. The Participant undertakes to authorize the Operator, to pay the Re-Takaful contribution(s) on behalf of the Participant in one or more Re-Takaful Operator(s) for Re-Takaful arrangement.
- III. Being a ***Mauqoof Alaihe*** of the Waqf Fund, he/she is acknowledged as a beneficiary under the attached membership Policy of the Waqf Fund, and of the benefits declared by the Waqf Fund from time to time under this policy in accordance with the Waqf Rules governing the Fund.
- IV. Subject to the participant continuing as a member of the Waqf Fund and complying with his/her undertaking under his/her declaration made in the proposal form, he/she is compensated by the Waqf Fund as one of its ***Mauqoof Alaihe*** (member) and shall be entitled to take benefits against the perils/events described, in the manner and to the extent as stated here under.

## **CONDITIONS PRECEDENT**

- No payment in respect of any Contribution by way of *Tabarru'* shall be deemed to be payment to the Waqf unless a printed form of receipt for the same, signed by an authorized official of the Operator, shall have been given to the Participant.
- Notwithstanding anything above, cover under this policy shall not commence until the Participant has become or guaranteed to become the ***Mauqoof Alaihe*** (member) of the Waqf Fund.

Therefore this policy witnesses that subject to the terms, conditions and exceptions contained herein or endorsed or otherwise expressed thereon:

## **SECTION I - LOSS OR DAMAGE**

The Participant shall be compensated against loss of or damage to the Motor Vehicle and/or its accessories whilst thereon by:

- (a) Accidental external means,
- (b) Fire, external explosion, self-ignition or lightning or frost,
- (c) Burglary, house-breaking or theft,
- (d) Malicious act,
- (e) Riot, strike,
- (f) Flood, hail, wind, hurricane, cyclone, tornado or typhoon,
- (g) Earthquake, volcanic eruption or other convulsion of nature and,
- (h) Whilst in transit by air, road, rail, inland waterway, lift or elevator.

No compensation will be due in respect of:

- (a) Consequential loss, depreciation, wear and tear, mechanical or electrical break-down, failure or breakage nor for damage caused by overloading or strain nor for the loss of or damage to accessories by burglary, house-breaking or theft unless such motor vehicle is stolen at the same time, or
- (b) Damage to tyres and battery, unless the Motor Vehicle is damaged at the time when the coverage is limited to 50 percent of the cost of such replacement,

- (c) Loss arising from theft or criminal misappropriation or criminal breach of trust by the Insured's driver or person.

In the event of the Motor Vehicle being disabled by reason of loss or damage covered under this Policy, the Participant shall be paid the reasonable cost of protection and removal to the nearest repairer(s) and of redelivery to the Participant but not exceeding Rs. 500/- in all, in respect of any one accident.

The Participant may authorize the repair(s) of the Motor Vehicle necessitated by damage for which the coverage has been granted under this Policy provided that:

- (a) the estimated cost of such repair(s) does not exceed Rs. 1,000/- ,
- (b) the Operator is furnished forthwith with a detailed estimate of the cost, and
- (c) the Participant shall give the Operator every assistance to see that such repair is necessary and the charges are reasonable.

## **SECTION 11 - LIABILITY TO THIRD PARTIES**

1. The Participant shall be compensated in the event of accident caused by or arising out of the use of the Motor Vehicle, against all sums including claimant's cost and expenses which the Participant shall become legally liable to pay in respect of:
  - a). death of or bodily injury to any person caused by or arising out of the use (including the loading and/or unloading) of the Motor Vehicle,
  - b). damage to property caused by the use (including the loading and/or unloading) of the Motor Vehicle.

Provided always that:

- (a) No compensation will be due in respect of death, injury or damage caused or arising beyond the limits of any carriage way or thorough fare in connection with the bringing of the load to the Motor Vehicle for loading thereon or the taking away of the load from the Motor Vehicle after unloading there,
  - (b) Except so far as is necessary to meet the requirements of Section 95 of the Motor Vehicles Act, 1939 no compensation will be due in respect of death of or bodily injury to any person in the employment of the Participant arising out of and in the course of such employment,
  - (c) Except so far as is necessary to meet the requirement of Section 95 of the Motor Vehicles Act, 1939, in relation to liability under the Workmen's Compensation Act, 1923, no compensation will be due in respect of death of or bodily injury to any person (other than a passenger carried by reason of or in pursuance of a contract of employment) being carried in or upon or entering or mounting or alighting from the Motor Vehicle at the time of the occurrence of the event out of which any claim arises,
  - (d) No compensation will be due in respect of damage to property belonging to or held in trust by or in the custody or control of the Participant or a member of the Participant's household or being conveyed by the Motor Vehicle,
  - (e) No compensation will be due in respect of damage to any bridge and/or weigh bridge and/or viaduct and/or to any road and/or anything beneath by vibration or by the weight of the Motor Vehicle and/or load carried by the Motor Vehicle,
  - (f) No compensation will be due in respect of damage to property caused by sparks or ashes from the Motor Vehicle,
  - (g) No compensation will be due in respect of death or bodily injury caused by or arising out of the explosion of the Motor Vehicle unless such death or injury is caused by or arises out of the use of the Motor Vehicle in a public place in Pakistan within the meaning of the Motor Vehicles Act, 1939.
2. All costs and expenses shall be paid, provided that the same are incurred with the written consent of the Operator.
  3. In terms of and subject to limitations of the compensation which is granted by this Section to the Participant, the Participant's driver who is driving the Motor Vehicle on the participant's order or with his permission shall be duly compensated provided that such driver:
    - (a) Is not entitled to compensate under any other Takaful or insurance policy.

- (b) Shall, as though he/she were the Participant, observe, fulfill and be subject to the terms, exceptions and conditions of this Policy in so far as they can apply.
- 4. The Operator may, at its own option:
  - (a) arrange for representation at any inquest or fatal injury in respect of any death which may be the subject of compensation under this Section and
  - (b) Undertake the defense of proceedings in any Court of Law in respect of any act or alleged offence causing or relating to any event which may be the subject of compensation under this Section.
- 5. In the event of the death of any person entitled to compensate under this Policy, his/her personal representatives shall be compensated in respect of the liability incurred by such person, in the terms of and subject to the limitations of this Policy provided that such personal representatives shall, as though they were the Participant observe, fulfill and be subject to the terms, conditions and exceptions of this Policy in so far as they can apply.

### **SECTION III -TOWING DISABLED VEHICLES**

This Policy shall be operative whilst the Motor Vehicle is being used for the purpose of towing any one disabled mechanically propelled vehicle and the compensation provided by Section II of this Policy shall, subject to its terms and limitations, be extended to apply in respect of liability in connection with such towed vehicle.

Provided always that:

- (a) Such towed vehicle is not towed for reward,
- (b) No compensation shall be made by reason of this Section of this Policy in respect of damage to such towed vehicle or property being conveyed thereby.

### **AVOIDANCE OF CERTAIN TERMS AND RIGHTS OF RECOVERY**

Nothing in this Policy or any endorsement hereon shall affect the right of any person compensated by this Policy or any other person to recover an amount under or by virtue of the provisions of the Motor Vehicles Act, 1939, Section 96. But the Participant undertakes to return to the Fund all sums compensated by the Fund which would not have been liable to compensate but for the said provisions.

### **APPLICATION OF LIMITS OF COMPENSATION**

In the event of any accident involving compensation to more than one person any limitation by the terms of this Policy and/or of any Endorsement hereon of the amount of any compensation shall apply to the aggregate amount of compensation to all persons compensated and such compensation shall apply in priority to the Participant.

### **GENERAL EXCEPTIONS**

No compensation will be made in respect of:

- (1) Any accident, loss, damage and/or liability caused, sustained or incurred outside the Geographical Area, as described in the schedule,
- (2) Any claim arising out of any contractual liability,
- (3) Any accident, loss, damage and/or liability caused, sustained or incurred whilst the Motor Vehicle in respect of, or in connection with which cover is granted under this Policy is:
  - (a) being used otherwise than in accordance with the limitations as to use as described in the schedule, or
  - (b) being driven by any person other than a driver as described in the said schedule.
- (4) (a) any accident, loss or damage to any property whatsoever, or any loss or expenses whatsoever resulting or arising there from or any consequential loss,
  - (b) any Liability of whatsoever nature, directly or indirectly caused by or contributed to or arising from ionizing, radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

For the purposes of this exception, combustion shall include any self-sustaining process of nuclear fission,

- (5) Any accident, loss or damage or liability directly or indirectly caused by or contributed to or

arising from nuclear weapons material,

- (6) Any accident, loss, damage and/or liability caused, sustained or incurred after any variation in termination of the Participant's interest in the Commercial Vehicle.

No compensation will be made in respect of any accident, loss, damage and/or liability directly or indirectly, proximately or remotely occasioned by, contributed to or traceable to or arising out of or in connection with war, invasion, the act of foreign enemies, hostilities or warlike operations (whether before or after declaration of war), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising rebellion, revolution, insurrection, military or usurped power or any act of any person acting on behalf of or in connection with any organization 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 or by any direct or indirect consequences of any of the said occurrences and except under Section II-1(a) of this Policy, whilst the Participant or any person driving with the general knowledge and consent of the Participant, is under the influence of intoxicating liquor or drugs and in the event of any claim hereunder, the Participant shall prove that the accident, loss, damage and/or liability arose independently of and was in no way connected with or occasioned by or contributed by or traceable to any of the said occurrence or any consequence thereof and in default of such proof no payment will be made to the Participant.

## **CONDITIONS**

This Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear the same meaning wherever it may appear.

- Notice shall be given in writing to the Operator immediately upon the occurrence of any accident or loss or damage and in the event of any claim and thereafter, the Participant shall give all such information and assistance as the Operator shall require. Every letter, claim, write, summons and/or processes shall be forwarded to the Operator immediately on receipt by the Participant. Notice shall also be given in writing to the Operator immediately the Participant shall have knowledge of any impending prosecution, Inquest or Fatal Inquiry in respect of any occurrence which may give rise to a claim under this Policy. In case of theft or other criminal act which may be the subject of a claim under this Policy, the Participant shall give immediate notice to the Police and co-operate with the Operator in securing the conviction of the offender.
- No admission, offer, promise, payment or compensation shall be made or given by or on behalf of the Participant without the written consent of the Operator, which shall be entitled if it so desires, to take over and conduct in the name of the Participant, the defense or settlement of any claim or to prosecute in the name of the Participant for its own benefit any claim for compensation or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Participant shall give all such information and assistance as the Operator may require.
- At any time after the happening of any event giving rise to a claim under Section II of this Policy, the Participant may be paid the full amount to be compensated under that Section and the Operator may relinquish the conduct of any defense, settlement or proceedings and the Participant shall not be compensated for any damage alleged to have been caused to the Participant in consequence of any alleged action or omission of the Operator in connection with such defense settlement or proceedings or of the Operator relinquishing such conduct, nor shall any costs or expenses whatsoever incurred by the Participant or any claimant or other person will be paid after the Operator shall have relinquished such conduct.
- The Operator may, at its own option, arrange to repair, reinstate or replace the Motor Vehicle or part thereof and/or its accessories or pay in cash the amount of the loss or damage. However, such amount of the Operator shall not exceed the actual value of the parts damaged or lost plus the reasonable cost of fitting and shall in no case exceed the Participant's estimate of the value of the Motor Vehicle (including accessories thereon) as specified in the schedule or the value of the Motor Vehicle (including accessories thereon) at the time of the loss or damage, whichever is less.

- The Participant shall take all reasonable steps to safeguard the Motor Vehicle from loss or damage and to maintain it in efficient condition and the Operator shall have at all times free and full access to examine the Motor Vehicle or any part thereof or any driver or employee of the Participant. In the event of any accident or break-down, the Motor Vehicle shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the Motor Vehicle be driven before the necessary repairs are affected, any extension of the damage or any further damage to the Motor Vehicle shall not be covered under this Policy.
- This Policy may at any time be withdrawn by the Waqf, on seven days' notice by registered letter to that effect being given to the Participant at his last known address. In that case, the Operator in the capacity of Waqif and Mutawalli is authorized to give participant an amount equivalent to a Takaful Contribution Ratio for the unexpired period of policy from the date of such withdrawal. This Policy may also be withdrawn at any time at the request of the Participant, in which case the Waqf may give the participant an amount equivalent to the actual contribution made initially by him/her, less the amount worked as per the following ratio applicable to the period during which the policy has been in force:

Period not exceeding	Short Period Contribution Ratio as Percentage of Annual Contribution
1 week	1/8 or 12.5%
1 month	2/8 or 25%
2 months	3/8 or 37.5%
3 months	4/8 or 50%
4 months	5/8 or 62.5%
6 months	6/8 or 75%
8 months	7/8 or 87.5%
Over 8 months	Full annual contribution

However, no refund shall be allowed if any benefit has taken during the period this PMD has been in force.

- If at the time of claim under this Policy, there is any other existing Takaful or insurance policy covering the same loss, damage or liability, no compensation shall be made or contributed more than the proportionate contribution ration under this Policy, of any loss, damage, compensation, costs expenses. Provided always that nothing in this condition shall impose any liability from which, but for this condition, it would have been relieved under provision (a) of Section II-3 of this Policy.
- Where any dispute arises under the policy or over a claim under the policy issued by the Operator the party to the dispute may take-up the case before the Insurance Tribunal in accordance with the provisions of Insurance Ordinance XXXIX of 2000 in so far this doesn't conflict with Shari'ah as advised by Shari'ah Advisor/Shari'ah Board. This shall be a condition precedent to any legal proceedings to be resorted to by either party.
- The due observance and fulfillment of the terms, conditions and endorsements of this Policy 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 said proposal shall be conditions precedent to the Participant being compensated under this Policy.
- For the best interest of the "Participant Takaful Fund" (PTF), the contribution ratio for the next renewal may be increased in the event of claim(s) during the policy period. The ratio of which would depend upon the Operator's discretion.

## **SCHEDULE OF CHARGES**

If the Participant makes one or more Claim(s) during that period of Takaful, the basic contribution at next renewal shall be charged in accordance with the under noted scale. If following the imposition of such charges the Participant does not make any claim during that Policy year, the basic contribution only at next renewal will apply.

## **PERIOD OF CHARGING**

One Claim in Preceding Period of Takaful	10% of Basic Contribution
Two Claims in Preceding Period of Takaful	15% of Basic Contribution
Three Claims in Preceding Period of Takaful	20% of Basic Contribution

## **TAKAFUL OPERATOR FEES (WAKALAH FEE)**

The Operator shall deduct Operator's fee on quarterly basis as per defined ratio approved by Shari'ah Advisor/Shari'ah Board out of the Contribution received under this policy. Such fee shall be based on the Wakalah principles and shall be called as Wakalah Fee since the Operator hereby acts as a Wakeel of the Fund. The payment of Wakalah Fee shall be made by the 25<sup>th</sup> day following the end of the month in which quarterly financial statements were approved by the Board of Directors.

## **INVESTMENT MANAGEMENT SHARE**

The Operator shall act as a Mudarib or Wakeel for the purpose of managing the investment of the Fund's excess amount. As such, the Operator stands entitled to a *Mudarib's* share or *Wakala-tul-Istismaar* fee in the investment income subject to approval by the Shari'ah Advisor/ Shari'ah Board. The *Mudarib's* share or *Wakala-tul-Istismaar* fee shall be paid on quarterly basis by the 25<sup>th</sup> day following the end of the month in which quarterly financial statements were approved by the Board of Directors.

## **SURPLUS DISTRIBUTION & CREATION OF RESERVE(S)**

In the case of Surplus within the Fund; the Operator may hold a portion of the surplus:

- As a contingency reserve (over and above the technical provisions)
- For meeting solvency level under the Insurance Ordinance-2000 and Takaful Rules-2012, if any.
- The rest of the surplus may be distributed to participants in proportion to the contributions to the PTF net of any risk related claims, which they may have received during the under valuation period in accordance with the approved Surplus Distribution Mechanism and Policy approved by the Shari'ah Advisor/ Shari'ah Board.

## **IMPORTANT**

The Participants should, for his own protection, examine this policy to ascertain whether it is in accordance with his intentions and correctly described, if any error or misdescription is found the same should immediately be intimated to the Operator for correction.