

# **IKHLAS EQUIPMENT COMPREHENSIVE PERILS TAKAFUL CERTIFICATE**

This Takaful Certificate the Schedule and any Clauses/Memoranda/Warranties thereon shall be considered one document and any word or expression to which a specific meaning has been attached in any of them shall bear such meaning throughout.

## **The Takaful Participant and the Company agree**

- 1 The Proposal (which shall mean any signed proposal form and declaration and any information supplied by or on behalf of the Takaful Participant in addition thereto or in substitution therefor) shall be incorporated in and be the basis of the contract.
- 2 The Takaful Participant will pay the Takaful Contribution.
- 3 The Company will be subject to the terms of this Takaful Certificate provided the Takaful.
- 4 The following shall be conditions precedent to any liability of fire Company,
  - a) Observance of the terms of this Takaful Certificate relating to anything to be done or complied with by the Takaful Participant,
  - b) The truth of the Proposal.

## **Coverage**

The Company will by payment (or at its option by repair reinstatement or replacement) indemnify the Takaful Participant if during any Period of Takaful any of the Property described in the Schedule is lost or damaged by accidental cause (not herein excepted) while

- a) within the Situation described in the Schedule  
or
- b) in transit (including loading and unloading) within Malaysia and Singapore other than by sea or by air

The maximum amount payable by the Company in any Period of Cover shall not exceed so far as each Item is concerned the Sum Covered thereon or in all the Total Sum Covered.

## **SCHEDULE**

Please refer to attached schedule

## **EXCEPTIONS**

This Takaful Certificate does not cover:

1. the first amount of each and every loss specified as Excess in the Schedule unless caused by fire or explosion; if more than one item is lost or damaged in one occurrence, the Takaful Participant shall not, however, be called upon to bear more than the highest single deductible applicable to such items.
2. loss of or damage to any Item by its own explosion or collapse due to force of internal steam or other fluid pressure mechanical or electrical breakdown failure breakage or derangement. Nothing contained in this Exception shall however be construed as excluding from the cover provided by this Takaful Certificate damage to any Item directly due to its impact or collision with anything external to the Item which may arise as a result of mechanical or electrical breakdown failure or breakage.
3. loss or damage caused by testing or intentional overloading of any Property or any experiment involving the imposition of abnormal conditions.
4. loss of or damage to foundations, masonry, exchangeable or replaceable parts and attachments such as flexible drives, tools used for cutting, drilling; grinding, polishing, or similar purposes or moulds, patterns, pulverising and crushing surfaces, screens and sieves, refractory linings, ropes, belts, chains, elevator and conveyor bands' batteries, lyres, connecting wires and cable, flexible pipes, jointing and packing materials, unless such loss or damage arises out of an accident for which the Company is responsible to other parts of the Property.
5. loss of or damage to cash, bank notes, currency notes, coins, cheques, postal and money orders, bills of exchange, bonds, giro cheques and drafts, credit company sales vouchers, credit cards, luncheon vouchers, gift tokens, trading

stamps, postage stamps and stamps of any other kind securities of any description jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art.

6. loss of or damage to
  - a) hand held phone, mobile phone, walkie-talkie, computer notebook, laptop, palmtop and electronic personal organizer, portable video camera, camcorder, portable photographic equipments
  - b) the contents of machines unless such item(s) or contents are specifically mentioned in the Schedule.
7. corruption of data media or programmes unless directly resulting from physical loss or damage to the Property.
8. wear and tear, corrosion or deterioration due to atmospheric conditions or otherwise or scratching of painted or polished surfaces.
9. loss of use of any Property or depreciation contamination consequential loss or consequential damage and legal liability of any kind or description.
10. loss or damage arising out of the wilful act or gross negligence of the Takaful Participant.
11. any shortage discovered by an inventory is not covered unless such shortage can be reasonable shown to have been occasioned by theft or attempt thereat.
12. losses caused by infidelity of employees of Takaful Participant or persons to whom the property of Takaful Participant is entrusted.
13. loss or damage to any item whilst let out on hire or on loan.
14. loss or damage to any item whilst being used on a public road under its own power.
15. loss or damage or consequential loss occasioned directly or indirectly by or through or in consequence of any of the following occurrences namely:
  - a) permanent or temporary dispossession resulting from confiscation nationalization commandeering or requisition by any lawfully constituted authority
  - b) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person  

Provided that the Company is not relieved of any liability to the Takaful Participant in respect of physical damage to the Property Insured occurring before dispossession which is otherwise insured by this Policy.
  - c) the destruction of property by order of any public authority.
16. loss or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
17. any losses, damages, liability, costs or expenses of whatsoever nature directly or indirectly caused by, resulting from or through or in consequence of or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the lost:
  - (a) War, invasion, act of foreign enemy, hostilities, or war-like operations (whether war be declared or not), civil war. Permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority. Mutiny, civil commotion, riot, strike, lockout, labour disturbances assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military, or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.  

Losses, damages, costs or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above are also excluded.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Takaful, the burden of proving the contrary shall be upon the Takaful Participant.

In the event any portion of this exclusion is found to be Invalid or unenforceable, the remainder shall remain in full force and effect.
  - (b) Any act of terrorism. For the purpose of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), which from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.  

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way

relating to any act of terrorism.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Takaful, the burden of proving the contrary shall be upon the Takaful Participant.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this Takaful, except to the extent that the Takaful Participant shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

18. (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss,  
(b) any legal liability of whatsoever nature,  
directly or indirectly caused by or contributed to by or arising from ionising radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exception only, combustion shall include any self-sustaining process of nuclear fission.
19. any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
20. Any loss or damage caused to the Covered Property by any breach of Civil or Shariah Law and principles by the Takaful Participant or otherwise from any other causes prohibited by Shariah Law and principles.

#### CONDITIONS

1. The due observance and fulfilment of the terms Conditions and Endorsements so far as they relate to anything to be done or complied with by the Takaful Participant and the truth of the statements and answers in the proposal shall be conditions precedent to any liability of the Company to make any payment under this Takaful Certificate.
2. The Takaful Participant shall at his own expense take all reasonable precautions to prevent accidents and maintain in an efficient condition any Property described in the Schedule and comply with any statutory requirements and manufacturers recommendations.
3. The Takaful Participant shall as required by the Company produce or give access to any Property alleged to be damaged and the Takaful Participant shall be bound to satisfy the Company by such reasonable evidence as the Company may require that the loss or damage in respect of which a claim is made has actually arisen from one of the risks covered against.
4. The Company's officials shall at all reasonable times have the right of access to the premises in which the Machine is situated and shall be entitled to delegate a representative to be present at the time of any overhaul or inspection of the Machines.
5. If after the acceptance of this Takaful by the Company there be any change in the circumstances of the risk the Takaful Participant shall forthwith give notice thereof to the Company. The Company shall not be liable in respect of loss or damage occurring subsequent to such change unless its written acceptance thereof has been obtained.
6. The Company shall in no case be bound to accept notice of any transfer of interest arising hereunder and nothing herein contained shall give any right against the Company to any person other than the Takaful Participant except to a transferee approved by the Company.
7. In the event of any occurrence which might give rise to a claim under this Takaful Certificate the Takaful Participant shall:
  - (a) immediately notify the Company by telephone or telex as well as by letter giving an indication as to the nature and extent of loss or damage;
  - (b) take all reasonable steps within his power to minimize the extent of the loss or damage;
  - (c) preserve the damaged or defective parts and make them available for inspection by an official or surveyor of the Company;
  - (d) furnish all such information and documentary evidence as the Company may require

The Company shall not be liable for any loss or damage of which no notice has been received by the Company within 14 days of its occurrence.

The Takaful Participant shall take all practical steps including in the case of goods lost or stolen or wilful damage thereto the giving of immediate notice to the police to recover any property lost and in the case of theft or wilful damage to discover the guilty person or persons and have him or her or them prosecuted at the expense of the Company. The Takaful Participant shall not repair, replace, negotiate, pay, settle, admit or repudiate any claim under the Takaful Certificate

without the written consent of the Company. The Takaful Participant shall not in any case be entitled to abandon any Property to the Company whether taken possession by the Company or not.

8. If the total value of the Property covered under an item shall at the time of loss or damage be greater than the Sum Covered thereon the Company will pay only the rateable proportion of the loss or damage which the Sum Covered bears to such value.

Every item, if more than one, of this Takaful Certificate shall be separately subject to this Condition.

9. (a) In cases where damage to a covered item can be repaired the Company will pay all expenses necessarily incurred to restore the damaged item to its condition immediately before the occurrence of the damage plus the cost of dismantling and re-erection for the purpose of affecting the repairs as well as ordinary freight to and from a repair shop and customs duties if any to the extent that such expenses have been included in the Sum Covered. If any parts are found to be unprocurable the Company's liability shall be limited to the manufacturers' or suppliers' latest price thereof and any salvage shall be taken into account. Any extra charges incurred for overtime, night-work, work on public holidays, express freight etc. are not covered by this Takaful. The cost of any alterations, additions, improvements or overhauling undertaken at the time of such repairs and the cost of any provisional repairs and the consequences thereof shall not be recoverable under the Takaful Certificate;
  - (b) In cases where an insured item is totally destroyed the Company shall pay the actual value of the item immediately before the occurrence of the loss including ordinary freight by sea or land, costs of erection and customs duties if any, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company will also pay any normal charges for the removal of the property destroyed;
  - (c) All damage which can be repaired shall, however, be repaired but if the cost of the repairs as detailed herein above equals or exceeds the actual value of the property covered immediately before the occurrence of the damage then settlement shall be made on the basis provided for in (b) above;
  - (d) In both cases detailed in Condition 9(a) and (b) the indemnity paid will be equal to the sum so ascertained less than value of any salvage and subject to the application of Average if necessary and deduction of the Excess.
10. The Takaful Participant shall at the request and at the expense of the Company, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any 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 its paying for or making good any loss or damage under this Takaful Certificate, whether such acts and things shall be or become necessary or required before or after the Takaful Participant's indemnification by the Company.
  11. All differences arising out of the Takaful Certificate shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing to do so by either of the parties or in case the Arbitrators do not agree an Umpire appointed in writing by the Arbitrators. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an Award shall be a condition precedent to any right of action against the Company. If the Company shall disclaim liability to the Takaful Participant for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
  12. If a claim be made by or on behalf of the Takaful Participant which shall be in any respect fraudulent or if any false declaration be made or used in support thereof all benefit under this Takaful Certificate is forfeited.
  13. If at the time any claim arises under this Takaful Certificate there be any other Takaful 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.
  14. This Takaful may be terminated at any time at the request of the Takaful Participant, in which case the Company will refund the balance of the General Risk Investment Account (GRIA) for the unexpired period of cover, plus surplus, if any, less related expenses. This Takaful may also be terminated at the option of the Company by sending fourteen (14) days' notice by registered letter to the Takaful Participant at his last known address, in which case the Company shall be liable to repay.
- Note :** A handling fee of RM10.00 will be charged in the event of cancellation made by Takaful Participant.
15. Payment of the Takaful Contribution paid by the Takaful Participant as shown in the Schedule shall be placed in the GRIA where the Company will manage according to the Wakalah principle as defined by the Company and in accordance with Shariah principles. The Company will charge up to 40% of the Takaful Contribution as an upfront Wakalah fee and the balance shall be allocated into the Risk Fund at inception for Tabarru' charges and be used to help other Takaful Participants in time of misfortune.
  16. At each financial year-end, the Actuary will assess the surplus position of the Risk Fund, to preserve long term sustainability of the fund. The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of the financial year. However, the Company may at its discretion and where appropriate charge the SAC for less than 50% of the gross distributable surplus.

Any net distributable surplus arising (after deducting the SAC) from the Risk Fund will be allocated in full (100%) to the Takaful Participant. If the amount due to Takaful Participant is less than RM30 per Takaful Certificate, the amount shall be retained in the Risk Fund.

Any deficit in the Risk Fund would be met through an interest free loan (Qard) from the Shareholders' Fund. Such loan would be a first charge against the future surplus arising from the Risk Fund.

If there is a deficit in the Risk Fund due to the Company's negligence, then it is the responsibility of the Company to ensure that the fund is stable through outright transfer method and not deemed as an advance through the Qard.

17. The Company shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company to any sanction, prohibition or restriction under United Nations resolution or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America, or any of its states.

**THE FOLLOWING CLAUSES/MEMORANDUM/WARRANTY SHALL APPLY TO AND FORMING PART OF THIS TAKAFUL CERTIFICATE WHEN SPECIFICALLY MENTIONED IN THE SCHEDULE OR ENDORSED THERETO**

**CP01 COTAKAFUL CLAUSE**

It is hereby declared and agreed notwithstanding anything contained in the within Takaful Certificate, or on any endorsement hereon to the contrary that any reference to "the Company" shall be deemed to mean the following Companies each of which agrees for its individual proportion set against its name subject to the terms, exceptions and conditions herein or attached hereto or endorsed hereon, that if during the Period Of Takaful stated in the Schedule the Takaful Participant shall sustain loss or damage in the circumstances provided for by this Takaful Certificate Indemnify the Takaful Participant in the manner herein described:

Company	Proportion
..... A specified in the Schedule .....	

it is further declared and agreed notwithstanding anything contained to the contrary that the lead co-takaful/insurance, is authorized to sign the Takaful Certificate/ Endorsement/Renewal Receipt.

For all intents and purposes this Takaful Certificate shall have effect as though each of the above-mentioned insurance /takaful companies had issued a separate Takaful Certificate for its individual proportion of the Sum Covered.

Subject otherwise to the terms and conditions of this Takaful Certificate.

**CP02 REINSTATEMENT OF LOSS CLAUSE**

Inconsideration of the Takaful Participant undertaking to pay an additional Takaful Contribution at the agreed rate on the amount of loss calculated on a pro-rata basis from the date of such; loss to the expiry of the current period of takaful, it is agreed that in the event of loss the takaful hereunder shall be maintained in force for the full sum covered.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

**CP03 REPLACEMENT VALUE CLAUSE**

In the event of the property covered being lost, destroyed or damaged the basis upon which the amount payable is to be calculated shall be:-

- (i) where the property covered is lost or destroyed its replacement by similar make and/or model in a condition equal to but no better or more extensive than its condition when new
- (ii) where the property covered is damaged, the repair of the damage and the restoration of the damaged portion of the property covered to a condition substantially the same as but not better or more extensive than its condition when new

Provided that

- 1) Where subject matter covered is damaged or destroyed in part the Company's liability shall not exceed the sum representing the cost which could have been paid if the property covered had been wholly destroyed.
- 2) If at the time of restoration or repair the sum representing the cost which would have been incurred in replacement if the whole of the property covered had been destroyed exceeds the sum covered by such item at the time of the loss, destruction or damage then the amount payable shall be proportionately reduced. Every item, if more than one of the Takaful Certificate shall be separately subject to this proviso.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

**CP04 LEASING MEMORANDUM**

It is hereby understood and agreed that the Financial Institution named in the Schedule (hereinafter referred to as the lessors) are the owners of the Property Covered by and that such Property is the subject of a Leasing Agreement made between the lessors of the one part and the Takaful Participant of the other part and it is further understood and agreed that the lessors are interested in any monies which but for this Memorandum could be payable to the Takaful Participant under this Takaful Certificate in respect of loss of or damage to the Property (which loss or damage is not made good by repair reinstatement or replacement under the terms of the Takaful Certificate) and such monies shall be paid to the lessors as long as they are the owners of the Property and their receipt shall be a full and final discharge to the Company in respect of such loss or damage. Save as by this Memorandum expressly agreed nothing herein shall modify or affect the rights and liabilities of the Takaful Participant or the Company respectively under or in connection with this Takaful Certificate.

**Non-Cancellation Clause**

And it is further agreed that cancellation of the Takaful Certificate shall not be effected by the Takaful Participant except

upon prior notification to the Lessors in writing giving fourteen (14) days notice to the last known address of the Lessor.

Subject otherwise to the terms and conditions of this Takaful Certificate.

**CP05 PAIRS AND SETS CLAUSE**

It is hereby declared and agreed that notwithstanding anything contained in the Takaful Certificate to the contrary, where any Covered item consists of articles in a pair or set, the Company shall not be liable to pay more than the proportionate value of any particular part or parts which may be lost, without reference to any special value which such article may have as part of such pair or set.

Subject otherwise to the terms and conditions of this Takaful Certificate.

**CP06 DESIGNATION CLAUSE**

For the purpose of determining where necessary the item under which any property is covered, the Company agrees to accept the designation under which such property is entered In the Takaful Participant's books.

Subject otherwise to the terms and conditions of this Takaful Certificate.

**CP07 MARKET VALUE CLAUSE**

It is hereby understood and agreed that in the event of a loss to the Property covered herein, the limit of indemnity of the company shall be the covered value or the market value of the covered property, whichever is the lower, subject to the deduction of any excess and amounts which the Takaful Participant is required to bear under the Takaful Certificate.

For the purpose of this clause, the term market value shall mean the value of the property covered herein at the time of damage or loss less due allowance for wear and teal and/or depreciation.

The Market Value of the covered property shall for the purpose of this clause be determined by a valuation obtained by the Company from the manufacturer, authorized sole agent or agent, authorized broker, authorized distributor or building contractor of the cost of replacement or reinstatement, subject to the application of appropriate depreciation, of the covered property damaged or lost as it was at the time of the occurrence of such damage or loss. In the event that there is, at the time of damage or loss no manufacturer, authorized sole agent or agent, authorized broker, authorized distributor or building contractor for the covered property, the valuation shall be obtained from a Loss Adjuster licensed under the Insurance Act, 1963 or Registered Valuer under the Valuers and Appraisers Act, 1981 and be mutually appointed by both parties. The valuation of the covered property by the manufacturer, authorized sole agent or agent, authorized broker, authorized distributor, building contractor, Loss Adjusters licensed under the Insurance Act, 1963 or Registered Valuer under the Valuers and Appraisers Act, 1981 shall be conclusive evidence in respect of the market value of the covered property in any legal proceedings against the Company.

Subject otherwise to the terms and conditions of this Takaful Certificate.

**CP08 CAPITAL ADDITIONS CLAUSE**

It is hereby declared and agreed that this Takaful Certificate extends to cover alterations, additions and improvements (but not appreciation in value in excess of the Sums Covered) to property specified in the Schedule of this Takaful Certificate for an amount not exceeding 10% of Total Sum covered or RM 500,000.00 whichever is the lesser, it being agreed that the Takaful Participant must undertake to advise the Company within 90 days from the date of such alterations, additions and improvements and to pay the appropriate additional Takaful Contribution thereon.

For the purpose of this Clause, the inception date under the Contribution Warranty shall be deemed to be the date of declaration received by the Company.

Subject otherwise to the terms and conditions of this Takaful Certificate.

**CP09 PAYMENT ON ACCOUNT**

It is understood that in the event of loss or damage under this Takaful, the Company will make payment on account in respect of such loss to the Takaful Participant if desired.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

**CP10 TEMPORARY REMOVAL CLAUSE**

The property covered under this Takaful Certificate is covered (limit to 10% of the sum covered) whilst temporarily removed for cleaning, renovation, modification, repair or other similar purpose, elsewhere on the same or to any other premises and in transit thereto and there from by road, rail or inland waterway, all in the Republic of Singapore or Malaysia.

The amount recoverable under this extension in respect of the property shall not exceed the amount which would have been recoverable had the loss or damage occurred in that part of the premises from which the property is temporarily removed.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

#### **CP12 APPRAISEMENT CLAUSE**

If the aggregate claim for any one loss does not exceed RM 5,000 or 5% of the sum covered whichever is the lesser amount by the item or items affected no special inventory or appraisalment of the undamaged property shall be required.

Subject otherwise to the terms and conditions of this Takaful Certificate.

#### **CP13 REMOVAL OF DEBRIS**

The takaful hereby extends to cover costs and expenses necessarily incurred by the Takaful Participant in the:

- a) removal of debris
- b) dismantling and/or demolishing
- c) shoring up or propping

of the portion or portions of the property covered by this Takaful Certificate destroyed or damage by the perils hereby covered.

Provided always the Company's maximum liability shall not exceed the sum stated in the Schedule for which the Item(s) is/are covered.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

#### **CP14 TEMPORARY STORAGE**

The property (excluding buildings) covered under this Takaful Certificate is covered whilst temporarily stored anywhere in Malaysia and Singapore

- a) the period of temporary storage shall not exceed sixty (30) days.
- b) the liability of the Company is limited to as specified in the schedule for property covered under this Clause.
- c) the Company shall not be liable for any loss or damage to the property whilst in transit (including the processes of loading and unloading incidental to such transit).

this Takaful does not apply to property in so far as it is otherwise covered nor does it apply to motor vehicles and motor chassis licensed for road use or being used on a road as defined in the Road Transport Act 1987 (including accessories thereon).

#### **CP16 MAINTENANCE WARRANTY**

It is warranted that during the continuance of this Takaful Certificate

- (a) the Takaful Participant shall overhaul and maintain each Machine in good working order to a standard which is at least in accordance with the applicable manufacturers suppliers recommended maintenance and overhaul schedules and that it shall not be overloaded;
- (b) the Takaful Participant shall at his own expense arrange for each crane, lift, boiler or other pressure vessel (or where specially requested by the Company any other machine) to be thoroughly examined by a competent person in accordance with Government or other regulations, but in any event at intervals of not more than 12 months for each crane, lift or boiler and 24 months for other pressure vessels.

#### **CP17 INTERNAL REMOVAL**

It is understood and agreed that in the event of removal of property from one building to another at any of the aforesaid situations being inadvertently not advised to the Company the inductance on such property shall follow removal, the necessary adjustments in, sum covered and Takaful Contribution being made as from the date of removal as soon as the oversight is discovered.

#### **CP18 VEHICLE LOAD**

In the event of any of the Takaful Participant's vehicles being left overnight whilst in or on the premises described in the specification hereto the Company will indemnify the Takaful Participant in respect of such load in the event or damage by any of the perils covered against by this Takaful Certificate.



#### **CP19 DATE RECOGNITION CLAUSE**

It is noted and agreed that this Takaful Certificate is hereby amended as follows:—

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Takaful Participant or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to:—
1. correctly recognize any date as its true calendar date;
  2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than as its true calendar date; and/or
  3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in A.
- C. It is further understood that the Company will not pay for any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly arising from any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Takaful Participant or for the Takaful Participant or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A above.
- D. It is further understood that the Company will not pay for any consequential loss resulting from any continuing inability of the computer and equipment described in A above to correctly recognise any date as its true calendar date after the lost or damaged property has been replaced or repaired.

Such loss or damage or any consequential loss referred to in A, B, C or D above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

#### **CP21 CONTRIBUTION WARRANTY**

It is fundamental and absolute special condition of this contract of Insurance that the Takaful Contribution due must be paid and received by time Company within sixty (60) days from the inception date of this Takaful Certificate/endorsement/renewal Takaful Certificate.

If this condition is not complied with then this contract is automatically cancelled and the Company shall be entitled to the pro rata Takaful Contribution on the period they have been on risk.

Where the Takaful Contribution payable pursuant to this warranty is received by an authorised 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 insurance agent, who was not authorised to receive such Takaful Contribution shall lie on the Company.

Subject otherwise to the terms and conditions of this Takaful Certificate.

#### **CP22 STRIKE, RIOT AND CIVIL COMMOTION**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Takaful Certificate or endorsed thereon, and subject to the Takaful Participant having paid the agreed extra Takaful Contribution this Takaful Certificate shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property covered directly caused by

1. the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in condition 2 of the Special Conditions hereof,
2. the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance,

3. the wilful act of any striker or locked out worker done in furtherance of a strike or in resistance to a locked out,
4. the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

Provided that it is hereby further expressly agreed and declared that

1. all the terms, exclusions, provisions and conditions of the Takaful Certificate shall apply in all respects to the takaful granted by this extension save in so far as the same are expressly varied by the following Special Conditions, and any reference to loss or damage in the wording of the Takaful Certificate shall be deemed to include the perils hereby covered against,
2. the following Special Conditions shall apply only to the coverage granted by this extension, and the wording of the Takaful Certificate shall apply in all respects to the coverage granted by the Takaful Certificate as if this Endorsement had not been made thereon.

**Special Conditions**

1. This takaful shall not cover
  - a. loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation,
  - b. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority,
  - c. loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building,
  - d. consequential loss or liability of any kind or description, any payments over and above the indemnity for the material damage as provided herein.

Provided nevertheless that the Company are not relieved under b or c above of any liability to the Takaful Participant in respect of physical damage to the property covered occurring before dispossession or during temporary dispossession.

2. This takaful shall not cover loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely
  - a. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war,
  - b. mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power,
  - c. any act of any person acting on behalf of or in connection with any organization with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence.

In any action, suit or other proceeding, where the Company allege that by reason of the provisions of this condition any loss or damage is not covered by this takaful, the burden of proving that such loss or damage is covered shall be upon the Takaful Participant.

3. This coverage may at any time be terminated by the Company on notice to that effect being given by registered post at the Takaful Participant's last known address, in which case the Company shall be liable to repay a rateable proportion of the Takaful Contribution for the unexpired term from the date of termination.
4. The limit of indemnity any one occurrence as stated below shall be understood to limit the indemnity for all loss or damage covered by this Endorsement during a consecutive period of 168 hours.

The aggregate liability of the Company during the period of cover of this Takaful Certificate shall be limited by twice the limit of indemnity any one occurrence.

**CP24 OTHER CONTENTS**

It is agreed that the term "Other Contents" is understood to include:

- a. Money and Stamps not otherwise specifically covered for an amount not exceeding RM250.00
- b. Documents, manuscripts and business books but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing up ,and not for the value to the Takaful Participant of the information contained therein and for an amount not exceeding RM 500.00 in respect of any one document, manuscript or business book.
- c. Computer system records but only for the value of the materials together with the cost of clerical labour and

computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Takaful Participant of the information contained therein for an amount not exceeding RM500.00.

**CP25 LOSS NOTIFICATION (within 14 days)**

Notwithstanding anything contained herein to the contrary it is agreed that this Takaful will not be prejudiced by any inadvertent delays, errors or omission in notifying the Takaful Operator of any circumstances or event giving rise or likely to give rise to a claim inside the Takaful Certificate.

Provided that

- a. the loss / damage must be fully substantiated.
- b. the Company's liability shall not be increased by such delays errors or omission.
- c. the burden of proving that a loss has occurred shall be upon the Takaful Participant.
- d. the Company's right to recover (in the name of the Takaful Participant or otherwise) from any responsible party for the loss shall not have been prejudiced.
- e. in no circumstances shall the Company be liable for any loss or damage not notified to them within six (6) calendar months after the event giving rise to a claim.

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

**CP27 ALTERATIONS AND REPAIRS CLAUSE**

It is hereby agreed that workmen are allowed on or about the premises at the situation mentioned in the Schedule herein referred to which contain the Property Covered carry out alterations and repairs without prejudice to the terms of this takaful provided that the trade, manufacture, nature of occupation and/or construction of the premises remain unchanged.

Subject otherwise to the terms and conditions of this Takaful Certificate.

**CP28 AUTOMATIC INCLUSIONS OF NEW PREMISES**

It is hereby agreed that any premises acquired, leased or rented by the Takaful Participant within Malaysia will be automatically covered on same terms and limit as specified in the Takaful Certificate provided that notice be given to the Company within 60 days from the time the Takaful Participant acquired, lease or rented such premises.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

**CP29 AUTOMATIC ADDITION AND DELETION**

Notwithstanding anything herein contained to the contrary. It is hereby declared and agreed that:-

- a) Any additional machinery purchased by the Takaful Participant after the date of commencement of this Takaful Certificate shall be automatically covered as from the date of purchase.

The Takaful Participant shall give written notification to the company within 30 days from the date of purchase of the machinery or deletion of the interest covered from the Takaful Certificate in a particular month and pay an additional Takaful Contribution which may be required by the Company or receive a refund from the company as the case may be.

**CP31 PROPERTY DAMAGE CLARIFICATION CLAUSE**

Property Damage covered under this Takaful Certificate shall mean physical damage to the substance of property.

Physical damage to the substance of property" shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Takaful Certificate:-

- a) Loss of or damage to data or software, but not limited to any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss or damage to data or software, which is the direct consequence of insured physical damage to the substance of property, shall be covered.

- b) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

### **CP32 HIRE PURCHASE MEMORANDUM**

It is hereby understood and agreed that the Financial Institution named in the Schedule (hereinafter referred to as the Owners) are the owners of the Property Covered and that such property is the subject of a Hire Purchase Agreement made between the Owners of the one part and the Takaful Participant of the other part. It is further understood and agreed that any payment made in respect of loss or damage (which loss or damage is not made good by repair, reinstatement or replacement) under the terms of this Takaful Certificate shall be made to the Owners as long as they are the owners of the property and their receipt shall be full and final discharge to the Company in respect of such loss or damage.

It is understood and agreed that notwithstanding any provision in the Hire Purchase Agreement to the contrary this Takaful Certificate is issued to the Takaful Participant as the principal party and not as agent or trustee for the Owners and nothing herein shall be construed as constituting the Takaful Participant, as agent or trustee for the Owners or as an assignment (whether legal or equitable) by the Takaful Participant to the Owners of his rights, benefits and claims under this Takaful Certificate.

It is lastly understood and agreed that the Takaful Participant shall not assign his rights benefits and claims under this Takaful Certificate without the prior consent in writing of the Company.

#### **Non-Cancellation Clause**

And it is further agreed that cancellation of the Takaful Certificate shall not be affected by the Takaful Participant except upon prior notification to the Owner in writing giving fourteen (14) days notice to the last known address of the Owner.

Subject otherwise to the terms and conditions of this Takaful Certificate.

### **CP33 MORTGAGEE (CHARGE) CLAUSE**

Loss, if any, payable to "the Financial Institution named in the Schedule or Endorsement" as Mortgagee (Charge) as interest may appear in this Takaful, as to the interest of the Mortgagee (Charge) only therein, shall not be invalidated by any act or neglect of the Mortgagor (Charger) or the Owner of the within described property nor any foreclosure or other proceedings or notice of sale relating to the property or by the occupation of the premises for purposes more hazardous than are permitted by this Takaful Certificate, or by the non-occupation thereof, or by any other increase of risk taking place in the Property covered hereunder, Provided that in case the Mortgagor (Charger) or Owner shall neglect to pay any Takaful Contribution due under this Takaful Certificate the Mortgagee (Charge) shall on demand pay the same. Provided also that the Mortgagee (Charge) shall notify the Company of any non-occupancy or any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the said Mortgagee (Charge) and unless permitted by this Takaful Certificate it shall be noted thereon and the Mortgagee (Charge) shall on demand pay the Takaful Contribution for such increased hazard for the term thereof otherwise this Takaful Certificate shall be null and void.

And it is further agreed that whenever the Company shall pay the said Mortgagee (Charge) any sum in respect of loss or damage under this Takaful Certificate and shall claim that as to the Mortgagor (Charger) or Owner no liability therefor existed, the Company shall become legally subrogated to all the rights of the Mortgagee (Charge) to the extent of such payment but no so as to impair the right of the said Mortgagee (Charge) to recover the full amount of any claim it may have on such Mortgagor (Charger) or Owner or on any other party or parties covered hereunder of from any securities or funds available.

#### **Non-Cancellation Clause**

And it is further agreed that cancellation of this Takaful Certificate shall not be affected by the Takaful Participant except upon prior notification to the Mortgagee (Charge) in writing giving fourteen (14) days notice to the last known address of the Mortgagee (Charge).

**Note:** When the interest is that of Chargee and Charger the words in brackets are deemed to be inserted in place of Mortgagee and Mortgagor.

Subject otherwise to the terms and conditions of this Takaful Certificate.

### **CP34 ESCALATION CLAUSE**

In consideration of the payment of an additional Takaful Contribution amounting to 50% of the Takaful Contribution produced by applying the specified percentage to the first or the annual Takaful Contribution as appropriate on the undernoted item(s), the sum(s) covered thereby shall, during the Period of Takaful, be increased each day by an amount representing 1/365th of the specified percentage increase per annum.

**Item Number****Specified percentage increase per annum**

"As specified in the Schedule"

Unless specifically agreed to the contrary the provisions of this Clause shall only apply to the sums covered in force at the commencement of each Period of Takaful.

At each renewal date the Takaful Participant shall notify the Company:-

- (i) the sums to be covered under each item above, but in the absence of such instructions the sums covered by the above items shall be stated on the Takaful Certificate (as amended by any endorsements effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this clause during the Period Of Takaful up to that renewal date, and
- (ii) the specified percentage increase(s) required for the forthcoming Period Of Takaful, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the Period Of Takaful from renewal.

All the conditions of the Takaful Certificate except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

**CP35 INLAND TRANSIT ROAD (ALL RISKS)**

This takaful attaches from the time the goods leave the warehouse or place of Storage at the place named in the Takaful Certificate for the commencement of transit, continues during the ordinary course of transit including customary transshipment if any and terminates on delivery to the consignees or other final warehouse or place of storage at the destination named in the Takaful Certificate or on the expiry of seven days whichever shall first occur. The time limit referred to above to be reckoned from midnight of the day which the vehicle arrives at the destination named in the Takaful Certificate.

**CP36 EXPEDITING EXPENSES ENDORSEMENT**

It is hereby understood and agreed that this Takaful Certificate is extended to cover any extra costs incurred in respect of express delivery air freight overtime and holiday rates of wages in connection with repairs or replacements subject however to a limit of 25% percent of the amount which the repair or replacement would have cost if these extra expenses had not been incurred.

**CP37 WAIVER SUBROGATION**

- i) The Takaful Operator shall waive its rights of subrogation against all covered parties provided no act of default committed by any covered party or its representatives has caused any loss or damage to any other covered party.
- ii) The Takaful Participant shall at the Takaful Operator's expense do and concur in doing and permit to be done all actions that may be necessary or required by the Takaful Operator in the interest of any rights or remedies or for the purpose of obtaining relief or indemnity to which the Takaful Operator is or would become entitled or which is or would be subrogated to him upon indemnification or rectification of any loss or damage under this Takaful Certificate, regardless of whether such action is or becomes necessary or required before or after the Takaful Participant's indemnification by the Takaful Operator.

**CP38 MALICIOUS DAMAGE**

It is hereby declared and agreed that the coverage under the said Strike, Riot and Civil Endorsement shall extend to include Malicious Damage which for the purpose of this Extension shall mean Loss of damage to the property covered directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in the Exclusions of the said Strike, Riot and Civil Commotion Endorsement.

But the Company shall not be liable under this extension for any loss or damage by fire or explosion nor for any arising out of or in the course of burglary housebreaking, theft or larceny or any attempt thereat or cause by any person taking part therein. Provided always that all the conditions and provisos of the said Strike, Riot and Civil Commotion Endorsement shall apply to this extension as if they had been incorporated herein.

**CP39 FULL THEFT**

The cover under this Takaful Certificate is extended to include loss or damage occasioned by full theft or larceny or any attempt thereat.

It is hereby understood and agreed that:

1. This Takaful does not cover loss caused by the Takaful Participant or any one acting on the express or implied authority of the Takaful Participant, being induced by any fraudulent scheme, trick, device of false pretence to part with title or possession of any property.

2. The Takaful Participant shall make a physical inventory of the covered property and shall keep such inventory as a permanent record. This Takaful shall not apply to loss by theft or attempt thereat, unless there is available such physical inventory made preceding the date of such loss.
3. Any shortage disclosed by an inventory is not covered hereby unless such shortage can reasonably shown to have been occasioned by theft or attempt thereat.
4. The Company shall not be liable to pay the first RM \_\_\_\_\_ in respect of each and every claim or loss for which indemnity is provided herein.

Subject otherwise to the terms, conditions, exclusions and provisos of the Takaful Certificate.

#### **CP40 AUTOMATIC REINSTATEMENT OF LOSS**

It is hereby declared and agreed that in the event of any claim sustainable under the Takaful Certificate the sum covered in respect of the item against which the payment is made is reinstated upon payment of the appropriate additional Takaful Contribution to the Company until expiry date of the Takaful Certificate.

#### **CP41 MISDESCRIPTION**

If there be any material misdescription by the Participant or any one acting on his behalf of any of the property hereby covered or any building or place in which such property is contained or of the business or premises to which this Takaful refers or any omission to state such fact the Takaful Operator not be liable under this Takaful Certificate for the property affected by any such misdescription, misrepresentation or omission.

#### **CP42 TERRORISM EXCLUSION**

This Takaful does not cover any loss or damage by or through or in consequence, directly or indirectly of any of the following occurrences namely:-

- any act of terrorism

For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrence shall be deemed to be loss or damage which is not covered by this Takaful, except to the extent that the Takaful Participant shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where the company alleges that by reason of the provisions of this condition any loss or damage is not covered by this Takaful, the burden of proving that such loss or damage is covered shall be upon the Takaful Participant.

Subject otherwise to the terms, conditions and exceptions of the Takaful Certificate.

#### **CP43 AUTOMATIC RENEWAL CLAUSE**

This Takaful Certificate is deemed to be automatically renewed and the appropriate Takaful Contribution charged upon expiry unless instructed.

Subject otherwise to the Terms, Conditions and Exceptions of the Takaful Certificate.

#### **CP44 CONVULSION OF NATURE**

This Takaful Certificate extends to cover loss or damage arising out of earthquake, volcanic eruption, flood, typhoon, hurricane, cyclone, windstorm or other convulsing of nature consequently the words "earthquake, volcanic eruption, flood, typhoon hurricane, cyclone, windstorm or other convulsion of nature" are deemed to be deleted from the Exception (8) of the Takaful Certificate.

#### **XXX GOODS AND SERVICES TAX (GST)**

"Goods and Services Tax" (GST) shall mean any tax payable on the supply of goods, services or other things in accordance with the provisions of GST Law.

"GST Law" shall mean the Goods and Services Tax Act 2014, subsidiary legislations, statutory orders and regulations governing the application of GST, as amended from time to time.

The Takaful Contribution, fee and/or monies payable under this Takaful Certificate are subject to GST unless otherwise stated as applicable according to the provision of GST Law.

**IMPORTANT NOTICE**

We care about the service that we provide for our customers, and our staff makes every effort to maintain as high a standard as possible. In the event that we do not meet your expectations and you are dissatisfied in some way, we would like to know and would ask you to write to our:

**Customer Relationship Management,  
Takaful Ikhlas Berhad, IKHLAS Point,  
Tower 11A, Avenue 5, Bangsar South,  
No. 8 Jalan Kerinchi,  
59200 Kuala Lumpur**

Tel: +603-27239999

Fax: +603-27239998

E-mail: [complaints@takaful-ikhlas.com.my](mailto:complaints@takaful-ikhlas.com.my)

If you are not satisfied with the rejection or offer of settlement of a claim, you may appeal to the Company. If you are still not satisfied with the decision of the Company, you may then refer the case to the Ombudsman for Financial Services within six (6) months from the final decision of the Company. The address is as follows:

<p><b>Ombudsman for Financial Services (664393P)</b> <i>(formerly known as Financial Mediation Bureau)</i> Level 14, Main Block Menara Takaful Malaysia No 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur. Tel : +603-2272 2811 Fax : +603-2272 1577 E-mail : <a href="mailto:enquiry@ofs.org.my">enquiry@ofs.org.my</a> Website : <a href="http://www.ofs.org.my">www.ofs.org.my</a></p>	<p><b>Contact Centre (BNMTELELINK)</b> Laman Informasi Nasihat dan Khidmat (LINK) Bank Negara Malaysia P.O. Box 10922 50929 Kuala Lumpur Tel : 1-300-88-5465 (1-300-88-LINK) Fax : +603-2174-1515 E-mail: <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a></p>
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