

# IKHLAS CONSEQUENTIAL LOSS TAKAFUL CERTIFICATE

In consideration of the Takaful Participant paying to **TAKAFUL IKHLAS BERHAD** (hereinafter called the "Company") the First Contribution.

The Company agrees (subject to the conditions contained herein or endorsed or otherwise expressed thereon) that if any building or other property or any part thereof used by the Takaful Participant at the Premises for the purpose of the Business be destroyed or damaged by:-

- (1) Fire,
- (2) Lightning,
- (3) Explosion, in a building in which gas is not generated and which does not form part of any gasworks, of gas used there for illuminating or domestic purposes.

(destruction or damage so caused being hereinafter termed Damage) at any time during the Period of Takaful or any subsequent period in respect of which the Company agrees to accept the Takaful Contribution required for the renewal of this Takaful Certificate and the Business carried on by the Takaful Participant at the premises be in consequence thereof interrupted or interfered with.

Then the Company will pay to the Takaful Participant in respect of each item in the Schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

**Provided that** at the time of the happening of the Damage there shall be in force a Takaful covering the interest of the Takaful Participant in the property at the premises against such Damage and that payment shall have been made or liability admitted therefor under such Takaful.

And that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be covered thereon or in the whole the total sum covered hereby or such other sum or sums as may hereafter be substituted therefor by Memorandum signed by or on behalf of the Company.

## CONDITIONS

### 1. MISDESCRIPTION

If there be any material misdescription of the business or premises to which this Takaful refers or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, the Company shall not be liable upon this Takaful Certificate.

### 2. TAKAFUL CONTRIBUTION PAYMENT

No payment in respect of any Takaful Contribution shall be deemed to be payment to the Company unless a printed form of receipt for the same signed by an Official or duly appointed Agent of the Company shall have been given to the Participant.

### 3. OTHER TAKAFUL/TAKAFUL

The Takaful Participant shall give notice to the Company of any coverage or coverages already effected, or which may subsequently be effected, covering any of the loss hereby covered against and unless such notice be given and the particulars of such coverage or coverages be stated in or endorsed on this Takaful Certificate by or on behalf of the Company before the occurrence of any Damage, all benefits under this Takaful Certificate shall be forfeited.

### 4. DISPLACEMENT

Immediately upon any fall or displacement

- (a) of any building Damage to which might give rise to a claim under this Takaful Certificate;
- (b) of any part of such building;
- (c) of the whole or any part of any range of buildings or of any structure of which such building forms part.

The Takaful under this Takaful Certificate shall cease in respect of loss resulting from Damage to such building or property therein.

**PROVIDED THAT-**

- (i) Such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of Damage or is otherwise material;
- (ii) Such fall or displacement is not caused by Damage, loss resulting from which is covered by this Takaful Certificate or would be covered at the option of the Company on notice to that effect being given to the Participant, in which case the Company shall be liable if such building or range of buildings or structure were included in the Premises to which this Takaful Certificate refers,

to repay on demand a rateable proportion of the Takaful Contribution for the unexpired term from the date of the cancellation.

If any claim be made upon this Takaful Certificate in consequence of Damage whether occurring before, during or after such fall or displacement the Takaful Participant shall produce such proof as may reasonably be required that the loss was not, either in origin or in extent directly or indirectly, proximately or remotely; occasioned by or contributed to by any such fall or displacement and did not either in origin or extent, directly or indirectly, proximately or remotely, arise out of or in connection with any such fall or displacement.

**5. EXCLUDED INTERRUPTION LOSS**

The Company shall not be liable in so far as the interruption loss is increased:-

- (a) by extraordinary events taking place during the interruption,
- (b) by restrictions imposed by the authorities on the reconstruction or operation of the business,
- (c) due to the participant's lack of sufficient capital for timely restoration or replacement of property destroyed, damaged or lost.

**6. EXCLUDED COVER**

This Takaful does not cover:-

Loss occasioned by or happening through or in consequence of:-

- (a) The burning of property by order of any Public Authority, Takaful Certificate
- (b) Subterranean Fire,
- (c) Explosion except as stated on the Takaful Certificate
- (d) The burning, whether accidental or otherwise, of forests, bush lalang prairie, pampas or jungle and the clearing of lands by fire
- (e) Damage to property occasioned by its own fermentation, natural heating or spontaneous combustion or by its undergoing any heating or drying process.

**7. EXCLUDED COVER**

This Takaful does not cover any loss resulting from Damage which either in origin or extent is directly or indirectly, proximately or remotely, occasioned by or contributed to by any of the following occurrences or which, either in origin or extent, directly or indirectly, proximately or remotely, arises out of or in connection with any of such occurrences namely:-

- (a) Earthquake, volcanic eruption, typhoon, hurricane, tornado, cyclone or other convulsion of nature or atmospheric disturbance,
- (b) War, invasion, act of foreign enemy, hostilities or war like operations (whether war be Declared or not), mutiny, riot, civil commotion, insurrection, rebellion, revolution, conspiracy, 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.
- (c) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
- (d) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

Any loss resulting from Damage happening during the existence of abnormal conditions (whether physical or otherwise), directly or indirectly, proximately or remotely, occasioned by or contributed to by or arising out of or in connection with any of the said occurrences shall be deemed to be loss not covered by this Takaful, except to the extent that the Takaful Participant shall prove that such 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 is not covered by this Takaful the burden of proving that such loss is covered shall be upon the Participant.

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.

#### **8. CHANGE IN RISK**

The coverage by this Takaful Certificate shall cease if:-

- (a) the Business be wound up or carried an by a Liquidator or Receiver or permanently discontinued; or
- (b) the Participant's interest cease otherwise than by death; or
- (c) any alteration be made either in the Business or in the Premises or property therein whereby the risk of Damage is increased, at any time after the commencement of this Takaful, unless its continuance be admitted by Memorandum signed by or on behalf of the Company.

#### **9. INCREASE IN RISK**

Notice shall be given to the Company and, if required, an additional Takaful Contribution paid, if the rate of Takaful Contribution payable in respect of the Takaful covering the interest of the Takaful Participant in the property at the Premises against Damage shall be increased.

#### **10. CANCELLATION**

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 Participant.

#### **11. CLAIM PROCEDURE**

On the happening of any damage in consequence of which a claim is or may be made under this Takaful Certificate, the Takaful Participant shall forthwith give notice thereof to the Company and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or to diminish the loss and in the event of a claim being made under this Takaful Certificate shall, not later than thirty (30) days after the expiry of the Indemnity Period or within such further time as the Company may in writing allow, at his own expense deliver to the Company in writing a statement setting forth particulars of his claim together with details of all other Takafuls/Takafuls (if any) covering the damage or any part of it or consequential loss or any kind resulting therefrom. The Takaful Participant shall at his own expense produce, procure and give to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably required by or on behalf of the Company for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith. No claim under this Takaful Certificate shall be payable unless the term of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

#### **12. FRAUD**

If the claim be in respect of fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Takaful Participant or any one acting on his behalf to obtain any benefit under this Takaful Certificate; or if the damage be occasioned by willful act, or with the connivance of the Participant; or, if the claim be made rejected and an action or suit be not commenced within three (3) months after such rejection, or (incase of an arbitration taking place in pursuance with the 15th Condition of this Takaful Certificate) within three (3) months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Takaful Certificate shall be forfeited.

#### **13. CONTRIBUTION**

If at the time of any loss under this Takaful Certificate thereby any other subsisting Takaful/Takaful, whether effected by the Takaful Participant or by any other person or persons covering such loss or any part of it, the Company shall not be liable to pay or contribute hereunder more than its rateable portion of such loss.

#### **14. SUBROGATION**

The Takaful Participant shall, at the expenses of the Company, do and concur in doing, and permit to be done, all such acts and things, or 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 any loss under this Takaful Certificate, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

#### **15. ARBITRATION**

If any difference arises as to the amount of any loss such difference shall independently of all other questions 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 disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two (2) calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within two (2) calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator; and in case of disagreement between the Arbitrators, the difference shall be referred to the decision of an Umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the Arbitrators and preside at their meetings. The death of any party shall not revoke or affect the authority or powers of the Arbitrator, or Arbitrators or Umpire respectively; and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The cost of the reference and of the award shall be at the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Takaful Certificate that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss if disputed shall be first obtained.

#### **16. REINSTATEMENT OF SUM COVERED**

In consideration 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.

#### **17. TIME LIMITATION**

In no case whatever shall the Company be liable in respect of any claim under this Takaful Certificate after the expiration of

- (a) One year from the end of the Indemnity Period, or if later,
- (b) Three months from the date on which payment shall have been made or liability admitted by the Insurers covering the Damage giving rise to the said claim,

unless the claim is the subject of pending action or arbitration.

#### **18. MEANING**

This Takaful Certificate and the Schedule annexed (which forms an integral part of this Takaful Certificate) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Takaful Certificate or of the Schedule shall bear such specific meanings wherever they may appear.

#### **19. NOTICE**

Every notice and other communication to the Company required by these conditions must be written or printed.

#### **20. TAKAFUL CONTRIBUTION ALLOCATION**

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 30% 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 Participants in time of misfortune.

#### **21. SURPLUS**

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 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.

## 21. JURISDICTION

This Takaful Certificate and the Proposal or endorsements hereon including the schedules hereto shall be construed in accordance with the laws of Malaysia.

In the event that there is a conflict between a term in the Proposal and a term in the Takaful Certificate herein, the provision in the Takaful Certificate shall prevail in so far as it relates to the matters set forth in the Takaful Certificate.

23. 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.

### **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: 03-27239999

Fax: 03-27239998

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

We will make sure that your case is examined thoroughly. 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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**SPECIFICATIONS WORDINGS**

The use of the following specification wordings is mandatory. However, where a combinations of cover is desired (for example, gross profit with wages on dual basis), the specification wordings may be suitably combined. The use of any other specification wordings other than those specified in this section would require the approval of the Association.

**CL19 GROSS PROFIT DIFFERENCE**

THE COVER UNDER ITEM NO. (as specified in the schedule) is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be :

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the sum produced by applying the rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**GROSS PROFIT** The amount by which the sum of the Turnover, Closing Stock and Work-in-Progress shall exceed the sum of the Opening Stock, Work-in-Progress and the Specified Working Expenses.

N.B. 1 The amount of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

N.B. 2 The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured unless otherwise defined in this specification.

**SPECIFIED WORKING EXPENSES** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**TURNOVER** The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months

<p><b>RATE OF GROSS PROFIT</b>                  The rate of Gross Profit earned on the turnover during the financial year immediately before the date of damage,</p> <p><b>ANNUAL TURNOVER</b>                  The Turnover during the twelve months immediately before the date of the damage</p> <p><b>STANDARD TURNOVER</b>                  The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.</p>	) to which such adjustment shall ) be made as may be necessary ) to provide for the trend of the ) business and for variations in ) or special circumstances affecting ) the business either before or ) after the damage or which ) would have affected the business ) had the damage not occurred ) so that the figures thus ) adjusted shall represent ) as nearly as may be ) reasonably practicable the ) results which but for the ) damage would have been ) obtained during the relative ) period after the damage.
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Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

Premium Adjustment Clause. In the event of the Gross profit (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

**CL20 DUAL WAGES**

THE COVER UNDER ITEM NO. (as specified in the schedule) is limited to loss in respect of Wages and the amount payable as indemnity thereunder shall be:

(a) IN RESPECT OF REDUCTION IN TURNOVER:

- (i) during the Initial Period : the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during such period through reduction in consequence of the damage in the amount of Wages paid.
- (ii) during the remaining portion of the Indemnity Period : the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during period through reduction in consequence of the damage in the amount of Wages paid but not exceeding the sum produced by applying the remainder percentage of the Rate of Wages to the shortage in Turnover during the said remainder portion of the Indemnity Period increased by such amount as is deducted for savings under the terms of Clause (i).

Note: At the option of the Insured the Alternative Period may be substituted for the Initial Period provided that the amount arrived at under the provisions of Clause (a) (ii) shall not exceed such amount as is deducted under Clause (a) (i) for savings effected during the Alternative Period.

b) IN RESPECT OF INCREASE IN COST OF WORKING:

so much of the additional expenditure described in Clause (b) of the relative gross profit item as exceeds the amount payable thereunder:

but not more than the additional amount which would have been payable in respect of Reduction in Turnover under the provisions of Clause (a) (i) and (ii) of this Item had such expenditure not been incurred:

Provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Wages to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable under this Item shall be proportionately reduced.

**DEFINITIONS**

**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

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months.

**INITIAL PERIOD** The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ weeks thereafter.

**REMAINDER PERCENTAGE** \_\_\_\_\_ per cent.

**ALTERNATIVE PERIOD** The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ weeks thereafter.

**WAGES** The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to Wages) of all employees.

<b>RATE OF WAGES</b>	The Rate of Wages to Turnover during the financial year immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or after the damage or circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
<b>TURNOVER</b>	The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.
<b>ANNUAL TURNOVER</b>	The Turnover during the twelve (12) months immediately before the date of the damage.
<b>STANDARD TURNOVER</b>	The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.
<b>SHORTAGE IN TURNOVER</b>	The amount by which the Turnover during a period shall in consequence of the damage fall short of the part of the Standard Turnover which relates to that period.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

Premium Adjustment Clause. In the event of the Wages (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

#### **CL21 GROSS PROFIT ADDITION**

THE COVER UNDER ITEM NO. (as specified in the schedule) is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover:
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure (subject to the provisions of the Uncovered Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Covered Standing Charges as may cease or be reduced in consequence of the damage:

provided that if the Sum Covered by this Item be less than the Sum produced by applying the Rate of Gross Profit to the/annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

#### **DEFINITIONS**

**GROSS PROFIT** The sum produced by adding to the Net Profit the amount of the Covered Standing Charges or if there be no Net Profit the amount of the Covered Standing Charges less such a proportion of any net trading loss as the amount of the Covered Standing Charges bears to all the Standing Charges of the business.

**NET PROFIT** The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Takaful Participant at the premises after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.



**COVERED  
STANDING  
CHARGES**

**TURNOVER** The money paid or payable to the Takaful Participant for goods sold and delivered and for services rendered in course of the business at the premises.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**INDEMNITY PERIOD** months

**RATE OF GROSS PROFIT**  
The rate of Gross Profit earned on the turnover during the financial year immediately before the date of damage, special circumstances ) to which such adjustment ) shall be made as may be ) necessary to provide for ) the trend of the business ) and for variations in or

**ANNUAL TURNOVER**  
The Turnover during the twelve months immediately before the date of the damage ) affecting the business ) either before or after the ) damage or which would have ) affected the business had ) the damage not occurred

**STANDARD TURNOVER**  
The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period. ) so that the figures thus ) adjusted shall represent ) as nearly as may be ) reasonably practicable the ) results which but for the ) damage would have been ) obtained during the ) relative period after the ) damage.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Takaful Participant or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uncovered Standing Charges Clause. If any standing charges of the business be not covered by this Takaful Certificate then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Covered Standing Charges bears to the sum of Net Profit and all the Standing Charges.

Takaful Contribution Adjustment Clause. In the event of the Gross profit (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Participant's Auditors being less than the Sum Covered thereon a pro-rata return of Takaful Contribution not exceeding fifty per cent (50%) of the Takaful Contribution paid on such Sum Covered for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this Takaful Certificate, such return shall be made in respect only of so much of the said difference as is not due to such damage.

**CL22 GROSS REVENUE**

THE COVER UNDER ITEM NO. (as specified in the schedule) is limited to (a) LOSS OF GROSS REVENUE and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF LOSS OF GROSS REVENUE : The amount by which the Gross Revenue during the Indemnity Period shall in consequence of the damage fall short of the Standard Gross Revenue.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction hereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Working Expenses and Standing Charges of the business as may cease or be reduced in consequence of the damage:

provided that if the Sum Covered by this item be less than the Annual Gross Revenue (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

## DEFINITIONS

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** months

**GROSS REVENUE** The money paid or payable to the Takaful Participant in respect of work done and services rendered in the course of the business at the premises, excluding.....

**STANDARD GROSS REVENUE** ) to which, such adjustments  
The Gross Revenue during ) shall be made as may be  
that period in the twelve ) necessary to provide for  
months immediately before ) the trend of the business  
the date of the damage ) and for variation in or other  
which corresponds with the ) circumstances affecting the  
Indemnity Period. ) business either before or

**ANNUAL GROSS REVENUE** ) after the damage or which  
The Gross Revenue during ) would have affected the  
the twelve months) occurred so that the figures ) business had the damage not  
immediately before the ) thus adjusted shall represent  
date of the damage ) as nearly as may be reasonably  
 ) practicable the results which  
 ) but for the damage would have  
 ) been obtained during the  
 ) relative period after the  
 ) damage.

Alternative Trading Clause. If during the Indemnity Period work shall be done or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Takaful Participant or by others on their behalf the money paid or payable in respect of such work or services shall be brought into account in arriving at the revenue during the Indemnity Period.

Premium Adjustment Clause. In the event of the Gross Revenue (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the financial year most nearly concurrent with any period of insurance as certified by the Participant's Professional Accountants being less than the Sum Covered thereon a pro-rata return of Takaful Contribution not exceeding 50 per cent of the Takaful Contribution paid on such Sum Covered for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this Takaful Certificate such return shall be made in respect only of so much of the said difference as is not due to such damage.

### CL23 STANDING CHARGES

THE COVER UNDER ITEM NO. (as specified in the schedule) is limited to loss in respect of COVERED STANDING CHARGES due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate Payable to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure (subject to the provisions of Uncovered Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate Payable to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Covered Standing Charges as may cease or be reduced in consequence of the damage:

provided that if the Stun Covered by this Item be less than the sum produced by applying the Rate Payable to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

### DEFINITIONS NET PROFIT

The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Takaful Participant at the premises after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.

**COVERED  
STANDING  
CHARGES**

The amount for the undermentioned Covered Standing Charges, or if the business is showing a net trading loss the amount of the said Covered Standing Charges less such a proportion of any net trading loss as the amount of the Covered Standing Charges bears to all the Standing Charges of the business.

**LIST OF COVERED  
STANDING  
CHARGES**

**As specified in the schedule**

**TURNOVER**

The money paid or payable to the Takaful Participant for goods sold and delivered and for and for services rendered in the course of the business at the premises.

**INDEMNITY  
PERIOD**

The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY  
PERIOD**

\_\_\_\_\_ months

**RATE PAYABLE**

The percentage that the Covered Standing Charges bears to the Turnover during the financial year immediately before the date of damage,

) to which such adjustment  
) shall be made as may be  
) necessary to provide for  
) the trend of the business  
) and for variations in or  
) special circumstances  
) affecting the business  
) either before or after the  
) damage or which would have  
) affected the business had  
) the damage not occurred so  
) that the figures thus  
) adjusted shall represent as  
) nearly as may be reasonably  
) practicable the results  
) which but for the damage  
) would have been obtained  
) during the relative period  
) after the damage.

**ANNUAL RURNOVER**

The Turnover during the twelve months immediately before the date of damage,

**STANDARD TURNOVER**

The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Takaful Participant or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the Indemnity Period.

Uncovered Standing Charges Clause. If any standing charges of the business be not covered by this Takaful Certificate then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Covered Standing Charges bears to the sum of Net Profit and all the Standing Charges.

**CL24 GROSS RENTAL**

THE COVER UNDER ITEM NO. (as specified in the schedule) is limited to (a) LOSS OF GROSS RENTAL and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF LOSS OF GROSS RENTAL: The amount by which the Gross Rental during the Indemnity Period shall in consequence of the damage fall short of the Standard Gross Rental.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Loss of Gross Rental which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction in Gross Rental thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Gross Rental as may cease or be reduced in consequence of the damage:

provided that if the Sum Covered by this item be less than the Annual Gross Rental (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**GROSS RENTAL**

The money paid or payable to the Takaful Participant by tenants in respect of rental of the Premises.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the Gross Rental shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** months

**STANDARD GROSS RENTAL**  
The Gross Rental during the period corresponding with the Indemnity Period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period ) to which such adjustments ) shall be made as may be ) necessary to provide for ) the trend of the business ) and for variations in or ) other circumstances ) affecting the business ) either before or after the ) damage or which would have ) affected the business had ) the damage not occurred so ) that the figures thus ) adjusted shall represent as ) nearly as may be reasonably ) practicable the results ) which but for the damage ) would have been obtained ) during the relative period ) after the damage.

**ANNUAL GROSS RENTAL**  
The Gross Rental during the twelve months immediately before the date of the damage ) to which such adjustments ) shall be made as may be ) necessary to provide for ) the trend of the business ) and for variations in or ) other circumstances ) affecting the business ) either before or after the ) damage or which would have ) affected the business had ) the damage not occurred so ) that the figures thus ) adjusted shall represent as ) nearly as may be reasonably ) practicable the results ) which but for the damage ) would have been obtained ) during the relative period ) after the damage.

Alternative Trading Clause. If during the Indemnity Period the business shall be conducted elsewhere than at the premises the money paid or payable to the Takaful Participant in respect of rent at such other premises shall be brought into account in arriving at the Gross Rental during the Indemnity Period.

Takaful Contribution Adjustment Clause. In the event of one time the Gross Rental (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Participant's auditors being less than the Sum Covered thereon a pro rata return of Takaful Contribution not exceeding 50 percent of the Takaful Contribution paid on such Sum Covered for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this Takaful Certificate such return shall be made in respect only of so much of the said difference as is not due to such damage.

**CL25 100 % WAGES**

THE COVER ON ITEM NO. (as specified in the schedule) is limited to loss in respect of WAGES due to (a) Reduction in Turnover and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

- a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of Wages to the amount by which the turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure (subject to the provisions of Uncovered Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Wages to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period if Wages shall cease or be reduced in consequence of the damage. It being understood that allowances to employees retained in the Participant's services during the Indemnity Period while unable to work in consequence of the damage shall be treated as wages paid:

provided that if the Sum Covered by this item be less than the sum produced by applying the Rate of Wages to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**WAGES** The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to payroll) of all employees other than those whose remunerations is treated as salaries in the Participant's book of accounts.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** months

**RATE OF WAGES**

The Rate of Wages earned on the Turnover during the financial year immediately before the date of the damage,

- ) to which such adjustments
- ) shall be made as may be
- ) necessary to provide for
- ) the trend of the business
- ) and for variations in or
- ) other circumstances
- ) affecting the business
- ) either before or after the
- ) damage or which would have
- ) affected the business had
- ) the damage not occurred so

**ANNUAL TURNOVER**

The Turnover during the twelve months immediately before the date of the damage,

- ) that the figures thus
- ) adjusted shall represent as
- ) nearly as may be reasonably
- ) practicable the results
- ) which but for the damage
- ) would have been obtained
- ) during the relative period
- ) after the damage.

**STANDARD TURNOVER**

The Turnover during that period in the twelve months immediately before the damage which corresponds with the Indemnity Period.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Takaful Participant or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uncovered Standing Charges Clause. In computing the amount recoverable hereunder as Increase In Cost Of Working, that proportion only of the additional expenditure incurred in respect of the Indemnity Period shall be brought into account which the amount of Wages bears to the sum of Net Profit and all the Standing Charges and Wages.

**CL26 INCREASED COST OF WORKING**

The cover under Item No. (as specified in the schedule) is limited to Increase in Cost of Working and the amount payable as Indemnity thereunder shall be:

The additional expenditure necessarily and reasonably incurred by the Takaful Participant during the Indemnity Period and in consequence of the damage for the sole purpose of avoiding or diminishing a reduction in Turnover or for the purpose of resuming or maintaining normal business operation:

less any sum saved during the Indemnity Period in respect of any revenue expenditure as may cease or be reduced in consequence of the damage:

provided always that the liability of the Company shall not exceed:

- a) in respect of the first month of the Indemnity Period 40 per cent of the amount covered by this item:
- b) in respect of the second month of the Indemnity Period 20 per cent of the amount covered by this item:
- c) in respect of the subsequent months of the Indemnity Period 10 per cent of the amount covered by this item:

but if the expenditure for the first and second month of the Indemnity Period is less than the limits specified above the unexhausted balance may be utilised by the Takaful Participant in the subsequent months of the Indemnity Period.

**DEFINITIONS**

**INDEMNITY PERIOD**

The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD**

\_\_\_\_\_ months

**TURNOVER**

The money (less discount allowed) paid or payable to the Takaful Participant for goods sold and delivered and for services rendered in course of the business at the premises.

**CL27 PRO-RATA WAGES**

THE COVER UNDER ITEM NO. (as specified in the schedule) is limited to loss incurred by the Takaful Participant by the payment of Wages for a period beginning with the occurrence of the damage and ending not later than the Indemnity Period.

The amount payable as indemnity under this item shall be the actual amount which the Takaful Participant shall pay as wages for such period to employees whose services cannot in consequence of the damage be utilized by the Takaful Participant at all and an equitable part of the wages paid for such period to employees whose services cannot in consequence of the damage be utilized by the Takaful Participant to the full:

provided that if the sum covered by this item be less than the aggregate amount of the wages that would have been paid during the Maximum Indemnity Period immediately following the damage had the damage not occurred the amount payable shall be proportionately reduced.

#### DEFINITIONS

**WAGES** The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to payroll) of all employees other than those whose remunerations is treated as salaries in the participant's book of accounts.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ weeks

#### CL28 BOOK DEBTS

The cover under Item no. (as specified in the schedule) is limited to the loss sustained by the Takaful Participant in respect of Book Debts shown in the Participant's record of Account Receivable, directly due to the damage and the amount payable in respect of any one Occurrence of damage shall not exceed:-

- (i) the difference between
  - (a) Book Debts and
  - (b) the total of the amounts received or traced in respect thereof
- (ii) the additional expenditure incurred with the previous consent of the company in tracing and establishing customer's debit balance after the damage;

provided that if the Sum Covered by this Item be less than the Book Debts the amount payable shall be proportionately reduced.

#### DEFINITIONS

**BOOKS DEBTS** The total declared in the statement last given under the provisions of Memo 1 adjusted for:-

- (a) bad debts;
- (b) amount debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customer's account in the period between the date to which said last statement relates and the date of the damage, and
- (c) any abnormal conditional of trade which had or could have had as material effect on the business, so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the damage had the damage not occurred.

**CUSTOMERS' ACCOUNTS** This cover applies to outstanding debit balances derived from accounts of all room guests on credit or otherwise, F & B guest on credit; travel agent on credit; international credit card companies and other trade debtors.

**WARRANTY** It is warranted that the Participant's books of account or other business books or records or computer storage media in which customers' account are shown shall be kept in fire resisting safes and cabinets.

**Memo 1** The Takaful Participant shall within thirty days of the end of each month deposit with the Company a signed statement showing the total amount outstanding in customers' accounts as set out in the Participant's accounts as the end of the said month.

On expiry of each period of Takaful the actual Takaful Contribution shall be calculated at the rate per cent annum on the average amount covered, i.e. the total of the sum declared divided by the number of declarations. If the actual Takaful Contribution shall be less than the First Takaful Contribution (or in the case of the second and subsequent periods of insurance the Annual Contribution) the difference shall be repaid to the Participant, but such repayment shall not exceed one-half of the First or Annual Takaful Contribution respectively.

If the amount of declaration exceeds the Sum Covered applicable at the date of such declarations, then for the purpose of this memorandum only, the Takaful Participant shall be deemed to have declared such Sum Covered.

In consideration of the insurance not being reduced by the amount of any loss the Takaful Participant shall pay the appropriate extra Takaful Contribution on the amount of the loss from the date thereof to the date of the expiry of the period of Takaful.

#### CLAUSES/ENDORSEMENTS & WARRANTIES

The following clauses/endorsements and/or warranties only apply to this Takaful Certificate when specifically mentioned in the Schedule and subject otherwise to the Terms of this Takaful Certificate.

##### **CL01 ACCOUNTANTS' CLAUSE**

Any particulars or details contained in the Takaful Participant's books or documents which may be required by the Company under condition 11 of this Takaful Certificate for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Takaful Participant and their report shall be prima lade evidence of the particulars and details to which such report relates.

##### **CL02 PAYMENT ON ACCOUNT CLAUSE**

Payment on account will be made to the Takaful Participant if desired provided that it is established that the loss is indemnifiable under this Takaful Certificate.

##### **CL03 DEPARTMENTAL CLAUSE**

If the business be conducted in departments the independent trading results of which are ascertainable the provisions of Clauses (a) and (b) of Item 1 of the specifications attached shall apply separately to each Department affected by the damage except that if the Sum covered by the said item be less than aggregate of the Sums produced by applying the rate of Gross Profit for each department of the business (whether affected by the damage or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.

##### **CL04 UPWARD ADJUSTMENT CLAUSE**

In the event of the Gross Profit earned during any annual period of Takaful (or during the accounting period of 12 months more nearly concurrent with any period of Takaful) as certified by the Takaful Participant Auditors being greater than the Sum Covered thereon, the Takaful Participant will be held covered to the extent of (as specified in the policy schedule) % of the Sum Covered thereof and pro-rata additional Takaful Contribution not exceeding (as specified in the Takaful Certificate schedule) % of the Takaful Contribution paid on such Sum Covered for such period of Takaful will be charged in respect of the difference.

NB. The maximum percentage of upward adjustment shall be limited to 25% only. An additional Takaful Contribution calculated at 75% of the upward adjustment percentage shall be imposed. This additional Takaful Contribution shall be treated as provisional, and shall be adjusted in accordance to the actual Gross Profit earned as certified by the Participant's auditors.

##### **CL05 ALTERNATIVE BASIS CLAUSE**

It is agreed and declared that in the event of a claim, adjustment may be based on 'Turnover or Output' whichever affords the most equivalent result, and except in the definition of turnover the word 'Turnover' wherever used in this Takaful Certificate shall read as 'Turnover or Output'. 'Output' shall mean sale value of goods manufactured by, or sold by, the Takaful Participant in the course of the Business at the Premises, provided that: (a) only one such meaning shall be operative in connection with any one occurrence involving damage as within defined. (b) if the meaning set out in this Clause be used, the Alternative Trading Clause shall be held to be altered to read as follows:

Alternative Trading Clause

If during the Indemnity Period goods shall be manufactured elsewhere than at the Premises affected by the damage for the benefit of the Business either by the Takaful Participant or by others on the Participant's behalf the sale value of the goods so manufactured shall be brought into account in arriving at the output during the Indemnity Period.

##### **CL06 SALVAGE SALES CLAUSE**

If, following damage giving rise to a claim under this Takaful Certificate, the Takaful Participant shall hold a salvage sale during the Indemnity Period, Clause (a) of Item No. 1 of the specification attached shall for the purpose of such claim read as follows:

- a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall in consequence of the damage, fall short of the Standard Turnover from which sum shall be deducted from the Gross Profit actually earned during the period of the salvage sale.

##### **CL07 MATERIAL DAMAGE PROVISO WAIVER CLAUSE**

It shall not be a condition precedent to liability in respect of interruption or interference in consequence of strud or damage that the payment shall have been made or liability admitted under the Takaful covering the interest of the Takaful

Participant in the property at the premises against such destruction or damage if no such payment shall have been made nor liability admitted solely owing to the operation of a proviso in such Takaful excluding liability for losses below a specified amount.

**CL08 INTERDEPENDENCY CLAUSE**

It is hereby expressly declared and agreed that if damage to any of the joint Participant's premises/property should result in another of the Takaful Participant suffering a reduction in turnover or increase in cost of working then such loss is deemed to be covered by this Takaful Certificate notwithstanding that no material damage was sustained by the latter premises/property.

**CL09 ACCUMULATION OF STOCK CLAUSE**

In adjusting any loss account shall be taken and an equitable allowance made if any shortage of turnover due to the damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods in warehouses and/or depots.

**CL10 NEW BUSINESS CLAUSE**

For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises, the terms 'Rate of Gross Profit', 'Annual Turnover' and 'Standard Turnover' shall bear the following meanings and not as within stated: Rate of Gross Profit

The rate of gross profit earned on the turnover during the ) to which such adjustment shall be made as  
Period of between the commencement of the business ) may be necessary to provide for the trend of  
and the date of the damage ) the business and the variations in or special

Annual Turnover

The proportional equivalent for the period of twelve ) circumstances affecting the business either  
months of the turnover realized during the period ) before or after the damage or which would  
between the commencement of the business and the ) have affected the business had the damage  
date of the damage ) not occurred, so that the figures thus adjusted  
shall represent as nearly as may be )  
Standard Turnover ) reasonably practicable the result which but for  
The proportional equivalent for a period equal to the ) the damage would have been obtained during  
Indemnity Period, of the Turnover realized during the ) the relative period after the damage

period between the commencement of the business and the date of the damage After twelve months of trading have been completed the normal specification wording operates.

**CL11 SPECIFIED SUPPLIERS' PREMISES**

In consideration of the payment of an additional Takaful Contribution which is included in the Takaful Contribution hereon it is hereby agreed and declared that, subject to the conditions of the Takaful Certificate, loss Takaful Participant by this Takaful Certificate resulting from interruptions of or interference with the business on consequence of damage (as within defined) to property at the Fire Consequential Loss Takaful Certificate — Page 5 of 16 undernoted situations shall be deemed to be loss resulting from damage to property used by the Takaful Participant as the premises.

Provided that the liability under this memorandum in respect of any one location under each Item(s) shall not exceed the percentage of the sum covered thereunder shown against each situation.

**CL12 UNSPECIFIED SUPPLIERS' PREMISES**

In consideration of the payment of an additional Takaful Contribution which is included in the Takaful Contribution hereon it is hereby agreed and declared that, subject to the conditions of the Takaful Certificate, loss Takaful Participant by this Takaful Certificate resulting from interruptions of or interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by the Takaful Participant at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed (as specified in the Takaful Certificate schedule) percentage of the sum covered thereunder.

Situations: As specified in the Takaful Certificate schedule

The premises situated in Malaysia, Singapore or Brunei of the Participant's suppliers, manufacturers or processors of components, goods and materials.

**CL13 SPECIFIED CUSTOMERS' PREMISES**

In consideration of the payment of an additional Takaful Contribution which is included in the Takaful Contribution hereon it is hereby agreed and declared that subject to the conditions of the Takaful Certificate, loss as Takaful Participant by this Takaful Certificate resulting from interruption or interference with the business in consequence of damage (as within defined) to property at any premises in Malaysia, Singapore or Brunei of the customer(s) as specified in the Takaful



Certificate schedule shall be deemed to be loss resulting from damage to property used by the Takaful Participant at the premises.

Provided that if the percentage shown against the name of the Customer as specified in the Takaful Certificate schedule at whose premises damage has occurred shall be less than the percentage of the annual turnover derived by the Takaful Participant from the customer, the amount otherwise payable under the terms of this memorandum in respect of that customer shall be proportionately reduced.

#### **CL14 PREVENTION OF ACCESS**

In consideration of the payment of an additional Takaful Contribution which is included in the Takaful Contribution hereon it is hereby agreed and declared that subject to the conditions of the Takaful Certificate, loss as Takaful Participant by this Takaful Certificate resulting from interruption of or interference with the business in consequence of damage by Takaful Participant peril (as within defined) to property in the vicinity of the Participant's premises which shall prevent or hinder the use thereof or access thereto, whether the premises or property of the Takaful Participant therein shall be damaged or not, shall be deemed to be loss resulting from damage to property used by the Takaful Participant at the premises.

#### **CL15 PUBLIC UTILITIES**

In consideration of the payment of additional Takaful Contribution it is hereby declared that subject to the conditions of the Takaful Certificate loss as Takaful Participant by this Takaful Certificate resulting from interruption of or interference with the business consequent upon failure of public supplies of electricity/water/gas resulting from a damage as defined in the Takaful Certificate at any:

- generating station or substation of the public electricity supply undertaking,
- land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith,
- water works or pumping station of the public water supply undertaking.

from which the Takaful Participant obtains electricity/water/gas shall be deemed to be loss resulting from damage to property used by the Takaful Participant at the premises. Any transmission lines or pipes feeding to the Participant's premises are not included.

A deliberate act of the supply undertaking not performed for the purpose of safeguarding life or protecting the system and rationing not necessitated solely by accidental damage to the supply undertaking's equipment are excluded.

PROVIDED that the Company shall not be liable for any loss Takaful Participant by this extension unless failure of the public supplies of electricity/water/gas exceeds a period of seventy-two (72) hours and the liability of the Company under this extension shall apply only to such period in excess of seventy-two (72) hours.

#### **CL16 INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENT**

It is hereby agreed and declared that the Takaful of this Takaful Certificate is extended to cover contingencies hereunder specified:

- (i) Infectious or contagious disease manifested by any person whilst in the Premises
- (ii) Murder or suicide or pest occurring at the Premises
- (iii) Injury or illness sustained by any person arising from or traceable to foreign injurious matter in the food or drink provided on the Premises
- (iv) Defects in the drains and other sanitary arrangements at the Premises which directly and solely results in the restriction of use of the Premises (whether total or partial) by the order of the competent public authority.

Any interruption of or interference with the Business of the Takaful Participant in accordance with the provisions herein contained in the Schedule shall be deemed to be DAMAGE as herein defined, Special Conditions

- 1) Notifiable Disease shall mean illness sustained by any person resulting from:—
  - a) food or drink poisoning, or
  - b) any human infectious or human contagious disease [ Acquired Immune Deficiency Syndrome (AIDS)] an outbreak of which the competent local authority has stipulated shall be notified to them.
- 2) For the purpose of this memorandum Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident, beginning:
  - a) in the case of (i) and (iv) above, with the date of the occurrence or discovery
  - b) in the case of (ii) and (iii) above, with the date from which the restrictions on the Premises are applied Fire Consequential Loss Takaful Certificate — Page 6 of 16 and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean months Premises shall mean only those locations stated in the Premises definition; in the event that the Takaful Certificate includes an extension which deems loss destruction or damage at other locations lobe an Incident such extension shall net apply to this memorandum.

- 3) The Company shall not be liable under this memorandum for any costs incurred in the cleaning, repair, replacement, recall or checking of property.
- 4) The Company shall only be liable for that loss arising at those Premises which are directly affected by the occurrence discovery or accident,
- 5) The Company liability under this memorandum shall not exceed the amount as specified in the Takaful Certificate schedule in any one period of Takaful, after the application of all other terms and conditions of the Takaful Certificate.

#### **CL17 RIOT STRIKE AND MALICIOUS DAMAGE**

In consideration of an additional contribution, the Company hereby agree and declare that the Takaful under \* this Takaful Certificate shall extend to cover Riot and Strike Damage which for the purpose of this Endorsement shall mean (subject to the Special Conditions hereinafter contained):-

Loss of or damage to 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 6 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 willful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-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.

It is hereby declared further that notwithstanding anything in the within written Takaful Certificate contained to the contrary, the Takaful under this Takaful Certificate shall extend to cover Malicious Damage which for the purpose of this extension shall mean:-

Loss of or 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 Special Condition 6 of the Endorsement but the Company shall not be liable under this extension for any loss or damage by fire or explosion nor for any loss or damage arising out of or in the course of burglary, housebreaking, theft or larceny or any attempt thereat or caused by any person taking part therein.

**Note:** If certain items only of the Takaful Certificate are to be covered against Riot and Strike, insert the words "items.....of" and "under the items hereinbefore referred to but none other" at \* and \*\* respectively.

#### **SPECIAL CONDITIONS**

For the purposes of this Endorsement but not otherwise there shall be substituted for the respectively numbered Conditions of the Takaful Certificate the following:-

##### **Condition 5**

This Takaful does not cover:-

- a) Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
- b) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
- c) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- d) Loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.

PROVIDED nevertheless that the Company is not relieved under (c) or (d) above of any liability to the Takaful Participant in respect of physical damage to the property covered occurring before dispossession or during temporary dispossession.

### **Condition 6**

This Takaful does not cover any 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 proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.
- c) Acts or terrorism committed by a person or persons acting on behalf of or in connection with any organization.

For the purpose of this Condition, "terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

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 Participant.

### **Condition 8**

Unless otherwise expressly stated in the Takaful Certificate this Takaful does not cover:-

- a) Goods held in trust or on commission.
- b) Bullion or unset precious stones.
- c) Any curiosity or work of art for an amount exceeding RM500.00.
- d) Manuscripts, plans, drawings or designs, patterns, models or moulds.
- e) Securities, obligations, or documents of any kind, stamps, coined or paper money, cheques, books or accounts or other business books, or computer systems records.
- f) Explosives.

### **Condition 11**

This Takaful may at any time be terminated by the Company on notice to that effect being given to the Participant, 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 cancelment. If the Takaful be terminated at the request of the Takaful Participant the Company shall not be liable to repay the Takaful Contribution or any part of it except in so far as the Takaful applies to stocks in respect of which the Company shall retain a Takaful Contribution calculated according to its customary prorate scale for the time the said Takaful has been in force.

### **Condition 20**

If the property hereby covered shall at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril covered against by this Endorsement be collectively of greater value than the sum covered thereon, then the Takaful Participant shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss accordingly. Every item, if more than one, of the Takaful Certificate shall be separately subject to this condition.

PROVIDED that it is hereby further expressly agreed and declared that:-

- 1) All the Conditions of this 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 above Special Conditions and any reference to fire in the Conditions of the Takaful Certificate shall be deemed to include the perils hereby covered against.
- 2) The Special Conditions herein shall apply only to the Takaful granted by this extension and the Conditions of the Takaful Certificate shall apply in all respects to the Takaful granted by the Takaful Certificate as if this Endorsement had not been made thereon.

### **CL30 AUDITORS' FEES CLAUSE**

The Takaful under this Takaful Certificate is limited to reasonable fees payable by the Takaful Operator to their Auditors for producing and certifying any particulars or details contained in the Takaful Participant's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company under the terms of condition 11 of this Takaful Certificate.

**CL31 ADDITIONAL INCREASE COSTS OF WORKING**

The Takaful under this Takaful Certificate is limited to such further additional expenditure beyond that recoverable under clause (b) on gross profit and on wages/payroll as the Takaful Participant shall necessarily and reasonably incur during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing the reduction in turnover.

**FW26 TAKAFUL CONTRIBUTION WARRANTY (60 DAYS)**

It is fundamental and absolute special condition of this contract of Takaful that the Takaful Contribution due must be paid and received by the 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 purpose of this warranty and the onus of proving the Takaful Contribution payable was received by a person, including a Takaful 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.

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

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.

**XXX WAKALAH**

"Wakalah" refers to a contract where a party, as principal (muwakkil) authorizes another party as his agents (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee. In the context of Takaful IKHLAS, the wakalah contract involves a fee (wakalah bi al-ujrah) to be paid to Takaful IKHLAS.

