

# IKHLAS GOODS IN TRANSIT TAKAFUL CERTIFICATE

**WHEREAS** the Participant by a Proposal and Declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to **Takaful Ikhlas Berhad** (hereinafter called "Company") for the Takaful hereinafter contained and has paid or agreed to pay the First Contribution as consideration for such Takaful.

**NOW THIS CERTIFICATE WITNESSETH** that if during the Period of Takaful the Property whilst in or on or being loaded on or unloaded from any road vehicle or passenger or goods train or whilst temporarily housed in the ordinary course of transit whether on or off the said conveyances within the Territorial Limits shall be lost destroyed or damaged by Fire Theft or Accidental Means, then the Company shall indemnify the Participant in respect of such loss destruction or damage but not exceeding the Limits of Liability specified in the Schedule or the amount declared in the Schedule on each item of the Property Participant in respect of such transit.

**PROVIDED** that if the total value of the Property in transit exceeds the Limit of Liability shall be considered as being his own Insurer for the difference and shall bear a rateable share of the loss destruction or damage accordingly.

## EXCEPTIONS

The Company shall not be liable in respect of :-

1. loss or destruction of or damage to livestock explosives goods of a dangerous nature tobacco cigarettes cigars wines spirits radios televisions tape recorders furs watches clocks jewellery gold and silver articles precious metals and stones bullion cash bank notes stamps deed bonds securities bills of exchange documents manuscripts or plans.
2. destruction of or damage to china glass earthenware pictures scientific instruments statuary marble or plasterwork unless caused by fire theft an accident to the conveyance or an object falling on to the conveyance loss of any liquid gas or goods from containers by leakage or spilling unless caused by fire an accident to the conveyance or an object falling on to the conveyance.
4. loss destruction or damage caused by delay or inherent vice or nature of the subject matter Participant weather atmospheric conditions ordinary leakage ordinary loss in weight wear and tear vermin insufficiency or unsuitability of packing hooks delay loss of market depreciation or deterioration or consequential loss of any kind.
5. loss destruction or damage whilst the property is temporarily housed in the course of transit for the purpose of storage making up packing or processing.
6. loss destruction or damage occasioned by or happening through volcanic eruption subterranean fire earthquake or other convulsion of nature war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power riot strike or civil commotion.
7. loss destruction or damage occasioned by or happening through confiscation nationalisation detention requisition or wilful destruction by any government public municipal local or customs authority.
8. theft or pilferage in which any employee of the Participant is concerned as principal or accessory.
9. loss destruction or damage directly or indirectly caused by or contributed to by or arising from
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel nor any consequential loss and for the purposes of this exception combustion shall include any self-sustaining process of nuclear fission
  - (b) nuclear weapons material
10. loss of or damage to the goods which are stolen from any unattended conveyances.

## CONDITIONS

1. This Certificate and the Schedule shall be read together as one contract and any word or expression to which a specified meaning has been attached in any part of this Certificate or of the Schedule shall bear such specific meaning wherever it may appear.
2. Every notice or communication to be given or made under this Certificate shall be delivered in writing to the Head Office or any Branch Office of the Company from which this Certificate was issued and notice or knowledge of anything relating to the Certificate or any claim hereunder shall not be deemed to be notice to or within the knowledge of the Company unless so given and no alteration in the terms of this Certificate nor any endorsement hereon will be held valid unless the same is signed or initialled by an authorised representative of the Company.

3. The Participant shall take all reasonable precautions for the safety of the property and shall act with reasonable despatch in all circumstances within their control.

When the property is carried on any vehicle or trailer owned or operated by the Participant then the Participant shall exercise all care and diligence in the selection of steady trustworthy sober and competent drivers and shall see that all vehicles or trailers are overhauled periodically and kept in a proper and efficient state of repair.

4. On the happening of any event giving rise or likely to give rise to a claim under this Certificate coming to his knowledge the Participant shall:
  - (a) give immediate notice thereof in writing to the Company stating the circumstances of the claim and as soon as possible and in any event within thirty days of such notice deliver to the Company a statement in writing with all particulars and details reasonably practicable of the property affected and the value thereof and of the loss destruction or damage
  - (b) take immediate steps to minimise the damage and recover any missing property and give notice to any Third Party who had custody of the property or who may be responsible for loss destruction or damage.
  - (c) if the claim be one for theft give immediate notice to the Police.

5. If at the time of the happening of any loss destruction or damage covered by this Certificate there shall be any other Takaful covering the same risk whether effected by the Participant or not then the Company shall not be liable to pay more than their rateable proportion of the loss destruction or damage.

6. The Company may by notice in writing to the Participant under registered letter to his last known address give seven days notice of their intention to terminate this Certificate returning on demand a proportion of the contribution corresponding to the unexpired period of Takaful.

7. The Participant shall not without the consent in writing of the Company incur any expense whether by litigation or otherwise or make any payment offer promise settlement arrangement or admission of liability in respect of any claim for which the Company may be liable under this Certificate. The Company shall in respect of anything Participant under this Certificate be entitled to take over and conduct in the name of the Participant at their own expense and for their own benefit any claim for indemnity or otherwise against any persons and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Participant shall give all such information and assistance as the Company may require.

The Company shall be entitled to reinstate repair or replace the property lost destroyed or damaged as the case may be instead of paying the amount of the loss destruction or damage. Upon the payment of any claim for loss under this Certificate the property in respect of which such payment is made shall belong to the Company.

9. All differences arising out of this 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 so to do by either of the parties or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an Award shall be a condition precedent to any right of action against the Company. The costs of and connected with the arbitration shall be in the discretion of the Arbitrators Arbitrator or Umpire. If the Company shall disclaim liability to the 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.

10. The due observance and fulfilment of the terms provisions conditions and endorsements of this Certificate by the Participant in so far as they relate to anything to be done or complied with by him 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 Certificate.

11. This Takaful may be terminated at any time at the request of the 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 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.

12. Payment of the Takaful Contribution paid by the 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 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.

13. At each financial year-end, the Actuary will assess the surplus position of the Risk 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 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 Participant is less than RM10 per 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.

13. This Certificate and the Proposal all 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 Certificate herein, the provision in the Certificate shall prevail in so far as it relates to the matters set fourth in the Certificate.

14. Our charges exclude tax that would be imposed by the government and/or the authority in the future (including Goods and Services Tax (GST)). Upon implementation of the GST, we shall be entitled to recover the GST from you in respect of this Takaful Certificate that is required under the law.

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

**G01 MEMORANDUM**

As per attached schedule

**G02 UNATTENDED VEHICLE CLAUSE**

The certificate does not cover any loss or damage to the property covered against theft of pilferage or any attempt thereat whilst the conveyance is left unattended in any public place or is laid up or temporarily stored in any garage or similar premises unless the theft or pilferage is the result of actual forcible and violent breaking into or out of the conveyance bearing visible marks made on the conveyance at the place of such entry or exit by tool, explosives, electrical appliances, chemicals or any other equipment or devices or committed by any person or persons concealed therein with intention to commit such theft or pilferage.

**G03 INLAND TRANSIT (ALL RISKS) CLAUSE**

Warranted held covered against all risks of loss and/or damage irrespective of percentage whilst in transit by road and/or rail and/or river, canal or inland waterway including transit by craft and/or ferry across the Straits of Johore or from the island of Penang to the Mainland.

Risks to commence from the time of dispatch from the Participant's warehouse and/or store and/or premises at the place named in the Certificate for the commencement of the transit and to expire on delivery to the consignee's premises at the destination named in the certificate.

Excluding

1. Loss, damage or expense caused by or arising out of inherent vice or the nature of the property covered or from loss market.
2. Loss or damage arising out of mechanical and electrical derangement unless caused by the collision and/or overturning and/or derailment and/or stranding and/or burning and/or sinking of the conveyance.
3. Loss or damage arising as the consequence of hostilities or warlike operations (whether there be a declaration of war or not), civil war, revolution, rebellion, insurrection, civil strife arising therefrom, or piracy.
4. Loss or damage caused by strikers, locked out workmen or persons taking part in labour disturbances riots or civil commotions.

Warranted free from liability for loss of or damage to goods whilst in the custody or care of any carrier or other bailee who may be liable for such loss or damage but only to the extent of such carrier's or bailee's liability.

**G04 COINSURANCE/COTAKAFUL LEADER CLAUSE**

It is hereby declared and agreed notwithstanding anything contained in the within 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 Participant shall sustain loss or damage in the circumstances provided for by this Certificate Indemnify the Participant in the manner herein described:

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

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

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

Subject otherwise to the terms and conditions of this Certificate.

#### **G05 STRIKE, RIOT AND CIVIL COMMOTION**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Certificate or endorsed thereon, and subject to the Participant having paid the agreed extra contribution this 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 minimising 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 minimising 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 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 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 Certificate shall apply in all respects to the coverage granted by the 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 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 organisation 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 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 Participant's last known address, in which case the Company shall be liable to repay a rateable proportion of the 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 Certificate shall be limited by twice the limit of indemnity any one occurrence.

#### **G06 LOSS NOTIFICATION**

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 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 Participant.
- d. the Company's right to recover (in the name of the 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 Certificate.

#### **G07 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 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 Participant.

Subject otherwise to the terms, conditions and exceptions of the certificate.

#### **G08 INLAND TRANSIT CLAUSE (LORRY CLAUSE)**

This Certificate covers loss of or damage to the interest covered hereby whilst in ordinary or customary course of transit, occasioned by the carrying vehicle or conveyance being on fire, derailed, overturned or in collision, struck by lightning or other accident to the vehicle or conveyance such as involuntarily leaving the road and breakdown of bridges.

Warranted free from all claims occasioned by loss of market, delay or deterioration.

Warranted that no liability shall attach to the Company under this Certificate in respect of goods lost or damage whilst in custody of the Railway, or other carrier unless a claim provisional or otherwise has been lodged in writing by the Participant against the Railway or other Carrier concerned within the period prescribed by the contract of carriage.

Company to be entitled to any amount recovered from the carriers or others in respect of claims (less cost of recovery, if any) up to the amount paid by them in respect of such claims.

**WARRANTED NO LIABILITY FOR LOSS OR DAMAGE ARISING OUT OF THEFT, PILFERAGE OR NON-DELIVERY TO ATTACH HERETO UNLESS NOTICE OF SURVEY HAS BEEN GIVEN TO THE COMPANY'S AGENTS WITHIN THREE DAYS OF THE EXPIRY OF RISK UNDER THE CERTIFICATE.**

**G09 TERMINATION OF TRANSIT CLAUSE (TERRORISM)**

**This Clause shall be paramount and shall override anything contained in this Takaful inconsistent therewith.**

1. Notwithstanding any provision to the contrary contained in this Certificate or the Clauses referred to herein, it is agreed that in so far as this Certificate covers loss of or damage to the subject matter covered by any terrorist or any person acting from political motive, such cover is conditional upon the subject matter covered being in the ordinary course of transit and in any event **SHALL TERMINATE:**  
  
either
  - 1.1 As per the transit clauses contained within the Certificate.  
  
or
  - 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,
  - 1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Participant elect to use either for storage other than in the ordinary course of transit or for allocation or distribution.  
  
or
  - 1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge over side of the goods hereby covered from the oversea vessel at the final port of discharge.
  - 1.5 in respect of air transit, on the expiry of 30 days after unloading the subject matter covered from the aircraft at the final port of discharge, whichever shall first occur.
2. If this Certificate or the Clauses referred to herein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.
3. This clause is subject to English law and practice.

**G10 CONTRIBUTION WARRANTY**

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

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

Where the 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 contribution payable was received by a person, including a Takaful agent, who was not authorised to receive such contribution shall lie on the Company.

Subject otherwise to the terms and conditions of this Certificate.

**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**

Telephone: 03-27239999

Fax No: 03-27239998

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

We will make sure that your case is examined thoroughly. In the event that you are still not satisfied, you must address your complaint to the following entities for investigation into unfair market practices by Takaful operators/ Insurers.

<b><i>Financial Mediation Bureau</i></b> <i>Level 25, Dataran Kewangan Darul Takaful No 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur. Tel : 03-2272 2811 Fax : 03-2274 5752 E-mail address : <a href="mailto:enquiry@fmb.org.my">enquiry@fmb.org.my</a></i>	<b><i>Contact Centre (BNMTELELINK)</i></b> <i>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></i>
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