

# **IKHLAS FIRE TAKAFUL CERTIFICATE**

## **SALAM SEJAHTERA AND THANK YOU**

For choosing Takaful IKHLAS as your Fire cover Takaful provider.

## **INTRODUCTION**

The Takaful Participant and the Company hereby agree that:

1. The Proposal shall be incorporated and be the basis of the Takaful Certificate.
2. The Takaful Participant agrees to pay the Takaful Contribution in accordance with the Schedule.
3. The Proposal Form completed fully and faithfully shall be a condition precedent to any liability of the Company.
4. The Takaful coverage is subjected to the terms of this Takaful Certificate including provisions in respect of territorial limits and the Period of Takaful coverage specified in the Schedule.
5. The relationship between the Company and the Takaful Participant in this Takaful Certificate shall be governed by, and interpreted in accordance with Malaysian Law.

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## **DEFINITIONS**

Under this Takaful Certificate:

1. “**Benefits**” means the amount the Company will pay from the Risk Fund for a legitimate claim under this Takaful Certificate based on the Benefits description in the Schedule.
2. “**the Company**” means Takaful Ikhlas Berhad, its successors or assigns.
3. “**Consequential Loss**” means financial loss.
4. “**Covered Event**” means one of the Perils listed under this Takaful Certificate.
5. “**Depreciation**” means the reduction in the value of the item or property due to Wear and Tear.
6. “**Endorsement**” means written alteration to the terms, conditions and limitations of this Takaful Certificate which is shown on the Schedule.
7. “**Excess**” means the amount the Takaful Participant must pay towards a claim before the Company pays. The amount will be stated on the Schedule or in any selected Optional Perils.
8. “**Fixtures and Fittings**” means items that are permanently attached to building of the Takaful Participant.
9. “**Flood**” means the overflowing or deviation from their normal channels of either natural or artificial water courses, bursting or overflowing of public water mains and any other flow or accumulation of water originating from outside the building.
10. “**General Risk Investment Account (GRIA)**” means the account where initial remittance of the Takaful Participant’s Takaful Contribution for a General Takaful product is made.
11. “**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.
12. “**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.

13. **“Indemnity”** means putting the Takaful Participant back to the Takaful Participant’s same financial position immediately before the loss.
14. **“Market Value”** means the value of the property covered at the time of loss or damage less allowance for Wear and Tear and/or Depreciation.
15. **“Open”** means anywhere at the Premise not fully enclosed by walls and a roof and which is not able to be secured, also any outbuildings on the Premise if such buildings are not able to be secured.
16. **“Perils”** means the source of the misfortune or disaster that causes damage to the covered property.
17. **“Period of Takaful”** means the period of Takaful shown in the Schedule.
18. **“Personal Effects”** means personal items regularly worn or carried on the person for his/her personal use, for example clothing, watch, wallet.
19. **“Premise”** means the land at the address shown on the Schedule on which the building is built.
20. **“Proposal”** means the Proposal signed by the Takaful Participant and other information that the Takaful Participant or anyone acting on behalf of the Takaful Participant has given to the Company.
21. **“Qard”** shall mean interest-free loan method.
22. **“Risk Fund”** means a pool of fund based on the concept of Tabarru’ providing mutual protection and indemnity among the Takaful Participants.
23. **“Schedule”** means the Takaful Certificate Schedule where both the covered items and Sum Covered are specified.
24. **“Sum Covered”** shall mean the amount the Takaful Participant has covered on the Takaful Participant’s property as shown on the Schedule.
25. **“Tabarru”** means donation for the purpose of solidarity and cooperation among the Takaful Participants and to be used to help Takaful Participants in times of misfortune. In the context of Takaful IKHLAS, Tabarru’ will be allocated into the Risk Fund.
26. **“Takaful”** means a scheme based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to the Takaful Participants in case of need whereby the Takaful Participants mutually agree to contribute for that purpose.
27. **“Takaful Certificate”** means consisting at all Proposals and Schedules attached hereto and annexed together with this Takaful Certificate shall be complementary with one another.
28. **“Takaful Contribution”** means any amount the Company requires the Takaful Participant to pay to participate in a Takaful plan.
29. **“the Takaful Participant”** means the person named in the Schedule as “the Participant”.
30. **“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.
31. **“Warranties”** means either restriction or obligation that the Takaful Certificate imposes on the Takaful Participant. A breach of a warranty will entitle the Company to reject the claim for loss or damage or liability.
32. **“Wear and tear”** means damage or a reduction in value through age, ordinary use or lack of maintenance.

## **COVERING CLAUSE**

In respect of Covered Event occurring during the Period of Takaful and subject to limitations, exclusions and conditions contained or endorsed in the Takaful Certificate, the Company will pay or reinstate or repair for loss or damage to the covered property caused by fire or lightning.

## **CONDITIONS**

The Proposal including all future or subsequent Proposal or Schedule thereof shall be read together and shall form as an integral part of this Takaful Certificate. Any word or expression to which a specific meaning has been attached in any part of the Proposal, in the Schedule, or the Takaful Certificate shall bear such meaning wherever it may appear.

### **1. NOTICE**

Every notice or communication to be given or made under this Takaful Certificate shall be delivered in writing to the Head Office or any Branch Office of the Company. No changes in this Takaful Certificate shall be valid unless approved by the Company and duly endorsed by an authorized representative of the Company.

### **2. MISDESCRIPTION**

If there be any material misdescription of any of the property hereby covered, or of any building or place in which such property is contained, 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 so far as it relates to property affected by any such misdescription, misrepresentation or omission.

### **3. 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 Takaful Participant.

### **4. NOTICE OF OTHER TAKAFUL/ INSURANCE**

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

### **5. OTHER TAKAFUL/ INSURANCE**

If there are any other Takaful/ Insurance covering the same or part of the same loss, damage or liability, the Company will only pay a share of the total loss, damage or liability proportionally.

### **6. FALLEN BUILDINGS OR DISPLACEMENT**

All Takaful under this Takaful Certificate

- (1) on any building or part of any building,
- (2) on any property contained in any building,
- (3) on rent or other subject matter of Takaful in respect of or in connection with any building or any property contained in any building,

shall cease immediately upon any fall or displacement

- (a) of such building or of any part thereof,
- (b) of the whole or any part of any range of buildings or of any structure of which such building forms part,

PROVIDED that 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 leave such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material.

AND PROVIDED that such fall or displacement is not caused by fire, loss or damage by which is covered by this Takaful Certificate or would be covered if such building, range of buildings or structure were covered under this Takaful Certificate.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon the Takaful Participant.

## **7. ALTERATIONS AND REMOVALS**

Under any of the following circumstances the Takaful ceases to attach as regards the property affected unless the Takaful Participant, before the occurrence of any loss or damage, obtains the sanction of the Company signified by Endorsement upon the Takaful Certificate, by or on behalf of the Company.

- (a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building covered or containing the covered property be changed in such a way as to increase the risk of loss or damage by fire.
- (b) If the building covered or containing the covered property becomes unoccupied and so remains for a period of more than thirty (30) days.
- (c) If property covered be removed to any building or place other than that in which it is herein stated to be covered.
- (d) If the interest in the property covered pass from the Takaful Participant otherwise than by will or operation of law.
- (e) If a notice to quit by any order by the local Authorities for the requisition or acquisition of the land on which the Takaful Participant's property is situated has been issued.

## **8. CANCELLATION**

This coverage under the Takaful Certificate may be cancelled at any time at the request of the Takaful Participant, in which case the Company will refund the pro rata Takaful Contribution for the unexpired period of cover. This Takaful under the Takaful Certificate may also be cancelled for any reasons whatsoever 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 not be liable to repay for the losses incurred on the same basis as described earlier.

Note: A handling fee of RM10.00 will be charged in the event of cancellation made by the Takaful Participant.

## **9. CLAIM NOTIFICATION**

On the happening of any loss or damage the Takaful Participant shall forthwith give notice thereof to the Company and shall within thirty (30) days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company

- (a) A claim in writing for the loss and damage containing a particular an account as may be reasonably practicable of all the several articles or items of property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage, not including profit of any kind.

- (b) Particulars of all other Takaful/Insurance, if any.

The Takaful Participant shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the fire and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company 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 terms of this Condition have been complied with.

## **10. EXTENSIONS**

The coverage under this Takaful Certificate extends to include:

- (a) wages of the Takaful Participant's employees other than full-time members of a Works Fire Brigade.
- (b) the cost of replacement of fire fighting appliances and destruction of or damage to materials (including employees' clothing and Personal Effects) unless otherwise specifically covered.
- (c) fire brigade charges.

PROVIDED always that the liability of the Company in respect of such wages, costs and charges shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the property covered by this Takaful Certificate or immediately threatening to involve such property.

## **11. TOTAL SUM COVERED**

The liability of the Company shall in no case exceed in respect of each item the coverage amount expressed in the Schedule thereon or in the whole the total Sum Covered hereby or such other sum or sums as may be substituted therefore by endorsement hereon or attached hereto signed by or on behalf of the Company.

## **12. RIGHTS OF ENTRY**

On the happening of any loss or damage to any of the property covered by this Takaful Certificate, the Company may:-

- (a) Enter and take and keep possession of the building or Premise where the loss or damage has happened.
- (b) Take possession of or require to be delivered to it any property of the Takaful Participant in the building or on the Premise at the time of the loss or damage.
- (c) Keep possession of any such property and examine, sort, arrange, remove, or otherwise deal with the same.
- (d) Sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Condition shall be exercisable by the Company at any time until notice in writing is given by the Takaful Participant that he makes no claim under the Takaful Certificate or, if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Takaful Participant or diminish its right to rely upon any of the conditions of this Takaful Certificate in answer to any claim.

If the Takaful Participant or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of its powers hereunder, all Benefits under this Takaful Certificate shall be forfeited.

The Takaful Participant shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

### **13. FRAUD**

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Takaful Participant or any one acting on his behalf to obtain any Benefit under this Takaful Certificate; or, if the loss or damage be occasioned by the wilful act, or with the connivance of the Takaful Participant; or, if the claim be made and rejected and an action or suit be not commenced within three (3) months after such rejection, or (in the case of an Arbitration) 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.

### **14. REINSTATEMENT AND REPLACEMENT**

The Company may at its option reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other Takaful Operators or Insurers in so doing; but the Company shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, nor more than the Sum Covered by the Company thereon.

If the Company so elect to reinstate or replace any property the Takaful Participant shall, at his own expense, furnish the Company with such plans, specifications, measurements, quantities, and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view to reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby covered, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

### **15. MARKET VALUE**

The Company will indemnify the Takaful Participant the covered value or the market value of the covered property whichever is lower subject to the deduction of any Excess.

The Market Value shall be determined by a valuation obtained by the Company from the:

- (a) Manufacturer; or
- (b) Authorized sole agent or agent; or
- (c) Authorized broker, authorised distributor; or
- (d) Building contractor; or
- (e) Loss adjuster licensed under Takaful Act 1984; or
- (f) Registered Valuer under the Valuers and Appraisers Act 1981 to be mutually appointed by both the Takaful Participant and the Company.

The valuation so obtained shall be conclusive in any legal proceedings against the Company.

## **16. SUBROGATION**

The Company is entitled to undertake in the Takaful Participant's name and on the Takaful Participant's behalf:

- (a) the full conduct, control and settlement of any proceedings;
- (b) recover compensation or secure Indemnity from any third party in respect of anything covered by this Takaful Certificate.

at the Company's own expense and benefit.

## **17. AVERAGE**

If the Market Value of the property covered at the time of any loss is collectively of higher value than the Sum Covered stated in the Schedule, then the Takaful Participant will be responsible for the difference and bear a proportional share of the loss. The sharing of proportional loss will apply separately to each item covered.

## **18. REINSTATEMENT OF LOSS**

After a loss, the full Sum Covered of this Takaful shall be maintained.

The Takaful Participant is required to pay an additional pro rata Takaful Contribution based on the amount of loss calculated from the date of loss to the expiry of the Period of Takaful.

## **19. ARBITRATION**

Any difference on the amount of any loss of damage between the Takaful Participant and the Company shall be referred to an Arbitrator who shall be appointed in writing by the Takaful Participant and the Company. In case the Takaful Participant and the Company are unable to agree on a single Arbitrator, within two (2) months of being required in writing to do so by either party, then the Takaful Participant and the Company shall be entitled to appoint an Arbitrator each who shall appoint an Umpire to preside over their meetings. However, one (1) party is at liberty to appoint a sole Arbitrator, should the other party within two (2) months of the written notice fail to appoint the other Arbitrator.

The costs of arbitration and awards shall be decided by the Arbitrator, Arbitrators or Umpire.

The Takaful Participant and the Company clearly agree that the awards by the Arbitrator, Arbitrators or Umpire shall be obtained first before the Takaful Participant can commence legal proceedings on the Company.

## **20. LIMITATION**

In no case whatever shall the Company be liable for any loss or damage after the expiration of twelve (12) months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

## **21. TAKAFUL CONTRIBUTION ALLOCATION**

Payment of the Takaful 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 Takaful Participants in time of misfortune.

## 22. 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 Takaful Participant. If the amount due to Takaful Participant is less than RM30 per Takaful Certificate, the amount shall be retained in the Risk Fund.

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

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

## EXCLUSIONS

1. This Takaful Certificate is not intended to and does not cover:
  - (a) Loss by theft during or after the occurrence of a fire.
  - (b) Loss or damage to property occasioned by its own fermentation, natural heating or spontaneous combustion (except as may be provided in accordance with Exclusion 2(f)) or by its undergoing any heating or drying process.
  - (c) Loss or damage occasioned by or through or in consequence of the burning of property by order of any public authority.
  - (d) Loss or damage occasioned by or through or in consequence of subterranean fire.
  - (e) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
  - (f) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this exclusion only, combustion shall include any self-sustaining process of nuclear fission.
2. 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.
  - (d) Manuscripts, plans, drawings, or designs, patterns, models or moulds.
  - (e) Securities, obligations, or documents of any kind, stamps, coins or paper money, cheques, books of account or other business books, or computer systems records.
  - (f) Coal, against loss or damage occasioned by its own spontaneous combustion.



- (g) Explosives.
- (h) Any loss or damage occasioned by or through or in consequence of explosion; but loss or damage by explosion of domestic boilers and gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works, will be deemed to be loss by fire within the meaning of this Takaful Certificate.
- (i) Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, lalang, prairie, pampas or jungle, and the clearing of lands by fire.

3. 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) Earthquake, volcanic eruption or other convulsion of nature.
- (b) Typhoon, hurricane, tornado, cyclone or other atmospheric disturbance.
- (c) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war.
- (d) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
- (e) 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 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 occurrences shall be deemed to be loss or damage which is not covered by this Takaful, except to the extent that the Takaful Participant shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

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

4. This Takaful coverage does not cover any liability for:

Loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property covered caused by

- (a) pollution or contamination which itself results from a contingency hereby covered against.
- (b) any contingency hereby covered against which itself results from pollution or contamination.

5. This Takaful coverage does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is covered by or would, but for the existence of this Takaful Certificate, be covered by any Marine Takaful Certificate or Policies except in respect of any Excess beyond the amount which would have been payable under the Marine Takaful Certificate or Policies had this Takaful not been effected.

## **APPLICABLE WARRANTY**

This Takaful Certificate is subject to the following Warranties:

- **Restriction of Merchandise Warranty**

No part of the Premise should be used for the manufacture or deposit or storage of merchandise during the Period of Takaful.

- **Takaful Contribution Warranty**

Takaful Contribution due to the Company must be paid and received by the Company within sixty (60) days from the inception date of this Takaful Certificate or Endorsement/ renewal Takaful Certificate.

If the condition is not complied, this Takaful Certificate shall be automatically cancelled and the Company shall be entitled to the pro-rated Takaful Contribution for the period the Company provides the cover.

Where the Takaful Contribution payable is received by the Company's authorised agent, the payment is deemed to be received by the Company for the purposes of this warranty.

The onus of proving that the Takaful Contribution payable was received by a person, including a Takaful agent who was not authorised to receive such Contribution, shall lie with the Company.

Note: There are other Perils Clauses/ Endorsements and/or Warranties which are only applicable to this Takaful Certificate when they are specifically mentioned in the Schedule and subject otherwise to the terms of this Takaful Certificate.

**THIS TAKAFUL CERTIFICATE AND ITS CONDITIONS SHOULD BE EXAMINED IMMEDIATELY UPON RECEIPT HEREOF BY THE TAKAFUL PARTICIPANT AND IF INCORRECT RETURNED AT ONCE FOR ALTERATION. AND THE TAKAFUL PARTICIPANT CONTINUANCE SUBSCRIPTION OF THE TAKAFUL COVERAGE PLANS DEEMED AS THE TAKAFUL PARTICIPANT ACCEPTANCE AND AGREE TO BE BOUND AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS TAKAFUL 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**

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> (formerly known as Financial Mediation Bureau) 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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## **CLAUSES**

The following clauses only apply to this Takaful Certificate when specifically mentioned in the Schedule and subject otherwise to the terms of this Takaful Certificate.

### **FC1. TEMPORARY REMOVAL CLAUSE**

#### **a) Contents of Private Dwellings**

The property covered under (item(s) .... of) this Takaful Certificate is covered whilst temporarily removed including whilst in transit but remaining in Malaysia, the Republic of Singapore or Brunei Darussalam for an amount not exceeding 15% of the Sum Covered under (each item of) this Takaful Certificate.

The amount recoverable under this extension in respect of (each item of) the Takaful Certificate shall not exceed the amount which would have been recoverable had the loss occurred in the Premise from which the property was temporarily removed.

This extension does not apply to property in so far as it is otherwise covered nor to property removed for sale or exhibition or to a furniture depository.

**N.B.** The words in brackets may be omitted where appropriate.

#### **b) Other Property Excluding Stock-in-Trade and Merchandise**

The property covered under item(s) ..... of this Takaful Certificate is covered (limited to 10% of the Sum Covered) whilst temporarily removed including whilst in transit for cleaning, renovation, modification, repair or other similar purpose, elsewhere on the same or to any other Premise and in transit thereto and therefrom by road, rail, or inland waterway, all in Malaysia, the Republic of Singapore or Brunei Darussalam.

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

This extension does not apply to property if and so far as it is otherwise covered, nor does it apply to items covering stock and merchandise of every description, nor as regards losses occurring elsewhere than at the Premise from which the property is temporarily removed to:-

- i) Motor Vehicles and Motor Chassis.
- ii) Property (other than machinery and plant) held by the Takaful Participant in trust.

### **FC2. REMOVAL OF DEBRIS**

#### **a) Removal of Debris (with separate Sum Covered)**

The Takaful coverage by this item is in respect of costs and expenses necessarily incurred by the Takaful Participant with the consent of the Company in the:

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

of the portion or portions of the property covered by this Takaful Certificate destroyed or damaged by fire or by any other Peril hereby covered against. (Items (b) and (c) above are deemed to be deleted when neither buildings nor machinery are covered).

The Company will not pay any costs or expenses:

- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
- (ii) arising from pollution or contamination of property not covered by this Takaful Certificate.

**(c) Removal of Debris (without separate Sum Covered)**

The Takaful coverage on Item(s) No(s) ..... hereby covered includes costs and expenses necessarily incurred by the Takaful Participant with the consent of the Company in the:

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

of the portion or portions of the property covered by the said Item(s) above of this Takaful Certificate destroyed or damaged by fire or by any other Peril hereby covered against. (Items (b) and (c) above are deemed to be deleted when neither buildings nor machinery are covered).

The amount payable for such costs and expenses shall not exceed 10% of the Sum Covered of each Item or Ringgit Malaysia two million (RM2,000,000) in aggregate any one loss, whichever is lower.

The Company will not pay any costs or expenses:

- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
- (ii) arising from pollution or contamination of property not covered by this Takaful Certificate.

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

**FC3. ARCHITECT'S, SURVEYOR'S AND CONSULTANT'S FEES**

**a) Architect's, Surveyor's, Engineer's and Consultant's Fees (with separate sum covered) applicable to item(s) no(s):**

The Takaful coverage by this item(s) is in respect of Architect's, Surveyor's and Consulting Engineer's fees for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property covered consequent upon its destruction or damage by fire or other Peril hereby covered against, but not such fees for preparing any claim hereunder. The amount payable for such fees shall not exceed those authorised under the scales of the Associations of the respective professions prevailing at the time of destruction or damage, subject to the limit of the Sum Covered on this item(s).

**b) Architect's Surveyor's, Engineer's and Consultant's Fees (without separate sum covered)**

The Takaful coverage on buildings, plant and machinery hereby covered includes Architect's, Surveyor's and Consulting Engineer's fees for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property covered consequent upon its destruction or damage by fire or any other Peril hereby covered against, but not such fees for preparing any claim hereunder. The amount payable for such fees shall

not exceed those authorised under the scales of the Associations of the respective professions prevailing at the time of destruction or damage, subject to the Company's maximum liability for any loss damage and fees not exceeding the Sum Covered against each item.

#### **FC4. OTHER CONTENTS CLAUSE**

It is agreed that the term "Other Contents" in so far as they are not otherwise covered is understood to include:-

- a) Money and stamps not otherwise specifically covered for an amount not exceeding RM .....
- b) Documents, manuscripts and business books but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing up, and not for the value to the Takaful Participant of the information contained therein and for an amount not exceeding RM ..... in respect of any one documents, manuscript or business book.
- c) Computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Takaful Participant of the information contained therein for an amount not exceeding RM.....
- d) Patterns, models, moulds, plans and designs, for an amount not exceeding RM ..... in respect of any one pattern, model, mould, plan or design.
- e) Employees' pedal cycles, clothing, tools and other Personal Effects for an amount not exceeding RM ..... in respect of any one employee.

**Note:** The monetary limit of RM1,000 maximum for items (a) to (e) are obligatory. Paragraph (e) may be omitted entirely if it is not desired to insure such property.

#### **FC5. CAPITAL ADDITIONS CLAUSE**

The Takaful coverage hereby extends to cover alterations, additions and improvements (but not appreciation in value in Excess of the Sum Covered) to property specified in (Item(s) No(s) ..... of) this Takaful Certificate for an amount not exceeding in respect of each item 10% of the Sum Covered by each item or RM1,000,000 per location whichever is the lesser.

The Takaful Participant undertakes to advise the Company every three (3) months of such alterations, additions and improvements and to pay the appropriate additional Takaful Contribution thereon.

The Clause is inoperative if the declaration of such alterations, additions and improvements is not received by Takaful Operators within 90-days from the date of such alterations, additions and improvements.

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

**Note:** In the event that there is more than one location, then the limit may be increased to RM2,000,000, this amount being the aggregate limit for all the locations.

#### **FC6. MORTGAGEE (CHARGE) CLAUSE**

##### **A. Mortgagee (Charge) Clause 1**

Loss, if any, payable to ..... as Mortgagee (Charge) as interest may appear in this Takaful, as to the interest of the Mortgagee (Charge) only therein, shall not be invalidated by any act or neglect of the Mortgagor (Chargor) or the Owner of the within described property nor any foreclosure or other proceedings or notice of sale relating to the property or by the occupation of the Premise for purposes more hazardous than are permitted by this Takaful

Certificate, or by the non-occupation thereof, or by any other increase of risk taking place in the property covered hereunder, Provided that in case the Mortgagor (Chargor) or Owner shall neglect to pay any Takaful Contribution due under this Takaful Certificate the Mortgagee (Chargee) shall on demand pay the same. Provided also that the Mortgagee (Chargee) shall notify the Company of any non-occupancy or any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the said Mortgagee (Chargee) and unless permitted by this Takaful Certificate it shall be noted thereon and the Mortgagee (Chargee) shall on demand pay the Takaful Contribution for such increased hazard for the term thereof otherwise this Takaful Certificate shall be null and void.

And it is further agreed that whenever the Company shall pay the said Mortgagee (Chargee) any sum in respect of loss or damage under this Takaful Certificate and shall claim that as to the Mortgagor (Chargor) or Owner no liability therefor existed, the Company shall become legally subrogated to all the rights of the Mortgagee (Chargee) to the extent of such payment but not so as to impair the right of the said Mortgagee (Chargee) to recover the full amount of any claim it may have on such Mortgagor (Chargor) or Owner or on any other party or parties covered hereunder of from any securities or funds available.

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

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

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

#### **B. Mortgagee (Chargee) Clause 2**

It is hereby agreed that this Takaful coverage {as to the interest of the Mortgagee (Chargee)} shall not be invalidated by any change of occupancy or increase of risk taking place in the property covered without the knowledge of the Mortgagee (Chargee) provided that the Mortgagee (Chargee) shall immediately on the same coming to his knowledge, give notice thereof to the Company and pay the additional Takaful Contribution (if any) which may be required by the Company from the date of such increase of risk.

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

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

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

### **FC7. CONTRACT PRICE**

Notwithstanding anything to the contrary contained in Condition 15 of the Takaful Certificate, it is hereby declared and agreed that in respect only of goods sold but not delivered for which the Takaful Participant is responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of the fire or any other Peril hereby covered against, either wholly or to the extent of the loss or damage, the liability of the Company shall be based on the contract price, and for the purpose of calculating the venue of all goods to which this clause would in the event of destruction or damage be applicable the same basis shall be used.

### **FC8. FOUNDATION EXCLUSION**

The Takaful coverage on Building(s) excludes that part of any building below the under\* surface of its lowest floor (and those parts of the concrete foundations for machinery which extend above such level).

**Note 1:** \* "upper" may be substituted for "under".

**Note 2:** The words in brackets may be omitted.

#### **FC9. RENT**

**(a) Rent (applicable to owner non-occupier of the Premise)**

On..... months rent covered. Sum Covered: RM .....

This Takaful coverage on Rent applies only if (any of) the said buildings(s) or any part thereof is unfit for occupation in consequence of fire or any other Peril hereby covered against and the amount payable shall not exceed such proportion of the Sum Covered on Rent as the period necessary for reinstatement or repairs bears to the total number of months of Rent covered.

**(b) Rent (applicable to owner-occupier of the Premise)**

On..... months expenses covered. Sum Covered: RM .....

This Takaful coverage on Rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of fire or any other Peril hereby covered against and the amount payable shall be the reasonable additional expenses necessarily incurred by the Takaful Participant in renting an alternative Premise elsewhere. Provided that the total amount payable shall not exceed such proportion of the expenses covered as the period necessary for reinstatement or repairs bears to the total number of months expenses covered.

#### **FC10. COMPUTER SYSTEMS RECORDS**

Computer systems records are covered only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value of the information contained therein.

#### **FC11. DESIGNATION CLAUSE**

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

#### **FC12. PAWNBROKERS**

In the event of destruction or damage to pledged goods by fire or any other Peril hereby covered against the amount payable shall not exceed the amount advanced by the Takaful Participant on such goods plus 25% and the value of all goods which this clause applies shall be calculated on the same basis.

#### **FC13. ESCALATION CLAUSE**

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

<b>Item Number</b>	<b>Specified Percentage Increase per Annum</b>




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

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

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

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

**FC14. COTAKAFUL AND LEADER CLAUSE**

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

<b>Company</b>	<b>Takaful Certificate No.</b>	<b>Proportion</b>	<b>Signature</b>

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

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

**FC15. AUTOMATIC RENEWAL CLAUSE**

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

**FC16. REINSTATEMENT VALUE CLAUSE**

Notwithstanding anything to the Contrary contained in Condition 15 of the Takaful Certificate, it is hereby declared and agreed that in the event of the property covered under (items Nos ..... of) the within Takaful Certificate being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the Takaful Certificate is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the covered property when new, subject to the following Special Provisions and subject also to the terms and conditions of the Takaful Certificate except insofar as the same may be varied hereby.

### **SPECIAL PROVISIONS**

1. The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Takaful Participant subject to the liability of the Company not being thereby increase) must be commenced and carried out with reasonable despatch and in any case must be completed within twelve (12) months after the destruction or damage, or within such further time as the Company may (during the said twelve (12) months) in writing allow otherwise no payment beyond the amount which would have been payable under the Takaful Certificate if this memorandum had not been incorporated therein shall be made.
2. Until expenditure has been incurred by the Takaful Participant in replacing or reinstating the property destroyed or damaged the Company shall not be liable for any payment in Excess of the amount which would have been payable under the Takaful Certificate if this memorandum had not been incorporated therein.
3. If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property covered has been destroyed exceeds the Sum Covered thereon 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 Takaful Certificate, then the Takaful Participant shall be considered as being his own Takaful Operator for the Excess and shall bear a rateable proportion of the loss accordingly. Each item of the Takaful Certificate (if more than one) to which this Memorandum applies shall be separately subject to the foregoing provision.
4. This Memorandum shall be without force or effect if:-
  - a) The Takaful Participant fails to intimate to the Company within six (6) months from the date of destruction or damage, or such further times as the Company may in writing allow, his intention to replace or reinstate the property destroyed or damaged.
  - b) The Takaful Participant is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.
5. No payment beyond the amount which would have been payable under the Takaful Certificate if this memorandum had not been incorporated therein shall be made if at the time of any destruction or damage to any property covered hereunder such property shall be covered by any other Takaful effected by or on behalf of the Takaful Participant which is not upon the identical basis of reinstatement set forth therein.

### **FC16A. REINSTATEMENT VALUE (STRATA TITLED PROPERTY) CLAUSE**

Notwithstanding anything to the contrary contained in Condition 15 of the Takaful Certificate, it is hereby declared and agreed that in the event of the property covered under (items nos....) of the within Takaful Certificate being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the Takaful Certificate is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the covered property when new, subject to the following Special Provisions and subject also to the terms and conditions of the Takaful Certificate except insofar as the same may be varied hereby.

### **SPECIAL PROVISIONS**

- 1) The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Takaful Participant subject to the liability of the

Company not being thereby increase) must be commenced and carried out with reasonable despatch and in any case must be completed within twelve (12) months after the destruction or damage, or within such further time as the Company may (during the said twelve (12) months) in writing allow otherwise no payment beyond the amount which would have been payable under the Takaful Certificate if this clause had not been incorporated therein shall be made.

- 2) Until expenditure has been incurred by the Takaful Participant in replacing or reinstating the property destroyed or damaged the Company shall not be liable for any payment in Excess of the amount which would have been payable under the Takaful Certificate if this clause had not been incorporated therein.
- 3) If the Sum Covered at the breaking out of any fire or at the commencement of any destruction or damage to the property by any other Peril hereby covered against be less than 85% of the sum representing the cost at the time of replacement or reinstatement which would have been incurred in replacement or reinstatement if the whole of the property covered had been destroyed then the Takaful Participant shall be considered being is own Takaful operator for the difference between the Sum Covered and the sum representing the full cost at the time of replacement or reinstatement which would have been incurred in replacement or reinstatement if the whole of the property covered had been destroyed and shall bear a rateable proportion of the loss accordingly. Every item, if more than one of the Takaful Certificate shall be separately subject to this Special Provision.
- 4) This clause shall be without force or effect if:-
  - a) The Takaful Participant fails to intimate to the Company within six (6) months from the date of destruction or damage, or such further time as the Company may in writing allow, his intention to replace or reinstate the property destroyed or damaged.
  - b) The Takaful Participant is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or upon another site.
- 5) No payment beyond the amount which would have been payable under the Takaful Certificate if this clause had not been incorporated therein shall be made if at the time of any destruction or damage to any property covered hereunder such property shall be covered by any other Takaful effected by or on behalf of the Takaful Participant which is not upon the identical basis of reinstatement set forth therein.
- 6) In the event that the Company is liable to make any payment (other than payment representing the cost of replacing or reinstating the property destroyed or damaged) under the provisos of this clause the Company shall only make such payment in accordance with the Strata Titles Act, 1985 and the Strata Titles (Federal Territory of Kuala Lumpur) Rules, 1988 and/or its subsequent amendments.

## **FC17. REINSTATEMENT - DAY ONE BASIS**

### **Memorandum**

#### **Day One Basis (Non-Adjustable) Memorandum applicable to Item(s) No(s) ..... (Buildings and/or Machinery)**

1. Notwithstanding anything to the contrary contained in Condition 15 of the Takaful Certificate, it is hereby declared and agreed that the Takaful Participant having stated in writing the Declared Value incorporated in such item to which this Memorandum applies, the Takaful Contribution has been calculated accordingly.

"Declared Value" shall mean the Takaful Participant's assessment of the cost of replacement or reinstatement of the property covered arrived at in accordance with the opening paragraph of the Reinstatement Value Memorandum, at the level of costs applying at the inception of the

Period of Takaful (ignoring inflationary factors which may operate subsequently) together with, insofar as the Takaful by the item provides, due allowance for :-

- (i) the additional cost of reinstatement to comply with Public Authority requirements,
  - (ii) professional fees,
  - (iii) debris removal costs.
2. At the inception of each Period of Takaful the Takaful Participant shall notify the Takaful Operators of the Declared Value of the property covered by each of the said item(s). In the absence of such declaration the last amount Declared by the Takaful Participant shall be taken as the Declared Value for the ensuing Period of Takaful.
3. Notwithstanding any general indication or endorsement to the contrary the following wording applies to Special Provision 3 of the Reinstatement Value Clause:-
3. If at the time of loss the Declared Value of the property covered by such item be less than the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum) at the inception of the Period of Takaful then the Takaful Operators's liability for any loss hereby shall be limited to that proportion hereof which the Declared Value bears to the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum). Each item of the Takaful Certificate (if more than one) to which this Memorandum applies shall be separately subject to the foregoing provision.

and the following new Special Provision 6 is incorporated into the Reinstatement Value Clause

6. Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the Takaful Certificate if this Memorandum had not been incorporated therein the rights and liabilities of the Takaful Operators and the Takaful Participant in respect of the destruction or damage shall be subject to the terms and conditions of the Takaful Certificate including any Conditions of Average therein, as if this memorandum had not been incorporated therein except that the sums covered shall be limited to 120% of the Declared Value.

## **Memorandum**

### **Day One Basis (Adjustable) Memorandum applicable to Item(s) No(s)..... (Buildings and/or Machinery)**

1. The Takaful Participant having stated in writing the Declared Value incorporated in each item to which this Memorandum applies, the Takaful Contribution has been calculated accordingly.
- "Declared Value" shall mean the Takaful Participant's assessment of the cost of replacement or reinstatement of the property covered arrived at in accordance with the opening paragraph of the Reinstatement Value Clause, at the level of costs applying at the inception of the Period of Takaful (ignoring inflationary factors which may operate subsequently) together with, insofar as the Takaful by the item provides, due allowance for:-
- (i) the additional cost of reinstatement to comply with Public Authority requirements,
  - (ii) professional fees,
  - (iii) debris removal costs.
2. At the inception of each Period of Takaful the Takaful Participant shall notify the Takaful Operators of the Declared Value of the property covered by each of the said item(s). In the absence of such declaration the last amount declared by the Takaful Participant shall be taken as the Declared Value for the ensuing Period of Takaful.

3. The Takaful Contribution thereon is provisional. On expiry of each Period of Takaful the Takaful Contribution shall be adjusted by 50% of the difference between:-
  - (i) the provisional Takaful Contribution at the commencement of the period and
  - (ii) the Takaful Contribution calculated at the terms which have applied during the period under adjustment based on the Declared Value for the subsequent Period of Takaful.
  
4. For purposes of paragraph 3 of this Memorandum only:-
  - (i) if the Takaful Certificate (or any item thereof) is cancelled or not renewed the Takaful Participant shall provide the Declared Value of the property covered by each of the said item(s) calculated in accordance with paragraph 1 of this Memorandum but at the level of costs applying at the date of cancellation or non-renewal,
  - (ii) where property has not been reinstated following loss the Takaful Participant shall provide the Declared Value as though the property had not been damaged or destroyed,
  - (iii) where a declaration of the Declared Value is not submitted to the Takaful Operators an additional Takaful Contribution of 10% of the provisional Takaful Contribution shall become payable.
  
5. Notwithstanding any general indication or endorsement to the contrary the following wording applies to Special Provision 3 of the Reinstatement Value Clause:-
  3. If at the time of loss the Declared Value of the property covered by such item be less than the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum) at the inception of the Period of Takaful then the Takaful Operator's liability for any loss hereby shall be limited to the proportion hereof which the Declared Value bears to the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum). Each item of the Takaful Certificate (if more than one) to which this Memorandum applies shall be separately subject to the foregoing provision.

and the following new Special Provision 6 is incorporated into the Reinstatement Value Clause.

6. Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the Takaful Certificate if this Memorandum had not been incorporated therein the rights and liabilities of the Takaful Operators and the Takaful Participant in respect of the destruction or damage shall be subject to the terms and conditions of the Takaful Certificate including any Conditions of Average therein, as if this Memorandum had not been incorporated therein expect that the sums covered shall be limited to 120% of the Declared Value.

#### **FC18. REINSTATEMENT IN COMPLIANCE WITH THE REQUIREMENT OF PUBLIC AUTHORITIES**

Notwithstanding anything to the contrary contained in Condition 15 of the Takaful Certificate, it is hereby declared and agreed that the Takaful by (Item No.....of) this Takaful Certificate extends to include such additional cost of reinstatement of the destroyed or damaged property thereby covered as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Government Act or Bye-Laws of any Municipal or Local Authority provided that:-

- 1) The amount recoverable under this Extension shall not include:-
  - a) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws :-
    - i) in respect of destruction or damage occurring prior to the granting of this extension,

- ii) in respect of destruction or damage not covered by the Takaful Certificate,
  - iii) under which notice has been served upon the Takaful Participant prior to the happening of the destruction or damage.
  - iv) in respect of undamaged property or undamaged portions of property.
- b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen;
  - c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
- 2) The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve (12) months after the destruction or within such further time as the Company may (during the said twelve (12) months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Company under this extension not being thereby increased.
  - 3) If the liability of the Company under (any item of) the Takaful Certificate apart from this extension shall be reduced by the application of any of the terms and conditions of the Takaful Certificate then the liability of the Company under this extension (in respect of any such item) shall be reduced in like proportion.
  - 4) The total amount recoverable under any item of the Takaful Certificate shall not exceed the Sum Covered thereby.
  - 5) All the conditions of the Takaful Certificate except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

## **FC19. DECLARATION TAKAFUL CERTIFICATES**

### **Special Conditions For Declaration Takaful Certificates**

- 1) In consideration of the Takaful Contribution by this Takaful Certificate being provisional in that it is calculated on 75% of the Sum Covered hereby and is subject to adjustment on expiry of each Period of Takaful:-

The Takaful Participant agrees to declare to the Company in writing the value of his stocks, less any amount covered by Takaful Certificates other than Declaration Takaful Certificates, on the following basis namely .....(insert the appropriate wording in accordance with Rule 1.25.5 of Section 1) and to make such declaration within thirty (30) days of the .....(insert the appropriate day or date) of each calendar month, such declaration to be signed by the Takaful Participant or by a responsible person authorised to sign on his behalf.

If other Takaful Certificates on a declaration basis cover the stock hereby covered the declarations shall be made so as to apportion to each Takaful Certificate a share of the value of the stocks covered under such Declaration Takaful Certificates, pro-rata to the respective amounts named in the Takaful Certificates.

In the event of a declaration not being made within the thirty days mentioned above then the Takaful Participant shall be deemed to have declared the Sum Covered hereby as the value at risk.

On the expiry of each Period of Takaful the Takaful Contribution shall be calculated at the rate applicable on the average Sum Covered, namely, the total of the values declared or deemed to have been declared divided by the number of declarations due to have been made. If the resultant Takaful Contribution be greater than the provisional Takaful Contribution the Takaful Participant shall pay the difference; if it be less the difference shall be repaid to the Takaful Participant but such repayment shall not exceed 50% of the provisional Contribution.

- 2) The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the market value immediately anterior to the loss.
- 3) If at the time of any loss, there be any other subsisting Takaful or insurances on other than a declaration basis, whether effected by the Takaful Participant or by any other person or persons, covering the stocks hereby covered, this Takaful Certificate shall apply only to the Excess of the value of such stocks at the time of the loss over the Sum Covered by such Takaful or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such Excess (or, if there be other declaration Takaful covering the same stocks, a rateable proportion of such Excess), but not exceeding the Sum Covered hereby, bears to the total value of the stocks.
- 4) If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Takaful Participant shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.
- 5) In the event of a loss occurring the Takaful Participant undertakes to pay extra Takaful Contribution on the amount of any loss pro rata from the date of such loss to the expiry of the Period of Takaful, the Takaful Contribution being calculated at the rate applicable to the stocks destroyed and such extra Takaful Contribution shall not be taken into account in, and shall be distinct from, the final adjustment of Contribution.
- 6) In the event of this Takaful Certificate being cancelled by the Takaful Participant during its currency (whether stocks exists or not) the Takaful Contribution to be retained by the Company shall be the appropriate short period Takaful Contribution calculated on the average amount covered up to the date of cancelment, or 50% of the provisional Takaful Contribution whichever is the greater; but if the Takaful Certificate is cancelled by the Takaful Participant after a loss has occurred the Takaful Contribution to be retained by the Company shall be the pro-rata proportion of the Takaful Contribution calculated on the average amount covered up to the cancelment plus the pro-rata proportion of the Takaful Contribution from the date of loss to the expiry of the Period of Takaful on the amount of the loss paid, or 50% of the provisional Takaful Contribution whichever is the greater.
- 7) It is warranted that every other Takaful Certificate on a declaration basis covering the stocks covered hereby shall be indetical in wording with this Takaful Certificate.
- 8) This Takaful is subject in all respects to the printed conditions of the Takaful Certificate except in so far as they may be varied by these Special Conditions.

## **FC20. TEMPORARY STORAGE CLAUSE**

The property (excluding buildings) covered under this Takaful Certificate is covered whilst temporarily stored anywhere in Malaysia, Brunei Darussalam and Singapore PROVIDED that:-

- a) the period of temporary storage shall not exceed sixty (60) days.
- b) the liability of the Company is limited to 10% of the total Sum Covered or RM500,000 whichever is the lower for property covered under this clause.
- c) the Company shall not be liable for any loss or damage to the property whilst in transit (including the processes of loading and unloading incidental to such transit).

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

#### **FC27. INTERNAL REMOVAL CLAUSE**

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

#### **FC28. OUTBUILDING CLAUSE**

The Takaful coverage by each item under buildings is understood to include walls, gates and fences, small outbuildings, extensions, annexes, exterior staircase, fuel installations, steel or iron frameworks and tanks in the said Premise and the Takaful by each item under Contents extends to include the contents of each outbuilding.

#### **FC29. APPRAISEMENT CLAUSE**

If the aggregate claim for any one loss does not exceed RM5,000 or 5% of the Sum Covered whichever is the lesser amount by the item or items affected no special inventory or appraisal of the undamaged property shall be required.

If two (2) or more buildings be included in a single item, this provision shall apply to the range of buildings and/or contents by the item or items affected.

#### **FC30. VEHICLE LOAD CLAUSE**

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

#### **FC31. ALTERATIONS AND REPAIRS CLAUSE**

Notwithstanding Condition 7(a), workmen are allowed on or about the covered property to carry out alterations and repairs provided the trade, manufacture, nature of occupation and/or construction of the building remains unchanged.

#### **FC32. AGGREGATE CONDITION OF AVERAGE CLAUSE**

It is hereby noted and agreed that notwithstanding the declaration of individual Sum Covered within the Takaful Certificate, Takaful Certificate Condition 17 of this Takaful Certificate will apply as though reference to property therein is in respect of all properties of the same covered at the same location covered therein. Accordingly, the sentence "Every item, if more than one, of the Takaful Certificate shall be separately subject to this condition" appearing in the text of Condition 17 is deemed to have been deleted.

#### **FC33. AGREED VALUE ENDORSEMENT FOR ART OBJECTS/PAINTINGS, ANTIQUES AND SUCH LIKE ITEMS**



It is hereby declared and agreed that in the event of the undernoted item(s) of property covered being totally lost, destroyed or damaged by any Peril covered against, the liability of the insurers shall not exceed the corresponding agreed value stated in the schedule below :-

<b>Property Covered</b>	<b>Agreed Value</b>

Notwithstanding anything contained in this Takaful Certificate to the contrary, where any covered items consist of articles in a pair or set, the Company shall not be liable to pay more than the proportionate value of any particular parts which may be lost, without reference to any special value which such article or articles may have as part of such pair or set.

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

**FC34. OTHER TAKAFUL CLAUSE**

It is understood and agreed that the Takaful Participant shall be deemed to have complied with Condition 4 of this Takaful Certificate provided that he has declared to the company the total amount of Takaful effected with other Takaful Companies on the property hereby covered.

**FC35. PAIRS AND SETS CLAUSE**

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

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

**FC36. FLOATING TAKAFUL**

**(a) Specified locations**

The stocks covered under (item.. of) this Takaful Certificate is subject to a floating Sum Covered declared hereon against all the locations as specifically described in the Schedule.

Provided always the Company's maximum liability shall not exceed the floating Sum Covered stated in the Schedule for which the item is covered.

Note: (i) The Takaful Contribution charged thereon shall be calculated based on the highest amongst the rates applicable to the said locations concerned.

**(b) Unspecified locations**

The stocks covered under (item.....of) this Takaful Certificate is subject to a floating Sum Covered declared hereon all the locations owned and/or occupied by the Takaful Participant anywhere in Malaysia.

Provided always that:-

- (i) there shall be a minimum of ten (10) locations covered under this item in the Takaful Certificate.
- (ii) the Sum Covered any one location shall not exceed the limit of RM500,000.

In the event of any loss or damage, the Company's maximum liability shall not exceed the sum of RM500,000 for any one of the unspecified location and the floating Sum Covered declared hereon in respect of all the unspecified locations covered under the Takaful Certificate.

Note : (i) The total Sum Covered floating for the unspecified locations shall be greater than RM500,000

(ii) The Takaful Contribution charged is subject to a 25% loading on the highest rate applicable on the Takaful Certificate.

**(c) Unspecified homogeneous locations**

The stocks covered under (item.....of) this Takaful Certificate is subject to a floating Sum Covered declared hereon against all the locations owned and/or occupied by the Takaful Participant anywhere in Malaysia.

Provided always that:

- (i) there shall be a minimum of one thousand (1,000) locations under this item at inception of the Takaful Certificate.
- (ii) the Sum Covered limit per unit of stock shall not exceed RM5,000.00
- (iii) the Takaful Participant shall declare to the Company in writing the total value of the stocks within thirty days of the.....(insert the appropriate day or date) of each calendar month.
- (iv) the basis of value for declaration shall be the full value of the stocks covered, any loss shall be settled on the basis of the Market Value immediately anterior to the loss.

In the event of any loss or damage, the Company's maximum liability shall not exceed the Sum Covered limit of RM5,000 per unit of stock and the floating Sum Covered declared hereon in respect of all the unspecified locations covered under the Takaful Certificate.

**FC37. AUTOMATIC INCLUSION CLAUSE (FOR TAKAFUL ON RUBBER TREES ONLY)**

Where the Takaful Participant has acquired newly planted trees in the existing or in new acreage acquired, the Takaful hereby extends to cover such acquired newly planted trees in the existing or in the new acreage acquired (but not appreciation in value in Excess of the Sum Covered) specified in (Item(s) No(s).....of) this Takaful Certificate for an amount not exceeding in respect of each Scheme 10% of the Sum Covered and subject to a maximum of RM5,000 whichever is the less.

The Takaful Participant undertakes to advise the Company every three (3) months of such additions and to pay the appropriate additional Takaful Contribution thereon.

**FC38. TENANTS CLAUSE (AS TO INTEREST OF THE OWNER)**

It is hereby agreed that this Takaful as to the interest of the Takaful Participant where the property covered is used or occupied by a tenant of the Takaful Participant, shall not be invalidated by any change of occupancy or increase of risk taking place in the property covered without the knowledge of the Takaful Participant provided that the Takaful Participant shall immediately on the same coming to his knowledge, give notice thereof to the Company and pay the additional Takaful Contribution (if any) which may be required by the Company from the date of such increase of risk.

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

#### **FC39. SELF-TAKAFUL CLAUSE**

It is hereby declared and agreed that the Takaful Participant agrees to self-insure and that the sum(s) covered nominated under [item(s) no(s) .....of] this Takaful Certificate represent(s) only ....% of the actual Market Value (or reinstatement value in the event that this Takaful Certificate is on reinstatement value basis) of the property covered herein.

In consequence of the foregoing, the Takaful Participant agrees to be his own insurer for...% and undertakes to bear that rateable proportion of:

- (a) each and every loss or damage (including any amounts in respect of fees charges costs and expenses) payable under this Takaful Certificate; and
- (b) any expenditure payable in the exercise of Condition 16 of this Takaful Certificate.

It is further declared and agreed that in the event the sum(s) covered under [item(s) no(s)..... of] this Takaful Certificate is less than ....% of the actual value of the covered property at the time of loss, Condition 17 of this Takaful Certificate (Average Clause) shall apply accordingly.

#### **FC40. AUTOMATIC HOLD COVER (PROPERTIES IN NEW LOCATIONS) CLAUSE**

It is understood and agreed that any additional properties situated in locations within Malaysia not covered by the Takaful Certificate which may be acquired by the Takaful Participant during the currency of this Takaful Certificate is automatically held covered up to 10% of the Takaful Certificate limit or RM10 million, whichever is the lower, provided that the Takaful Participant shall advise the Company within thirty (30) days of any acquisition of any such properties and shall pay the additional Takaful Contribution from effective date of acquisition.

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

#### **FC41. DEDUCTIBLES AND EXCESS CLAUSE**

It is hereby declared and agreed that the deductibles and/or Excess as specified in the Schedule and/or Endorsement and/or clauses attaching to this Takaful Certificate shall be applied in the following manner and as ascertained after the application of any condition of average:

- a) only one (1) deductible and/or Excess, as may be applicable, will be applied for each and every loss or losses arising out of one event, irrespective of the number of co-Takaful;
- b) the deductible and/or Excess shall be apportioned amongst the co-Takaful;
- c) the deductible and/or Excess apportioned above, shall be applied to the respective rateable liability of each co-Takaful;
- d) in no event shall the Takaful Participant be liable to bear more than one (1) Takaful Certificate deductible and/or Excess as the case may be.

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

#### **FC42A. DATE RECOGNITION (For Fire Takaful Certificate Only)**

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

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage or any Consequential Loss directly or indirectly caused by, consisting of, or arising

from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Takaful Participant results from the failure or inability of such device and/or software as listed above to :

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

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

Saving Clause	This Endorsement shall not exclude subsequent loss or damage or Consequential Loss which itself results from a covered Peril as defined in the Takaful Certificate.
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Subject otherwise to the terms and conditions of the Takaful Certificate.

**FC42B. DATE RECOGNITION (For Houseowner/Householder Policy or Fire Consequential Loss Takaful Certificate)**

It is noted and agreed this policy is hereby amended as follows:-

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury), expenses incurred or any Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to :
1. correctly recognize any date as its true calendar date ;
  2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than as its true calendar date; and/or

3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in A.
  - C. It is further understood that the Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury), expenses incurred or any Consequential Loss directly or indirectly arising from any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Takaful Participant or for the Takaful Participant or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A above.
  - D. It is further understood that the Company will not pay for any Consequential Loss resulting from any continuing inability of the computer and equipment described in A above to correctly recognize any date as its true calendar date after the lost or damaged property has been replaced or repaired.

Such loss or damage, injury (including bodily injury), expenses incurred or any Consequential Loss referred to in A, B, C or D above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

Saving Clause	This Endorsement shall not exclude subsequent loss or damage or Consequential Loss which itself results from a covered Peril as defined in the Takaful Certificate.
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Subject otherwise to the terms and conditions of the Takaful Certificate.

#### **FC42C. DATE RECOGNITION (For Industrial All Risks Takaful Takaful Certificate only)**

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

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury), expenses incurred or any Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Takaful Participant or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to :
  1. correctly recognize any date as its true calendar date ;
  2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than as its true calendar date; and/or
  3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in A.
- C. It is further understood that the Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury), expenses incurred or any Consequential Loss directly or indirectly arising from any advice, consultation, design,

evaluation, inspection, installation, maintenance, repair or supervision done by the Takaful Participant or for the Takaful Participant or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A. above.

- D. It is further understood that the Company will not pay for any Consequential Loss resulting from any continuing inability of the computer and equipment described in A above to correctly recognize any date as its true calendar date after the lost or damaged property has been replaced or repaired.

Such loss or damage, injury (including bodily injury), expenses incurred or any Consequential Loss referred to in A, B, C or D above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

Saving Clause	This endorsement shall not exclude subsequent loss or damage or Consequential Loss which itself results from a Defined Peril.  Defined Peril shall mean fire lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hurricane, cyclone, typhoon, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcanic eruption, Flood, bursting or overflowing of water tanks or pipes, subsidence and landslip and spontaneous combustion.
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Subject otherwise to the terms and conditions of the Takaful Certificate.

#### **FC43. WAIVER OF SUBROGATION RIGHTS OF INSURERS**

In consideration of the payment of an additional Contribution, the Company agrees to waive any rights and remedies or relief or Indemnity to which it may become entitled by subrogation against the following entity(ies) :-

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However, the Company's entitlement to enforce any rights and remedies or to obtain relief or Indemnity from any other party(ies) by way of subrogation shall remain unaffected.

#### **FC44. PROPERTY DAMAGE CLARIFICATION CLAUSE**

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

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

Consequently, the following are excluded from this Takaful Certificate:-

- a) Loss or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss or damage to data or software which is direct consequence of Takaful Participant physical damage to the substance of property shall be covered.

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

#### **FC45. ASBESTOS EXCLUSIONS CLAUSE**

This Takaful Certificate excludes all claims and losses based upon, arising out of, directly or indirectly resulting from or in consequence of, or any way involving:

1. asbestos, or
2. any actual or alleged asbestos related injury or damage involving the use, presence, existence, detection, removal, elimination or avoidance of asbestos or exposure or potential exposure to asbestos.

#### **FC46. RADIOACTIVE/NUCLEAR ENERGY RISKS EXCLUSION CLAUSE**

This Takaful coverage does not cover loss. Damage, cost of expense of whatsoever nature directly or indirectly caused by, resulting from in connection with any of the following regardless of any cause or event contributing concurrently or in any other sequence to the loss:-

1. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. any weapon of war employing atomic or nuclear fission and/or fission or other like reaction or radioactive force or matter.

#### **FC47. VOLUNTARY DEDUCTIBLES**

This Takaful Certificate does not cover the amounts of the deductibles stated in the Schedule in respect of each and every loss or series of losses arising out of any one event as ascertained after the application of all other terms and conditions of the Takaful Certificate including any other deductibles and condition average.

The duration and extent of any loss occurrence arising out of any one event so defined shall be limited to:-

- i) seventy-two (72) consecutive hours as regards, cyclone, hurricane, typhoon and/or windstorm.
- ii) seventy-two (72) consecutive hours as regards, earthquake, and/or flood (including overflow of the sea).
- iii) seventy-two (72) consecutive hours and within the limits of one City or Town regards civil commotions, riot and strike and/or malicious damage.
- iv) Hundred and sixty- eight (168) consecutive hours for any other catastrophe of whatsoever nature.

Warranted that during the currency of the Takaful Certificate the Takaful Participant shall not effect Takaful in respect of the amounts of the deductibles stated in the Schedule.

#### **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.

## **ENDORSEMENTS**

The following Endorsements only apply to this Takaful Certificate when specifically mentioned in the Schedule and subject otherwise to the terms of this Takaful Certificate.

### **FE21. LEASING ENDORSEMENT**

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

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

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

### **FE22. SMOKE DAMAGE ENDORSEMENT**

Notwithstanding anything contained in this Takaful Certificate to the contrary, it is hereby declared and agreed that in consideration of the payment of an additional Contribution, the Takaful under item no: ..... of this Takaful Certificate shall extend to include:-

Destruction of or damage to the property covered (by fire or otherwise) directly caused by smoke due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by exhaust pipe or vent pipe, and while in or on the described Premise but not smoke from fire-places or industrial apparatus.

In respect of loss or damage caused by the Peril hereby covered against, the Company shall not be liable for the first RM50,000 of each and every loss as ascertained after the application of any condition of average.



Provided always that all the conditions of the Takaful Certificate (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any destruction or damage as aforesaid shall be deemed to be destruction or damage by fire.

#### **FE23. BRAND, LABEL AND TRADEMARK CLAUSE**

In the case of damage to property bearing a brand, label or trademark, the sale of which in any way carries a guarantee of the Takaful Participant, the salvage value of such damaged property shall be determined after the removal in the customary manner of all brands, labels and any trademarks which might be taken to indicate that the guarantee of the manufacturer or the Takaful Participant attaches to the said property.

#### **FE24. GOODS AND STOCKS UNDERGOING ANY HEATING OR DRYING PROCESS ENDORSEMENT**

Notwithstanding anything to the contrary contained in Exclusion 1(b) of the Takaful Certificate, it is hereby understood and agreed that the Takaful under item no: ..... of this Takaful Certificate shall extend to include loss or damage to the property occasioned by its undergoing any heating or drying process provided that loss or damage due to smoke, fumes, scorching, charring, chemical reaction, change of state or original composition or discolouration of the property is excluded.

#### **FE25. SPRINKLER LEAKAGE ENDORSEMENT**

In consideration of the payment of an additional Contribution, it is hereby declared and agreed that the Takaful under this Takaful Certificate extends to include loss of or damage to the property covered directly caused by water or other fire extinguishing agent accidentally discharged or leaking from the automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus.

Provided always that otherwise the Takaful under this endorsement and the Takaful Certificate shall be subject to all the terms, limitations, stipulations, exclusions, provisions and exceptions printed on, expressed in, endorsed upon or attached to the Takaful Certificate and that without in any way limiting the generality of the foregoing, the liability of the Company shall in no case under this endorsement exceed in respect of each item the sum expressed in the Schedule or in the whole the total Sum Covered.

This Takaful does not cover loss or damage occasioned by or through or in consequence of:-

- a) explosion, the blowing up of buildings or blasting
- b) the order of any authority
- c) heat caused by fire
- d) repairs or alterations to the buildings or Premise
- e) the automatic sprinkler installation being either repaired, removed or extended.

No liability shall attach if the building covered or containing the covered property becomes unoccupied and so remains for a period of more than thirty (30) days unless the Takaful Participant obtains the sanction of the Company signified by Endorsement upon the Takaful Certificate.

#### **SPECIAL CONDITIONS**

- 1) The Takaful Participant shall at all times during the currency of this Takaful Certificate take all reasonable steps to maintain in proper working order the installation of Automatic Sprinklers, including the Automatic Alarm signal.
- 2) The Company shall not be responsible for loss or damage which may occur after notice has been given to the Takaful Participant by the Company that Sprinkler Installations is/are liable to

accident by reason of defective construction or condition or if the Takaful Participant is himself aware of defect in construction or condition.

## **FE26. HIRE PURCHASE ENDORSEMENT**

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

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

### **Non-Cancellation Clause**

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

## **PERILS**

The following Perils only apply to this Takaful Certificate when specifically mentioned in the Schedule and subject otherwise to the terms of this Takaful Certificate.

### **FP1. AIRCRAFT DAMAGE**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under the Takaful Certificate shall, subject to the Special Conditions hereinafter contained, extend to include loss or damage (by fire or otherwise) to the property covered directly caused by aircraft and other aerial devices and/or articles dropped therefrom.

Provided always that all the conditions of the Takaful Certificate shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

### **SPECIAL CONDITIONS**

- (1) The liability of the Company shall in no case under this Endorsement and the Takaful Certificate exceed the Sum Covered by each item of the Takaful Certificate.
- (2) This Takaful does not cover any loss or damage caused by any aircraft for which permission to land has been extended by the Takaful Participant.

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

**Note :** Members are permitted to delete Special Condition (2) of the Aircraft Damage Endorsement subject to a minimum additional Takaful Contribution of 0.003% per annum.

The above provision for deletion is applicable only to covered buildings with helipads located either on roof-top or ground level.

## **FP2. EARTHQUAKE AND VOLCANIC ERUPTION**

In consideration of an additional Contribution, the Company agrees that notwithstanding anything stated to the contrary in Condition No. 6 of the Takaful Certificate, this Takaful extends to cover loss or damage directly caused by fire or otherwise occasioned by or through or in consequence of earthquake and volcanic eruption.

Provided always that all the Conditions of this Takaful Certificate shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the Perils which this Takaful extends to include by virtue of this endorsement.

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

## **FP3. STORM, TEMPEST**

In consideration of an additional Contribution, the Company agrees that notwithstanding anything stated to the contrary in Condition No. 6 of the Takaful Certificate, this Takaful extends to cover loss or damage directly caused by fire or otherwise occasioned by or through or in consequence of hurricane, cyclone, typhoon and windstorm, subject to the following Excess Clause and Special Conditions attached hereto.

Provided always that all the Conditions of this Takaful Certificate shall apply (except insofar as they may be hereby expressly varied) and that any reference therein to loss or damage directly caused by any of the Perils which this Takaful extends to include by virtue of this endorsement.

### **Excess Clause**

It is understood and agreed that as regards loss or damage to any property hereby covered directly caused by any Peril to which this Clause is hereinbefore stated to apply, the Company's liability shall be limited to its rateable proportion of the amount by which such loss or damage exceeds either:-

- (a) 1% of the total Sum Covered against such Peril on said property by Takaful Certificate in the name of the Takaful Participant, or
- (b) RM200.00

whichever shall be the less, as ascertained after the application of any condition of average.

It is further agreed that this Clause shall apply separately to:-

- (i) each property, for which purpose all covered properties at the same address will be regarded as one property,
- (ii) each incident giving rise to such loss or damage and that for the purposes hereof an incident shall not be considered to have terminated until there have been seven (7) consecutive days' freedom from the Peril concerned and that only thereafter shall the Clause apply afresh.

### **SPECIAL CONDITIONS**

1. The Company shall not be liable for any loss or damage caused by water or rain, whether driven by wind or not unless the building covered or containing the property covered shall first sustain actual damage to the roof or walls of same by the direct force of Hurricane, Cyclone, Typhoon and Windstorm and shall then be liable only for such damage to the interior of the

building or the covered property therein as may be caused by water or rain entering the building through openings in the roof or walls made by the direct force of the said Perils.

2. This Endorsement does not extend the Takaful under this Takaful Certificate to cover:-
  - (a) Consequential Loss of any kind.
  - (b) Loss or damage caused by hail whether driven by wind or not.
  - (c) Loss or damage caused by subsidence or landslip except when this is occasioned by earthquake or volcanic eruption provided that these Perils are covered against by this Takaful Certificate.
  - (d) Loss or damage caused by explosion except as provided in Exclusion 2(h) of the Takaful Certificate.
  - (e) Loss by reason of any ordinance or law regulating the construction or repair of buildings.
3. The Company shall not be liable under this extension for loss or damage which at the time of the happening of such loss or damage is covered by or would, but for the existence of this extension, be covered by any other existing Takaful Certificate or Policies except in respect of any Excess beyond the amount which would have been payable under such other Takaful Certificate or Policies had this Takaful not been effected.
4. Unless specifically and separately covered this Endorsement does not cover:-
  - (a) Metal smoke stacks, awnings, blinds, signs or other outdoor Fixtures or Fittings of any description.
  - (b) Premise in course of construction, reconstruction or repair unless all outside doors, windows and other openings are complete and protected against hurricane, cyclone, typhoon and windstorm when such Perils are covered against by this Takaful Certificate.

Subject otherwise to the terms and conditions of the Takaful Certificate

#### **FP4. FLOOD**

In consideration of an additional Contribution, the Company agrees that notwithstanding anything stated to the contrary in Condition No. 6 of the Takaful Certificate, this Takaful extends to cover loss or damage directly caused by fire or otherwise occasioned by or through or in consequence of flood (including overflow of the sea) subject to the following Excess Clause and Special Conditions attached hereto.

**Note:** Flood, for the purpose of this extension, shall mean the overflowing or deviation from their normal channels of either natural or artificial water courses, bursting or overflowing of public water mains and any other flow or accumulation of water originating from outside the building covered or containing the property covered, but excluding loss or damage caused by subsidence or landslip.

Provided always that all the Conditions of this Takaful Certificate shall apply (except insofar as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this Takaful extends to include by virtue of this Endorsement.

#### **Excess Clause**

It is understood and agreed that as regards loss or damage to any property hereby covered directly caused by the peril to which this Clause is hereinbefore stated to apply, the Company's liability shall be limited to its rateable proportion of the amount by which such loss or damage exceeds either:-

- (a) 1% of the total Sum Covered against such Peril on said property by Takaful Certificates in the name of the Takaful Participant, or
- (b) the first RM2,500.00 of each and every loss.

whichever shall be the less, as ascertained after the application of any condition of average.

It is further agreed that this Clause shall apply separately to:-

- (i) each property, for which purpose all covered properties at the same address will be regarded as one property,
- (ii) each incident giving rise to such loss or damage and that for the purposes hereof an incident shall not be considered to have terminated until there have been seven (7) consecutive days' freedom from the Peril concerned and that only thereafter shall the Clause apply afresh.

### **SPECIAL CONDITIONS**

1. This Endorsement does not extend the Takaful under this Takaful Certificate to cover:-
  - (a) Consequential Loss of any kind.
  - (b) Loss or damage caused by hail whether driven by wind or not.
  - (c) Loss or damage caused by subsidence or landslip except when this is occasioned by earthquake or volcanic eruption, provided that these Perils are covered against by this Takaful Certificate.
  - (d) Loss or damage caused by explosion except as provided in Exclusion 2(h) of the Takaful Certificate.
  - (e) Loss by reason of any ordinance or law regulating the construction or repair of buildings.
2. The Company shall not be liable under this extension for loss or damage which at the time of the happening of such loss or damage is covered by or would, but for the existence of this extension, be covered by any other existing Takaful Certificate or Policies except in respect of any Excess beyond the amount which would have been payable under such other Takaful Certificate or Policies had this Takaful not been effected.
3. Unless specifically and separately covered this endorsement does not cover metal smoke stacks, awnings, blinds, signs or other outdoor Fixtures or Fittings of any description.

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

#### **FP5. EXPLOSION**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under (Item(s) .....of) this Takaful Certificate shall, subject to the Special Conditions hereinafter contained, extend to include:-

Loss of or damage to the property covered by fire or otherwise directly caused by explosion, but excluding loss of or damage to boilers, economizers, or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion.

Provided always that all the conditions of the Takaful Certificate (except in so far as Exclusion 2(h) is hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage by explosion as aforesaid shall be deemed to be loss or damage by fire within the meaning of this Takaful Certificate.

## **SPECIAL CONDITIONS**

1. The Company shall not be liable, under this extension, for loss or damage occasioned by or through or in consequence, directly or indirectly, of any acts of 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 a loss or damage is covered shall be upon the Takaful Participant.

2. If there shall be any other fire Takaful on the property covered under this Takaful Certificate, the Company shall be liable only pro rata with such other fire Takaful for any loss or damage by explosion whether or not such other fire Takaful be extended to cover loss or damage by explosion.
3. The Company shall not be liable under this extension for loss or damage which at the time of the happening of such loss or damage is covered by or would, but for the existence of this extension, be covered by any other existing Takaful Certificate or Policies except in respect of any Excess beyond the amount which would have been payable under such other Takaful Certificate or Policies had this Takaful not been effected.

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

### **FP6. IMPACT DAMAGE**

#### **I) Impact Damage Excluding Takaful Participant's Own Vehicles**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under this Takaful Certificate shall extend to include loss or damage to the property described in the Schedule and/or to walls, gates and fences around and pertaining thereto directly resulting from impact by any road vehicles, animals not belonging to or under the control of the Takaful Participant or any member of this family, or any person in and upon the Takaful Participant's service, provided that the first RM50.00 of each and every claims under this endorsement shall be borne by the Takaful Participant, as ascertained after the application of any condition of average.

Provided always that all the conditions of the Takaful Certificate shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

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

#### **II) Impact Damage Including Takaful Participant's Own Vehicles**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under this Takaful Certificate shall extend to include loss or damage to the property described in the Schedule and/or to walls, gates and fences around and pertaining thereto directly resulting from impact by any road vehicles, animals including any road vehicles, animals belonging to or under the control of the Takaful Participant, or any member of his family, or any person in and upon the Takaful Participant's service, provided that the first RM250.00 of each and every claim under this endorsement shall be borne by the Takaful Participant, as ascertained after the application of any condition of average.

Provided always that all the conditions of the Takaful Certificate shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

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

**Note:** Underwriters may at their discretion, insert the words ".....forklift, other mechanically or electrically propelled vehicles (other than vehicles held as stock), railway locomotives and/or rolling stocks....." immediately after the words ".....road vehicle....."

#### **FP7. BURSTING OR OVERFLOWING OF WATER TANKS, APPARATUS OR PIPES**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under this Takaful Certificate shall extend to include loss or damage to the property covered caused by the bursting or overflowing of water tanks, apparatus or pipes installed in or on the buildings covered or containing the property covered excluding:-

- a) loss or damage caused whilst the Premise are untenanted.
- b) loss or damage by water discharged or leaking from an installation of automatic sprinklers.
- c) the first RM1,000.00\*\* of each and every loss at each separate Premise, as ascertained after the application of average, or the Company's rateable proportion of that amount.

\*\* Where the Sum Covered is less than RM50,000 the amount of this Excess may be reduced to 1% of the Sum Covered subject to a minimum of RM100.00.

Provided always that all the conditions of the Takaful Certificate (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

#### **SPECIAL CONDITIONS**

1. The liability of the Company shall in no case under this endorsement exceed the Sum Covered by each item of the Takaful Certificate.
2. This Takaful does not cover loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever except loss of rent when such loss is included in the cover under the Takaful Certificate.
3. The Takaful Participant shall use all reasonable diligence and care to keep the Premise in a proper state of repair and if any defect therein be discovered shall cause such defect to be made good as soon as possible and shall in the meantime cause such additional precautions to be taken for the prevention of loss or damage as the circumstances may require and the Company shall not be liable for any loss or damage caused by a defect which the Takaful Participant has failed to remedy after having received notice of such defect either from the Company or any person or public body.

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

**Note :** It is not permissible to waive or reduce the Excess

#### **FP8. ELECTRICAL INSTALLATIONS**

##### **I) Electrical Installations Clause (A)**

This Company is expressly declared to be free from liability for loss of or damage to, any electrical machine, apparatus, or any portion of the electrical installation arising from or

occasioned by over-running, excessive pressure, short-circuiting, self-heating, arcing or leakage of electricity from whatever cause (lightning included) arising.

Provided that this exemption shall only apply to the particular electrical machine, apparatus, or portion of the electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus or other electrical installation.

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

## **II) Electrical Installations Clause (B)**

Loss or damage by fire to the electrical appliances and installation covered by (Item(s) .....of) this Takaful Certificate arising from or occasioned by over-running, Excessive pressure, short-circuiting, arcing, self-heating or leakage of electricity, from whatever cause (lightning included) is covered subject to the terms and conditions of this Takaful Certificate, but it is expressly understood that no liability exists under this Takaful Certificate for loss or damage to any electrical machine, apparatus, fixture or fitting, or to any portion of the electrical installation, unless caused by fire or lightning.

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

## **FP9. BUSH/LALANG FIRE**

In consideration of an additional Contribution, the Company hereby agree and declare that notwithstanding anything to the contrary contained in Exclusion 2(i) of the Takaful Certificate, the Takaful is extended under Item No..... to cover loss or damage caused by bush/lalang fire (provided that during the currency of this Takaful Certificate every reasonable effort shall be made to keep the Takaful Participant's ground free from lalang and undergrowth).

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

## **FP10. SUBSIDENCE AND LANDSLIP**

### **(I) Standard Cover**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under this Takaful Certificate shall extend to cover loss or damage to the property covered caused by subsidence and/or heave of the site on which the buildings stand or land belonging thereto, or landslip excluding:-

- a) loss or damage to swimming pools, terraces, patios, drives, footpaths, walls, gates or fences unless the building, its outbuildings or garages are damaged by the same cause and at the same time.
- b) loss or damage to or resulting from movement of solid floor slabs unless the foundation beneath the external walls of the Buildings are damaged by the same cause and at the same time.
- c) loss or damage occasioned by happening through, or in consequence of:
  - \* coastal or river erosion.
  - \* demolition, structural alteration or structural repair.
  - \* defective design or inadequate construction of foundations.



- d) in respect of each and every loss, 5% of the total Sum Covered or RM25,000.00 whichever is the lower, as ascertained after the application of any condition of average.

PROVIDED that the total liability of the Company shall not exceed the Sum Covered by each item on the property less the amount excluded under (d) above.

Provided always that all the conditions of the Takaful Certificate (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

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

## **(II) Deletion of Exclusion (a) under Standard Cover**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under this Takaful Certificate shall extend to cover loss or damage to the property covered caused by subsidence and/or heave of the site on which the buildings stand or land belonging thereto, or landslip excluding :-

- a) loss or damage to or resulting from movement of solid floor slabs unless the foundation beneath the external walls of the buildings are damaged by the same cause and at the same time.
- b) loss or damage occasioned by happening through, or in consequence of :
- \* coastal or river erosion.
  - \* demolition, structural alteration or structural repair.
  - \* defective design or inadequate construction of foundations.
- c) in respect of each and every loss, 5% of the total Sum Covered or RM25,000.00 whichever is the lower, as ascertained after the application of any condition of average.

PROVIDED that the total liability of the Company shall not exceed the Sum Covered by each item on the property covered less the amount excluded under (c) above.

Provided always that all the conditions of the Takaful Certificate (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

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

## **FP11. SPONTANEOUS COMBUSTION**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under (Item(s).....of) the Takaful Certificate shall, subject to the Special Conditions hereinafter contained, extend to include loss or damage to the property covered by fire only caused by its own spontaneous fermentation, heating or combustion.

Provided always that all the conditions of the Takaful Certificate shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

**Note :** The words "by fire only" may be deleted in respect of Takafuls on coal.

## **SPECIAL CONDITIONS**

1. The liability of the Company shall in no case under this endorsement and the Takaful Certificate exceed the Sum Covered by each item of the Takaful Certificate.
2. This Takaful does not cover loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever except loss of rent when such loss is included in the cover under the Takaful Certificate.

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

## **FP12. 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 Takaful 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 Takaful 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 prorated 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.

## **FP13. DAMAGE BY FALLING TREES OR BRANCHES AND OBJECTS THEREFROM**

In consideration of an additional Contribution, the Company hereby agree and declare that the Takaful under this Takaful Certificate shall extend to include loss or damage to the property described in the Schedule and/or to walls, gates and fences around and pertaining thereto directly resulting from damage by falling trees or branches and objects therefrom, provided that the first RM250.00 of each and every claim under this endorsement shall be borne by the Takaful Participant as ascertained after the application of any condition of average.

Provided always that all the conditions of the Takaful Certificate shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

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

## **FP14. COLD STORAGE**

### **I) Cold Storage Clause (A)**

This Takaful Certificate does not cover loss or damage to the property hereby covered which may be caused by change of temperature resulting from the total or partial destruction or disablement of the refrigerating plant by fire or any other Perils hereby covered.

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

### **II) Cold Storage Clause (B)**

Notwithstanding anything herein stated to the contrary this Takaful Certificate covers loss or damage caused by change or temperature resulting from the total or partial destruction or disablement of the refrigerating plant by fire or any other Peril hereby covered.

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

## **WARRANTIES**

The following Warranties only apply to this Takaful Certificate when specifically mentioned in the Schedule and subject otherwise to the terms of this Takaful Certificate.

### **FW1. RESTRICTION OF MERCHANDISE WARRANTY**

Warranted that during the currency of this Takaful Certificate no part of the Premise described herein be used for the manufacture or deposit or storage of merchandise.

### **FW1A. RESTRICTION OF MERCHANDISE WARRANTY (Club/School/Office)**

Warranted that during the currency of this Takaful Certificate no part of the Premise described herein be used for the manufacture or deposit or storage of merchandise except in direct relation to the activities of a club, school or office.

### **FW1B. RESTRICTION OF MERCHANDISE WARRANTY (Not exceeding 10% of total floor area)**

Warranted that during the currency of this Takaful Certificate not more than 10% of the total floor area of the Premise covered herein be used for the manufacture or deposit or storage of merchandise.

### **FW1C. RESTRICTION OF MERCHANDISE WARRANTY (Not exceeding 20% of total floor area)**

Warranted that during the currency of this Takaful Certificate not more than 20% of the total floor area of the Premise covered herein be used for the manufacture or deposit or storage of merchandise.

### **FW1D. RESTRICTION OF MERCHANDISE WARRANTY (Not exceeding 50% of total floor area)**

Warranted that during the currency of this Takaful Certificate not more than 50% of the total floor area of the Premise covered herein be used for the manufacture or deposit or storage of merchandise.

### **FW2. DETACHED BUILDING WARRANTY**

Warranted that during the currency of this Takaful Certificate the building \*(containing the property) covered by \*(Item No.....of) this Takaful Certificate is detached by at least # .....metres/feet on all sides from any other building (excluding small outhouses).

\* required for insertion in the case of contents policies

# insert distance required by the appropriate Tariff Classification.

### **FW3A. STORAGE OF HAZARDOUS GOODS WARRANTY A**

Warranted that during the currency of this Takaful Certificate, storage in the Premise of the following materials is permitted only up to the limit of quantities stated below, namely:-

- |      |   |                              |
|------|---|------------------------------|
| i)   | All liquids including kerosene oil and diesel giving off flammable vapour with flashpoint not less than 93 C (200F) | 3600 Litres<br>(800 gallons) |
| ii)  | All liquids including petrol giving off flammable vapour with flashpoint below 38 C (100F)                          | 900 Litres<br>(200 gallons)  |
| iii) | Matches, carbides, liquified petroleum gas (LPG),   | 30 kg or 4                   |

spontaneously combustion materials such as silane, sulphur, etc. and active materials such as magnesium, sodium, etc. cases or cartons whichever is higher.

#### **FW3B. STORAGE OF HAZARDOUS GOODS WARRANTY B**

Warranted that during the currency of this Takaful Certificate, the storage of goods and the quantity of the goods stored in or upon the within mentioned Premise are in compliance with the Regulations and Laws of Malaysia.

#### **FW4A. STORAGE OF PETROL WARRANTY**

Warranted that during the currency of this Takaful Certificate the storage of petrol be in accordance with the Government Regulations.

#### **FW4B. RESTRICTION OF SPRAY PAINTING/POWDER SPRAYING WARRANTY**

Warranted that during the currency of this Takaful Certificate no spray painting/powder spraying or any process in connection therewith be carried on in the Premise described herein.

#### **FW4C. PRINTING PROCESS WARRANTY**

Warranted that during the currency of this Takaful Certificate no printing or any process in connection therewith be carried on in the Premise described herein.

#### **FW6. MOTOR VEHICLE REPAIRS WARRANTY**

Warranted that during the currency of this Takaful Certificate no repair work of any kind on motor vehicles and agricultural implements be carried on in the Premise described herein.

#### **FW7. SOLVENT EXTRACTION WARRANTY**

Warranted that during the currency of this Takaful Certificate no solvent extraction be carried on in the within described Premise.

#### **FW8A. SMOKING, DRYING OR STORAGE OF RUBBER WARRANTY**

Warranted that during the currency of this Takaful Certificate no smoking, drying or storage of prepared rubber be carried on in the Premise described herein but allowing the storage of liquid latex.

#### **FW8B. SMOKING OR DRYING OF RUBBER BY ARTIFICIAL HEAT WARRANTY**

Warranted that during the currency of this Takaful Certificate no smoking of rubber or drying by artificial heat be carried on in the Premise described herein.

#### **FW8C. DRYING BY ARTIFICIAL HEAT WARRANTY C**

Warranted that during the currency of this Takaful Certificate no drying by artificial heat be carried on unless the furnace for heating and its flues be entirely outside the Premise or separated therefrom by a brick, stone or concrete wall not less than 4 ½ inches thick passing through the roof, without openings

except such as may be necessary for metal pipes, and the heat conveyed by steam, hot water or hot air not directly drawn from the furnace fire or from flue gases.

Note: Where, however, the heater house roof abuts the main buildings at a lower level than the main roof such wall need only be carried up to the eaves of the main roof.

#### **FW8D. DRYING BY ARTIFICIAL HEAT WARRANTY D**

Warranted that during the currency of this Takaful Certificate no drying by artificial heat be carried on unless the furnace for heating and/or smoking be in a detached building or separated from the Premise by a brick, stone or concrete wall not less than 4 ½ inches thick passing through the roof without openings except such as may be necessary for metal pipes or brick or concrete ducts.

#### **FW9. REMOVAL AND BURNING OF WOOD WASTES WARRANTY**

Warranted that during the currency of this Takaful Certificate:-

- a) all shavings, sawdust and other refuse be removed from the Premise regularly but not less than three (3) times a week and not allowed to accumulate.
- b) no shavings, sawdust or other refuse be burned (other than in a brick incinerator or furnace used in connection with the Takaful Participant's Business) within 30 metres (100 feet) of any building forming part of the covered Premise.

#### **FW10. BURNING OF SAWDUST (WITHIN 100 FEET) WARRANTY**

Warranted that during the currency of this Takaful Certificate:

- (i) no power (other than electric); and
- (ii) no artificial heat be used; and
- (iii) that shavings, sawdust and refuse be removed daily from the Premise and be not burned (other than in a brick incinerator or furnace used in connection with the Takaful Participant's Business) within 30 metres (100 feet) thereof.

#### **FW11A.STORAGE OF UNHEWN LOGS (WITHIN 15 METRES) WARRANTY**

Warranted that during the currency of this Takaful Certificate no unhewn logs be stored or stacked within 15 metres (50 feet) of the sawmill.

#### **FW11B.STORAGE OF SAWN TIMBER (WITHIN 100 FEET) WARRANTY**

Warranted that during the currency of this Takaful Certificate no sawn timber be stored or stacked within thirty (30) metres (100 feet) of the sawmill.

#### **FW12. VACANT RISK WARRANTY**

Warranted that at no time during the currency of this Takaful Certificate shall the Premise described herein be used for the storage or deposit of goods of any kind or for any other purpose whatsoever.

It is further warranted that all doors, windows and/or other openings shall be so secured at all times as to prevent entrance by any unauthorized person or persons.

#### **FW13A.PLASTICS WARRANTY A**

Warranted that during the currency of this Takaful Certificate no raw materials for the manufacture of plastics other than protein based resins; products based on formaldehyde or other aldehydes; polyamide resins; polycarbonate based resins; silicone resins; fluorocarbons; polyester resins including alkyd resins, polyvinyl acetate; polyvinyl butyrate; epoxy resins, amino resins will be used or stored in the within described Premise.

#### **FW13B.PLASTICS WARRANTY B**

Warranted that during the currency of this Takaful Certificate no raw materials for the manufacture of plastics other than protein base resins; products based on formaldehyde or other aldehydes; polyamide resins; polycarbonate based resins; silicone resins; fluorocarbons; polyester resins including alkyd resins; polyvinyl acetate; polyvinyl butyrate; epoxy resins; amino resins; polystyrene; acetal resins; acrylic resins; acrylonitrile butadiene styrene (A.B.S) resins; ethyl cellulose; polypropylene; polythene/polyethylene; methyl methacrylate; cellulose acetate; cellulose acetate butyrate; cellulose propionate; polymethyl methacrylate; polyvinyl chloride will be used or stored in the within described Premise.

#### **FW13C.PLASTICS WARRANTY C**

Warranted that during the currency of this Takaful Certificate no nitrocellulose based plastics or foamed or expanded plastics be manufactured, used or stored in the within described Premise.

#### **FW14. FUEL STORAGE TANKS INSTALLATIONS WARRANTY**

Warranted that during the currency of this Takaful Certificate the Fuel Storage Tank Installations comply with the following regulations:-

- a) Tanks must be of steel and placed at least 2 feet below the surface of the ground and must be filled only from the Open through oil-tight pipes fitted with screwed caps or valves.
- b) Motor vehicles must stand in the Open when their tanks are being filled.
- c) No artificial light other than electric light may be used near tanks or pumps.

Note: The filling of tanks under balconies or verandahs is not to be considered as non-compliance with (a) and (b) above.

#### **FW15. STORAGE TANK INSTALLATIONS WARRANTY**

Warranted that during the currency of this Takaful Certificate no mineral or rock oils or liquid products or mixtures thereof giving off an inflammable vapour below 150 F (closed cup test) shall be stored or deposited in, or within fifty (50) feet of any tank, barrels, tins or drums covered or the contents of which are covered hereby.

#### **FW16. CURING BARN (SOURCE OF FUEL) WARRANTY**

Warranted that during the currency of this Takaful Certificate the furnaces and/or stoves of the curing barns are fired by gas, oil and/or electricity.

#### **FW17. MANUFACTURE AND STORAGE OF PAINTS, ETC. WARRANTY**

Warranted that during the currency of this Takaful Certificate no manufacturing or storage of oil paints, enamels, lacquers, varnishes, varnish stains, cellulose paints or paint thinners, removers or renovators be carried on within the covered Premise.



#### **FW18. USE & STORAGE OF FOAMED PLASTICS AND FOAMED RUBBER WARRANTY**

Warranted that during the currency of this Takaful Certificate no foamed plastic or foamed rubber or goods made therefrom be used or stored.

#### **FW19. REGULAR INSPECTIONS WARRANTY**

Warranted that during the currency of this Takaful Certificate the Premise be inspected at the end of each day for smouldering matches, tobacco or other materials and signed reports made thereon by the employee(s) responsible for such inspection. The reports must be examined at least once each week by the Management.

#### **FW20. BITUMINOUS MATERIALS/SOLVENTS WARRANTY**

Warranted that during the currency of this Takaful Certificate no bituminous material and/or solvents having a flash point (closed cup test) below 32°C (90°F) be used or stored within the Takaful Participant Premise.

#### **FW22. LIQUIFIED PETROLEUM GASES WARRANTY**

Warranted that during the currency of this Takaful Certificate, relevant government regulations dealing with storage or use of liquified petroleum gases shall be complied with at all times

#### **FW23. USE OF ELECTRICITY AND/OR SOLAR POWER ONLY WARRANTY**

Warranted that during the currency of this Takaful Certificate, no power other than electricity and/or solar power be used for heating purposes.

#### **FW24. SPRAY PAINTING WARRANTY**

##### **(I) Spray Painting Warranty (A)**

A. Warranted that during the currency of this Takaful Certificate in the part of the Premise used for spray painting\*:-

- a) No cleaning off, mixing, spray painting\*, or other process connected therewith, be carried on except in the Open or in a separate building or compartment exclusively reserved for such work and adequately ventilated to the Open by means of an exhaust fan or fans with sufficient fresh air inlets located near floor level, and that not more than one day's supply of paint, lacquer, solvent, diluent, or thinner be deposited therein.

Compartments should be constructed of brick and/or cement concrete having floor and roof (including any supports) of incombustible materials and any communications should be fitted with door(s) of hardwood or of incombustible material.

- b) All paints, lacquer, petrol, solvents, diluents, and thinners, be stored in a building used exclusively for that purpose or in a brick and/or cement concrete built compartment having floor and roof, including any supports of incombustible material, any communication having a closely fitting door or hardwood or of incombustible material.

- c) No petrol be left in the reservoir of any automobile whilst the automobile is undergoing painting process and that emptying and charging of the reservoir shall only be done in the Open air.
- d) No artificial lighting, other than explosion-proof or flame-proof electric lights, be used.
- e) All places where dry deposit can accumulate will be cleaned every week with stiff fibre or nonferrous metal brushes or scrapers and the residue placed in water.

(Note\*: To be replaced with the words "spray painting and powder spraying in the event the risk involve two processes).

**(II) Spray Painting Warranty (B)**

- B. In consideration of the payment of an additional Contribution, it is hereby agreed that spray painting\* is allowed to be carried on in the Premise described herein.

(Note\*: To be replaced with the words "spray painting and powder spraying" in the event the risk involves two processes).

**FW25. POWDER SPRAYING WARRANTY**

**(I) Powder Spraying Warranty (A)**

Warranted that during the currency of this Takaful Certificate in the part of the Premise used for power spraying:-

- a) No cleaning off, mixing, powder spraying or other process connected therewith, be carried on except in the Open or in a separate building or compartment exclusively reserved for such work and an adequate means of ventilation/pneumatic extraction system should be provided.

Compartments should be constructed of brick and/or cement concrete having floor and roof. Any support should be of incombustible material and any communication be fitted with door(s) of hardwood or incombustible material.

- b) All electrical lightings and fittings in the powder spraying compartment should be of explosion/flame proof types and no artificial lightings and other spark producing equipments should be used in the compartment.
- c) All places where dry deposit can accumulate will be cleaned every week with stiff fibre or nonferrous metal brushes or scrappers and the residue placed in water.

**(II) Powder Spraying Warranty (B)**

In consideration of the payment of an additional Contribution, it is hereby agreed that powder spraying is allowed to be carried on in the Premise described herein.

**FW26. TAKAFUL CONTRIBUTION WARRANTY**

It is fundamental and absolute special condition of this contract of Takaful that the Takaful Contribution due must be paid and received by the insurer 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 insurer 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 insurer, the payment shall be deemed to be received by the insurer for the purposes of this warranty

and the onus of proving that the Takaful Contribution payable was received by a person, including an Takaful agent, who was not authorised to receive such Takaful Contribution shall lie on the insurer.

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

**FW27. SILENT RISK WARRANTY**

Warranted that during the currency of this Takaful Certificate the said industrial risk be silent and that the machinery be not worked (except occasionally for the purpose of keeping it in order, no material being passed through it) and that no repairs to machinery or millwrights' work, be carried on.

It is further warranted that the Takaful Participant Premise not be used for the storage or deposit of goods.