

## PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the *IKHLAS* Group Credit Term Takaful (Commercial). Be sure to also read the general terms and conditions.)

### TAKAFUL IKHLAS FAMILY BERHAD

(Registered under Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia)

**IKHLAS Group Credit Term Takaful (Commercial)**

Date: **[Quotation Date]**

#### 1. What is this product about?

This product provides coverage to pay off the outstanding financing amount (Prevailing Sum Covered) to any institution (Takaful Participant) in the event of death of the Person Covered (who is the borrower) or if the Person Covered becomes totally and permanently disabled.

#### 2. What are the Shariah concepts applicable?

**Tabarru'** – shall mean 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 the Company, Tabarru' will be allocated into the Risk Fund.

**Wakalah** – refers to a contract where a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform a particular task on matters that may be delegated with or without imposition of a fee. In the context of the Company, we are appointed as an agent (wakil) to carry out the Takaful Business and a Wakalah fee (Ujrah) to be paid to the Company.

Note: "the Company" refers to Takaful Ikhlas Family Berhad.

#### 3. What are the covers / benefits provided?

Benefits	Description
Death	<p>Upon death of the Person Covered, the Prevailing Sum Covered is payable to the Takaful Participant. The benefit is payable subject to the following condition:</p> <ul style="list-style-type: none"> <li>Pre-existing condition is not applicable to this product distributed by MBSB Bank.</li> </ul> <p>In addition, the balance in Personal Risk Investment Account (PRIA), if any, also will be payable to the Takaful Participant.</p>
Total Permanent Disability	<p>Upon total permanent disablement of the Person Covered, the Prevailing Sum Covered is payable to the Takaful Participant. The total permanent disability benefit is payable subject to the following conditions:</p> <ul style="list-style-type: none"> <li>The total permanent disability is based on "Any occupation" definition.</li> <li>The total permanent disability benefit is payable after satisfying a qualifying period (waiting period) that such disability must last for a continuous period of not less than six (6) months in duration.</li> <li>Pre-existing condition is not applicable to this product distributed by MBSB Bank.</li> </ul> <p>In addition, the balance in Personal Risk Investment Account (PRIA), if any, also will be payable to the Takaful Participant.</p> <p>The maximum amount of the TPD Sum Covered payable from all certificates written with the Company on the life of the same Person Covered shall not exceed RM2,000,000.</p> <p>The TPD benefits shall automatically terminate upon the Person Covered reaching the maximum coverage age of 65 years old (next birthday).</p>
Maturity	<p>Upon maturity of the Takaful Certificate, Person Covered will receive the balance amount in the PRIA, if any.</p>
Surrender	<p>Upon surrender of the Takaful Certificate, Person Covered will receive the balance amount in the PRIA, if any, after deducting the administration fee up to RM 50.</p>

#### 4. How much Takaful Contribution do I have to pay?

The total Takaful Contribution that you have to pay varies, depending on the amount of financing arranged. In addition, there are also other factors determining the amount of Takaful Contribution, such as age, occupation type and previous medical history. For example:

- Entry Age : **[Entry Age]** years old
- Financing Amount : RM **[Financing Amount]**
- Profit Rate per annum : **[Profit Rate]** p.a.
- Financing Term : **[Financing Term]** years (Inclusive of deferment period)
- Deferment Period : -
- Coverage Term : **[Coverage Term]** years (Inclusive of deferment period)
- Single Takaful Contribution** : RM **[Takaful Contribution]**

The Takaful Contribution above assume that the proposed Person Covered has no medical/ health impairments, occupational risks or habits that may require additional loading on the Takaful Contribution.

#### 5. What are the fees and charges that I have to pay?

Type	%
Wakalah Fee*	40% of Takaful Contribution or RM <b>[Wakalah Fee Amount]</b>
Commission	10% of Takaful Contribution or RM <b>[Commission Amount]</b>
Stamp Duty**	RM10.00

\* The Wakalah fee is inclusive of the commission.

\*\* Stamp Duty is applicable to Master Takaful Certificate only.

Note : The Company has the right to recover from the Takaful Participant any taxes, levies or charges imposed by the relevant authorities in Malaysia at the prevailing rate unless otherwise stated from Takaful Participant's PRIA.

#### 6. What are some of the key terms and conditions that I should be aware of?

- a) Importance of disclosure – you must disclose all material facts such as your age, occupation and health condition correctly. The Company has the right to repudiate liability in the event that you failed to disclose relevant information that would affect the decision to accept or reject the risk, and on the terms to be applied to you.
- b) Assignment of Individual Takaful Certificate - As the Individual Takaful Certificate is issued under the Scheme with the Master Takaful Certificate Holder specified in the Master Takaful Certificate being named as the Takaful Participant, no assignments of Individual Takaful Certificates shall be allowed under this Master Takaful Certificate.
- c) Investment profit arising from PRIA, if any, shall be returned to the Person Covered (through PRIA) after deducting an Investment Performance Fee of 30% from the profit. However, the Company may at its discretion deduct less than 30% Investment Performance Fee from the profit.
- d) Cooling-off Period (Right of Cancellation) - Provided that a prior written notice is given by the Takaful Participant, within fifteen (15) days from the date of receipt of this Takaful Certificate, any Person Covered may return this Takaful Certificate to the Company and the Company shall cancel it immediately upon receipt of the document and refund the Takaful Contribution less any medical expenses incurred by the Company. Once a Takaful Certificate is returned to the Company and cancelled by the Company, it shall be deemed not effective from the date of issuance.
- e) It is important for you to receive receipts and keep them as proof of payment of Takaful Contributions.
- f) If you do not receive the Takaful Certificate after fourteen (14) days from the date of participation, please contact us.
- g) The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of each Financial Year. The net distributable surplus arising (after deducting SAC) from the Risk Fund will be allocated in full (100%) to the Takaful Participant.

- h) The Coverage Term and Financing Term are inclusive of Deferment Period, if any. The Company will only be liable for any death or Total and Permanent Disability claim occurring within the Coverage Term.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the terms and conditions under this Takaful Certificate.

## 7. What are the major exclusions under the Takaful Certificate?

### a. Exclusion on Death

Should the Person Covered, whether sane or insane commits suicide within one (1) year from the Takaful Certificate effective date, dies as a result of Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases, or dies as a result of Pre-Existing Conditions (PEC is not applicable for MBSB Bank), no Takaful Benefit shall be payable.

### b. Exclusion on Total and Permanent Disability (TPD)

This Takaful Certificate shall not cover any disability caused directly or indirectly, proximately or remotely occasioned by or contributed or traceable to or arising out of or in connection with the following occurrences:

- i) Self inflicted injury or any attempt thereof while sane or insane;
- ii) Military or naval service in time of declared or undeclared war or while under orders for war like operations or restoration of public order;
- iii) entering, operating or servicing, ascending or descending from or with any aerial device or conveyance except while the Person Covered is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route or when the Person Covered is a passenger of a fully licensed aircraft or helicopter services operating in areas not serviced by a regular scheduled passenger aircraft;
- iv) if the Person Covered is found to be infected by any Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases;
- v) if the Person Covered is under the influence of alcohol or drugs other than in accordance with the direction of a registered medical practitioner;
- vi) if the Person Covered participates in a riot, or commits a criminal offence;
- vii) if the Person Covered is found to be involved in the act of terrorism where an act of terrorism shall mean 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;
- viii) Pre-Existing Conditions (PEC is not applicable for MBSB Bank), and/or related or evocative conditions except those which have been fully disclosed to and accepted in writing by the Company prior to the inception of the coverage.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for full list of exclusions under this Takaful Certificate.



#### 8. Can I cancel my Takaful Certificate?

**(If Payment of Takaful Contribution by the Person Covered)**

When you have fully settled your Financing Facility prior to the maturity date, you may request to cancel your Takaful Certificate at any time by giving written notice and valid discharge to the Company. Upon cancellation, you are entitled to the balance amount in the PRIA.

**(If Payment of Takaful Contribution by the Takaful Participant)**

When you have fully settled your Financing Facility prior to the maturity date, the Takaful Participant may request to cancel your Takaful Certificate at any time by giving written notice to the Company. Upon cancellation, the balance amount in the PRIA will be refunded to the Takaful Participant.

#### 9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

#### 10. Where can I get further information?

Should you require additional information on Family Takaful, please refer to *insurance info* booklet on 'Family Takaful', available at all our branches or you can obtain a copy from our Takaful agent or visit [www.insuranceinfo.com.my](http://www.insuranceinfo.com.my).

If you have any enquiries, please contact us at:

**Takaful Ikhlas Family Berhad**

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#### 11. Other types of similar Takaful cover available?

*IKHLAS* Mortgage Reducing Term Takaful

#### IMPORTANT NOTE:

**YOU SHOULD SATISFY YOURSELF THAT THIS CERTIFICATE WILL BEST SERVE YOUR COMPANY NEEDS. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.**

The information provided in this disclosure sheet is valid as at: **[Quotation Date]**