

## Group Home Finance Takaful Scheme

### Preamble to Takaful Certificate

This Certificate is made between SALAMA - Islamic Arab Insurance Company (the “**Company**”) and **Mashreq Al Islami**. (the “**Certificate holder**”).

SALAMA - Islamic Arab Insurance Company is a company acting subject to the rules and principles of Sharia, as a **Wakeel** (Agent) for **Participants** to manage the Takaful operations for a fixed Wakala Fee and investing their funds (Takaful Fund) as a **Mudareb** against pre-agreed share in the actual profit of the investment.

To ensure compliance with the rules and principles of **Sharia**, the **Company** has appointed a **Fatwa & Sharia Supervisory Board** for reviewing and vetting of all the **Company’s** operations.

By entering into this Contract the **Participant(s)** appoints the **Company** as **Wakeel** for the management of the Takaful operations and as **Mudareb** for the purpose of investing the net **Contributions** (Takaful Fund) in accordance with the rules and principles of **Sharia**.

The **Participants** shall donate part or all of each **Contribution** into a co-operative **Takaful Fund** for the Benefit of the **Participants**. The **Company** shall compensate the **Beneficiary** out of the **Takaful Fund** for losses and damages sustained according to the terms, conditions and exceptions set forth in this Contract.

On an annual basis the **Company** shall perform the **Surplus Calculation**. In the event there is **Surplus**, the **Company** in its sole discretion shall distribute such **Surplus** to the eligible **Participants** as advised by the **Fatwa & Sharia Supervisory Board**.

If there is an overall deficit in the **Takaful Fund**, the **Company** may finance such a loss on an interest free (**Qard Hassan**) basis to the **Takaful Fund** with full recourse to the **Takaful Fund**.

### The Significance of the preamble:

This preamble shall be an integral part of this Contract, the Contract shall be construed and its scope shall be determined in the light of this preamble, the preamble will complete the provisions of this Contract.



Authorized  
Signature  
For **Mashreq Al  
SALAMA - Islamic**



Authorized Signature

**Islami** For  
**Arab Insurance Company**

### **Important Definitions for Takaful**

**Benefits:** means the Benefits provided for under the Coverage pursuant to this Certificate.

**Beneficiary:** means the Beneficiary entitled to the Benefits according to this Certificate.

**Company:** means **SALAMA - Islamic Arab Insurance Company**, which runs Takaful operations as a Wakeel for the Participants against the agreed / determined Wakala Fee and invests the Contribution as Mudareb against the pre-agreed share in the actual profit of the investment.

**Contributions/Premium:** means the amount paid by the Participant as a donation (Tabaru') to the Takaful Fund.

**Coverage/Cover:** means the scope of Takaful coverage pursuant to this Certificate.

**Covered** shall mean covered under the Coverage pursuant to this Certificate.

**Coverage Amount:** means the maximum amount of Benefit and/or limit mentioned in this Certificate in relation to a Covered Benefit hereunder.

**Covered Person:** means the person(s) entitled for Coverage according to this Certificate; namely the Eligible Customers who have availed an Islamic Home Finance from the Certificate holder and who have completed the enrollment form, who may also be treated as a Participant to the extent obliged to contribute a Contribution or a portion thereof from its own resources.

**Fatwa & Sharia Supervisory Board:** means a committee of renowned independent Sharia scholars engaged by the Company to advise and provide guidance on Sharia related matters.

**Mudaraba:** means a contract between two parties whereby one of them (**Rab Al Mal**; Participant) contributes a certain amount of capital (the **Mudaraba Capital**; Contributions) and the other (**Mudareb**; Company) deploys its expertise in managing the Mudaraba Capital (Contributions). The Mudareb will invest the amount of Mudaraba Capital and as such the profit will be shared between them according to a preagreed profit distribution ratio.

**Mudareb's Share:** means the Company's share in the Mudaraba investment returns, as defined in the Schedule or as declared in the Company's branches.

**Participant:** means the Participant who contributes the Contribution.

**Certificate holder:** means the holder of the Certificate with certain rights and obligations as provided for under this Certificate, who may also be treated as a Participant to the extent obliged to contribute a Contribution or a portion thereof from its own resources.

**Certificate/Contract:** means this Certificate based on the principles of Sharia, particularly Takaful principles, including any Schedule, subsequent terms, conditions, tables, exclusions, endorsements, enrollment forms, Summaries of Coverage and application forms (if any).

**Schedule:** means the schedule(s) and/or the certificate containing the fees to be charged by the Company to the **Participant** (out of the **Contributions**) and any other particulars related to this Certificate.

**Sharia:** means the Islamic rules and principles of Sharia as interpreted by the Fatwa & Sharia Supervisory Board.

**Surplus:** means the net sum arrived at after performing the Surplus Calculation

**Surplus Calculation:** means the calculation performed by the Company in order to determine whether a Surplus exists in the Takaful Fund, as performed under guidance of the Fatwa & Sharia Supervisory Board.

**Takaful Fund:** means the segregated total sum of the Contributions managed on Takaful basis by the Company, as Wakeel, and invested by the Company, as Mudareb, out of which the Coverage related Benefits are paid.

**Wakala (Agency Contract):** means an agreement between two parties whereby one of them (**Principal**; Participant) appoints the other (**Wakeel**; Company) to manage and operate Takaful operations on the Principal(s)' behalf. The Wakeel is entitled to a specific Wakala Fee, be it a lump sum or an agreed percentage of the Contributions.

**Wakala Fee:** means the Wakala Fee deducted by the Company from the Contributions that is defined in the Schedule, which is subject to change by the Company at the commencement of each new fiscal year, as will be published in the Company's branches.

### **General Provisions**

#### **Clause 1: CERTIFICATE SPECIFIC DEFINITIONS**

In this Certificate, the following words and phrases shall have the meanings hereby assigned to them:

Takaful Scheme	Shall mean the Scheme described in the First Schedule.
Customer(s):	means the individual(s) who has taken out Home Finance as described herein with the Certificate holder.

Eligible Customer(s):	means all Customers of the Certificate holder as defined above who are to be included in this Certificate and who have fulfilled all the requirements set out by the Certificate holder under its relevant scheme and who are within the Maximum Age limit defined in this Certificate and in accordance with its Terms & Conditions.
Commencement Date:	means the date the Covered Person is enrolled for this Certificate by the Bank or the date of inception of this Certificate whichever is later.
Scheme Anniversary:	01 <sup>st</sup> June of each and every subsequent year:
Certificate Year:	means a period of twelve months commencing on any Scheme Anniversary:
Maximum Age in Scheme:	As specified in schedule
The Normal Inclusion Date:	means the first date on which an eligible customer has the right to be included in the Takaful Scheme. This date will coincide with the Commencement Date of this Certificate for all Eligible Customers who have an outstanding Personal Finance amounts with the Certificate holder on that date.  Eligible Customers who are granted home Finance by the Certificate holder after the Commencement Date will be automatically covered under the Certificate providing they satisfy the eligibility criteria set forward by the Company in this Certificate.
The Entry Date:	means the Date on which an Eligible Customer is first included in the Scheme to become a Covered Person:
The Takaful Contribution:	means the amount paid by the Certificate holder as Contribution in the Takaful Fund.
Accident means where the Bodily Injury is caused solely and directly by external violent means is	unexpected, unforeseeable and not attributable to the Covered Person's intentional self-injury or suicide
Benefit	means the indemnity payable under the scope of this Certificate in respect of Death or Permanent Total Disablement.
Bodily Injury	means Injury, which is caused by an Accident which within twelve months from the date of such Accident results in Covered Person's Death, Permanent Total Disablement or dismemberment
Date of Event	means any one of the following:

In respect of **Death** the date of Death, resulting from an Accident or sickness happening after the Commencement Date and during the Certificate period

In respect of **Permanent Total Disablement** the date of recognition of Permanent Total Disablement by a competent authority, resulting from an Accident or Illness happening/manifesting after the Commencement Date and during the certificate period.

Free Cover Limit (FCL) means the amount up to which a new customer could be included in the certificate without provision of medical or other evidence of Good health/insurability. Any sum assured in excess of FCL shall be at acceptance of the Company and subject to production to the Company such evidence of good health / insurability as the Company may require.

**Sickness** means a disease or illness first occurring after the Commencement Date

**Injury** means Bodily Injury resulting from an Accident occurring after the Commencement Date and during the Certificate period.

**Pre-existing Condition** means illness, disease or sickness occurring or manifesting after the Commencement Date, for which advice or treatment was sought or obtained from a medical practitioner, chiropractor, naturopath, or any other practitioner of a similar kind within twelve months immediately prior to the Commencement Date.

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

**The Perils:** means the incident or event which leads to a loss or damage within the terms, conditions and limitations of the Certificate and renders entitlement for the Benefit.

The Law:

This Certificate shall be interpreted according to Islamic Sharia and is enforceable pursuant to the law of the United Arab Emirates. In the event of any dispute arising out of or relating to this Certificate, the Parties hereto shall consult and negotiate with each other in good faith to settle the dispute.

In the event the Parties are unable to reach an agreement as provided above within thirty (30) days of the first notice of a dispute being sent by one Party to the other, such dispute shall be referred to the International Islamic Centre for Reconciliation & Arbitration in Dubai (IICRA) in accordance with the rules applied by IICRA and the arbitration award shall be binding on the Parties.

### **FIRST SCHEDULE**

**CERTIFICATE NO** : **CL201705ML001/IA**

**CERTIFICATE HOLDER** : **Mashreq Al Islami**

TAKAFUL SCHEME: Shall mean the Takaful Cover offered by the Certificate holder to its Home Finance Holders in respect of the outstanding balance at month end of all Home Finance amounts, at the date of Death or Permanent Total Disability (Accident& Sickness).

- The Free Cover Limit is AED 4,000,000/-. Coverage for all Home Finance Customers up to AED 4,000,000 will be automatic without the need for Medical Questionnaire up to age 64 years.
- Takaful Cover above free cover limit from AED 4,000,001/- to AED 5,000,000/- Medical Questionnaire required.
- Takaful Cover above AED 5,000,000/- must be referred to Takaful company and coverage will be considered on case to case basis subject to satisfactory underwriting requirements as required by the company.

In this Certificate, where the context admits, words importing the masculine gender shall include the feminine gender and words importing the singular number shall include the plural and vice versa, except when otherwise specified or defined.

### **SECOND SCHEDULE**

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## **SCOPE OF COVER**

### **1. Death due to any Cause (DAC)**

Actual outstanding finance amount as at date of event subject to a maximum of AED 12,000,000/- per person.

### **2. Permanent and Total Disability**

Actual outstanding finance amount as at date of event due to any cause (PTD) subject to a maximum of AED 12,000,000/- per person.

**Permanent Total Disablement** means either of the below because of the injury or illness arising out of a cause not specifically excluded under this certificate:

- Permanent Loss of sight of both eyes.
- Physical severance/amputation of two limbs
- Complete and Permanent Paralysis
- Totally Disabled and the covered individual is rendered unable to earn income in any occupation.

Provided that the disability shall be for a period of six consecutive months and that the Company is satisfied that the covered person will be so rendered indefinitely. However, this time limit shall not apply to cases of physical severance/amputation of limbs.

Pre-existing diseases means illness, disease or sickness occurring or manifesting after the Commencement Date, for which advice or treatment was sought or obtained from a medical practitioner, chiropractor, naturopath, or any other practitioner of a similar kind within twelve months immediately prior to the Commencement Date.

## **ANTI-MONEY LAUNDERING & COMBATING TERRORIST FINANCING**

The Company is in compliance with Anti-Money Laundering & Combating Terrorist Financing laws (UAE Federal Law No. 4, 2002 - Criminalization of Money Laundering and UAE Federal Law No. 1, 2004 - Combating Terrorism Offences) and Insurance Authority No. (13) of 2015 Instructions Concerning Anti Money Laundering and Combating Terrorism Financing in Insurance Activities.

## **PREMIUM PAYMENT WARRANTY**

- a. Notwithstanding anything to the contrary mentioned in the Policy, it is hereby agreed, declared and warranted that any premium due under this Policy must be paid to and actually received by the Company in full within (No of Days as stated on Policy Schedule) of the inception date of the respective coverage under the Policy, renewal certificate or cover note or effective date of each endorsement if premium is required to be paid in full or if premium is required to be paid in instalments then from each such premium instalment date as agreed and stated in the Policy Schedule.

- b. In the event that any premium due in full is not paid and actually received by the Company in full within period as referred in (a) above, then the respective cover under the Policy, renewal certificate, cover note or endorsement shall be considered null and void with effect from inception of such respective cover under the Policy, renewal certificate, cover note or endorsement.
- c. In the event any premium due in instalments becomes due and not paid to and actually received by the Company in full within period as referred in (a) above, then the respective cover under the Policy, renewal certificate, cover note or endorsement shall be considered terminated with effect from expiry of the period as referred in (a) above from the unpaid premium instalment date and the insured shall be liable to pay premium on pro-rata basis for the period of cover as up-to the date of termination of the cover.

#### **ELECTRONIC TRANSACTIONS:**

- a. The Insured agrees to adhere to and comply with all such terms and conditions as the Company may prescribe from time to time and hereby agrees and confirms that all transactions effected by or through facilities for conducting remote transactions including the internet, world wide web, electronic data interchange, call centers, tele-service operations (whether voice, video, data or combination thereof) or by means of electronic, computer, automated machines network or through other means of telecommunication, established by or on behalf of the Company, for and in respect of this Policy or its terms, or the Company's other products and services, shall constitute legally binding and valid transactions when done in adherence to and in compliance with the Company's terms and conditions for such facilities, as may be prescribed from time to time.
- b. The Insured agrees and authorizes the Company and its associate partners to contact the Insured or the Life Assured anytime (including electronically through email, sms or telephone) for seeking any additional information and/or for providing any additional information whether related to the Policy and/or other Company's products or promotions.

#### **AUTHORIZATION BY THE INSURED**

The Insured hereby agrees and authorizes:

- a) the Company to use any of its approved verification agencies or make references/inquiries from any source of information, or any person or entity nominated herein;
- b) all financial institutions, bank, debt collection agencies, credit bureaus or any other person or entity to disclose and provide the Company with any information requested about or related to the Insured as in its possession;
- c) the Company, at any time and at its absolute discretion, to use and/or disclose the particulars and information provided in the Policy or the proposal form or any information relating to Policy Owner's liabilities towards the Company, or any other financial information including any breach of obligations or defaults (including in Premium payment or repayment) or any other financial information to any other entity, individual, organization, institution or financial institutions or banks, debt collection agencies or credit bureaus.

#### **SANCTION CLAUSE**



The Company shall not provide cover nor shall it be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, United Arab Emirates and all other jurisdictions where the Company transacts its business

**THIRD SCHEDULE**

#### **FINANCE AMORTIZATION**

Constant monthly repayments

#### **MAXIMUM FINANCE DURATION**

30 years

#### **MAXIMUM FINANCE AMOUNT**

AED 12,000,000

#### **MEDICAL UNDERWRITING REQUIREMENT**

Amount in AED	Age 18 – 64-	65 to 69 years
Up to AED 4,000,000/-	Free Cover Limit (FCL)	Case to case basis, subject to prior written approval by Takaful Company
AED 4,000,001– AED 5,000,000/-	Medical Questionnaire (MQ)	
Above 5,000,000/-	Refer to Takaful company	

#### **TERMINATION OF BENEFITS**

The Benefits under this Certificate in respect of the Covered Person shall terminate upon the happening of any one or more of the following:

- Closure of the finance account with the Bank by the Covered Person;
- The Covered Person having attained the maximum coverage age specified herein;
- The Covered Person becomes a defaulter for a period of 364 days
- The Covered Person's Death or Permanent Total Disablement;
- Cancellation of the Benefits under this Certificate by the Bank at any time in accordance with the terms and conditions of this Certificate.

#### **DECLARATION**

Declaration containing the following information would be provided by the Bank within 10 working days from the end of each month:

- Finance Account No.
- Unique Customer Identification No.
- Number of Covered Persons (Single or Joint, if joint how many Covered Persons)

- Name of the Covered Person
- Gender
- Date of Birth
- Occupation of the Covered Person
- Finance Amount approved by Bank
- Finance Disbursement Date
- Date of first instalment
- EMI Amount
- Period of Finance
- Finance Outstanding as at the last day of the month

### **CONTRIBUTION**

Based on the Declaration the Coverage amount is calculated, and the agreed Contribution rate will be applied on the Coverage amount. The Bank shall pay the Contribution on a monthly basis.

### **CANCELLATION OF CONTRACT**

It is hereby noted and agreed that either Party may cancel this Agreement by giving three (3) months written notice to that effect.

### **TIME LIMITATION**

If a claim be made and rejected and an action or suit be not commenced within six months after such rejection or (in case of an arbitration taking place as per provisions of this Certificate) within six months after the Arbitrator shall have made his award all Benefit under this Certificate shall be forfeited.

### **GOVERNING LAW AND JURISDICTION**

This Certificate shall be governed by and construed in accordance with the laws of United Arab Emirates. Both Parties agree and submit to the exclusive jurisdiction of the Courts of the United Arab Emirates.

### **TERRITORIAL LIMITS**

24 hours worldwide cover.

### **OBSERVANCE OF CONDITIONS**

The due observance and fulfillment of the terms, conditions and endorsements of this Certificate by the Bank, as referenced in this Agreement, in so far as they relate to anything to be done or complied with by the Bank shall be conditions precedent to any liability of the Company to make payment under this Certificate.

### **JOINT BORROWERS**

As long as there is an insurable interest amongst the borrowers, joint borrowers are covered under this Policy. In case of Joint Borrowers, the tenor of the loan shall be decided based on the higher of the two

ages. Cover ceases on attainment of age 65 of the older borrower. Joint Borrowers shall be both individually covered for the full principal sum (non-income borrowers are not covered), subject to individually completing underwriting requirements. Upon first or joint death, principal sum shall be paid, and cover ceases thereafter

## **DEFAULTER PROVISION**

Any particular monthly loan instalment default of more than six consecutive or cumulative months in arrears will be borne by the claimant or the bank. The exposure should be always in line with the pre-scheduled loan repayment.   
 o Accrued interest for the default period should not be part of Insurance pay-out   
 o Suicide/self-inflicted injuries are excluded   
 o In case of a claim, outstanding loan will be based on pre-scheduled amortization table as at date of claim, subject to not exceeding initial loan amount

## **EXCLUSIONS**

### **Exclusions applicable to PTD benefit only**

- The influence of alcohol or drugs other than proper use of drugs prescribed by a legally qualified medical practitioner.
- Pregnancy, childbirth or abortion or any complications arising there from.
- Illness occurring within 30 days of the commencement date
- Mental illness and nervous disorders
- Any deliberate self-inflicted injury and/or self-medication (without a proper prescription from a legally recognized medical practitioner)
- Engaging in or taking part in   
 o Naval, military or air force service or operations,   
 o Sports as a professional,   
 o Any kind of underwater activity below 40 meters,   
 o Sky diving involving the aid of breathing apparatus, rock climbing or mountaineering normally involving the use of ropes or guides, potholing, hang gliding, parachuting, hunting on horseback, or driving or riding in any kind of race or competition;   
 o Driving or riding on motor cycles or motor scooters with engine capacity of 250cc or more.   
 • Deliberate exposure to exceptional danger (except in an attempt to save human life)
- Any other exclusion mentioned in the General Exclusions.

### **General Exclusions (applicable for both Death and PTD benefit)**

- Active participation in any war, whether declared or not, from warlike action, civil war, insurrection, riot, civil commotion or other acts of violence including terrorism originating from any political or civil unrest; Passive war & Passive terrorism are covered for all benefits as an innocent by-stander. Passive war & Passive terrorism is not covered in: Iraq, Afghanistan, Palestine, Yemen, Libya and Syria and any country where war or warlike operation takes place and where the insured remains in for more than 28 days following the outbreak. It is also understood that the sum insured will not be payable if the insured actively participates in any of the above-mentioned events and if the insured is traveling to a country after war has been declared in that country or after it has been recognized as a war zone or where there are war like operations.

- Engaged in aviation, gliding, or any other form of aerial flight other than as a fare paying passenger or pilot or crew in a commercially licensed aircraft of a recognized airline or charter service operating on a regular route;
- Any breach of Criminal law by the life assured or an assault provoked by him;
- Suicide, attempted suicide or self-inflicted injury whilst sane or insane within 1 year after the date on which the assurance of that life assured first commenced;
- Loss resulting from accidental or deliberate spread or use of Nuclear, Biological or Chemical material including loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any event where Nuclear, Biological, and Chemical material is involved.
- Infection from any Human Immunodeficiency Virus (HIV), Acquired Immunodeficiency syndrome (AIDS) or any AIDS related condition other than blood transfusion.
- Pre-existing diseases or conditions but this exclusion shall not apply in respect of Death occurring after a continuous period of 6 months from the Commencement Date in respect of the Finance holder. However this exclusion shall not applicable in respect of customers who have been underwritten.

### **Claims Requirement**

Upon happening of an event-giving rise to a claim under this certificate, the FINANCE HOLDER'S Legal Representatives / Bank shall follow the following procedure.

Give immediate written notice to the Company but not later than 180 days from the Date of Event. If the Company is not notified of the claim within that period, the Company reserves the right to refuse liability for the claim.

The Bank or the Finance holder or the Finance Holder's legal personal representative shall complete the standard claim form issued by the Company and produce at no cost to the Company with such evidence to substantiate the claim to the satisfaction of the Company as the Company may reasonably require; The Bank shall also give to the Company all such proofs and information with respect to the claim as may be reasonably required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Certificate shall be payable unless the terms of this Condition have been complied with

The Finance Holder or the Finance Holder's legal personal representative or the Participant shall submit the following documents within 120 days from date of event:

### **For Death Claims**

- Finance Application Form (Bank will provide the same)
- Statement of Account as of date of event (Bank will provide the same)
- death certificate
- post mortem report (wherever legally required)
- police report (if death was due to an accident)
- Medical report with detailed diagnosis and cause of death if required by the Company when the actual cause of death is not clearly mentioned in the death certificate.
- copy of passport with visa page (if applicable) /National ID with respect to Nationals

### **For Permanent Total Disablement Claims**

- Finance Application Form (Bank will provide the same)
- Statement of Account as of date of event (Bank will provide the same)
- disability certificate from a recognized medical practitioner to assess disability
- police report (if disability is due to an accident)
- medical report with detailed diagnosis, cause of disability and details of treatment given (if any)
- copy of passport with visa page (if applicable)/National ID with respect to Nationals

All papers as indicated above may be required to be produced in original (other than those surrendered to the authorities) for verification before the final settlement of claim.

Medical report should be obtained from the chief medical officer or any other registered medical practitioner recognized by the local authorities.