

This document may be called **Participant's Membership Document** (hereinafter referred to interchangeably as "scheme or "policy") as defined in the Takaful Rules, 2012.

## **COMMERCIAL VEHICLE COMPREHENSIVE TAKAFUL POLICY**

### **PREAMBLE:**

This is to acknowledge that the applicant (hereinafter called the 'Participant', as more fully described in the schedule hereto:

- I. Is accepted as a member of the Participants' Takaful Fund (hereinafter called the 'Fund') operated by Alfalah Insurance Company Limited (Window Takaful Operations) (hereinafter called the 'Operator').
- II. Being a member of the Fund, he/she is acknowledged as a beneficiary under the attached Indemnity Policy of the Fund, and of the benefits declared by the Fund from time to time under this takaful policy (hereinafter called the 'policy'), in accordance with the Waqf rules governing the Fund.
- III. Subject to the participant continuing as a member of the Fund and complying with his/her undertaking under his/her declaration made in the proposal form, he/she is indemnified by the Fund as one of its beneficiaries against the perils/events described, in the manner and to the extent as stated hereunder.

### **CONDITIONS PRECEDENT:**

- I. No payment in respect of any Contribution shall be deemed to be payment to the operator unless a printed form of receipt for the same, signed by an official of the Operator, shall have been given to the Participant.
- II. Notwithstanding anything above, cover under this policy shall not commence until the Contribution, as stated in the schedule hereof, has been paid or guaranteed to be paid in the manner as stated in the schedule or as expressly agreed and stated therein.

Therefore this Policy Witnesseth that subject to the Terms, Conditions and Exceptions contained herein or endorsed or otherwise expressed hereon:

### **SECTION I. - LOSS OR DAMAGE**

The Participant shall be indemnified against loss of or damage to the Motor Vehicle and/or its accessories whilst thereon by;

- (a) accidental external means
- (b) fire external explosion self-ignition or lightning or frost.
- (c) burglary house-breaking or theft
- (d) malicious act
- (e) riot, strike
- (f) flood, hail, wind, hurricane, cyclone, tornado or typhoon.
- (g) earthquake volcanic eruption or other convulsion of nature and
- (h) Whilst in transit by air, road, rail, inland waterway, lift or elevator.

### **NO PAYMENT WILL BE DUE IN RESPECT OF**

- a) consequential loss depreciation wear and tear mechanical or electrical or electrical breakdowns failures or breakages nor for damage caused by overloading or strain or by explosion of the boiler of the motor vehicle nor for loss of or damage to accessories by burglary house-breaking or theft unless such motor vehicle is stolen at the same time or
- b) damage to tyre and battery unless such motor vehicle is damaged at the same time when the coverage is limited to 50 percent of the cost of the replacement.

In the event of the motor vehicle being disabled by reason of loss or damage covered under this policy, the Participant shall be paid the reasonable cost of protection and removal to the nearest repairs and of redelivery to the participant but not exceeding in all Rs.500 in respect of any one accident.

The participant may authorize the repair of the motor vehicle necessitated by the damage for which the coverage has been granted under this Policy provided that:

- a) the estimated cost of such repair does not exceed Rs. 750
- b) the operator is furnished forthwith with a detailed estimate of the cost and
- c) the participant shall give the operator every assistance to see that repair is necessary and the charge reasonable.

## **SECTION II – LIABILITY TO THIRD PARTIES**

1. The Participant shall be indemnified in the event of accident caused by or arising out of the use of the Motor Vehicle, against all sums including claimant's costs and expenses which the Participant shall become legally liable to pay in respect of:
  - a) death of or bodily injury to any person caused by or arising out of the use (including the loading and/or unloading) of the motor vehicle.
  - b) damage to property caused by the use (including the loading and/or unloading) of the Motor vehicle.

### **PROVIDED ALWAYS that:-**

- (a) No payment will be due in respect of death inquiry or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of the load to the motor vehicle for loading thereon or the taking away of the load from the motor vehicle after unloading there from.
  - (b) Except as far as is necessary to meet the requirements of section 95 of the Motor Vehicle Act, 1939, no payment will be due in respect of death of or bodily injury to any person in the employment of the participant arising out of and in the course of such employment.
  - (c) Except so far as is necessary to meet the requirement of section 95 of the Motor Vehicle Act, 1939 in relation to liability under the workman's Compensation Act, 1923, no payment will be due in respect of death of or bodily injury to any person (other than a passenger carried by reason of or in pursuance of a contract of employment) being carried in or upon or entering or mounting or alighting from the motor vehicle at the time of the occurrence of the event out of which any claim arises.
  - (d) No payment will be due in respect of damage to property belonging to be held in trust by or in the custody or control of the participant or a member of the participant's household or being conveyed by the motor vehicle.
  - (e) No payment will be due in respect of damage to any bridge and/or weighbridge and/or viaduct and/or to road and/or anything beneath by vibration or by the weight of the motor vehicle and/or load carried by the motor vehicle.
  - (f) No payment will be due in respect of damage to property caused by sparks or ashes from the motor vehicle or caused by or arising out of the explosion of the boiler of the motor vehicle.
  - (g) No payment will be due in respect of death or bodily injury caused by or arising out of the explosion of the boiler of the motor vehicle unless such death or injury is caused by or arises out of the use of the motor vehicle in a public place in Pakistan within the meaning of the Motor Vehicle Act, 1939.
2. All costs and expenses shall be paid, provided the same are incurred with the written consent of the Operator.
  3. In terms of and subject to the limitations of the indemnity which is granted by this section to the participant, the Participant's driver who is driving the Motor Vehicle on the Participant's order or with his permission shall be duly indemnified provided that such driver:
    - a) is not entitled to indemnity under any other policy
    - b) shall as though he were the participant observe fulfill and be subject to the terms exceptions and conditions of this policy in so far as they can apply
  4. In the event of the death of any person entitled to indemnity under this Policy, his personal representatives shall be indemnified in respect of the liability incurred by such person, in the terms of and subject to the limitations of this Policy provided that such personal representatives shall as though they were the Participant, observe, fulfill and be subject to the terms, conditions and exceptions of this Policy in so far as they can apply.
  5. The operator may at its own option:

- a) arrange for representation at any inquest or fatal inquiry in respect of any death which may be the subject of indemnity under this section and
- b) (B) under-take the defense of proceedings in any court of law in respect of any act or alleged offence causing or relating to any event which may be the subject of indemnity under this section.

### **SECTION III-TOWING DISABLED VEHICLES.**

This policy shall be operative whilst the motor vehicle is being used for the purpose of towing any one disabled mechanically propelled vehicle and the indemnity provided by section II of this policy shall subject to its terms and limitations be extended to apply in respect of liability in connection with such towed vehicle

PROVIDED ALWAYS that:-

- (a) such towed vehicle is not towed for reward
- (b) No payment shall not be liable by reason of this section of the policy in respect of the damage to such towed vehicle or property being conveyed thereby

### **AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY**

Nothing in this policy or any endorsement hereon shall affect the right of any person indemnified by this policy or any other person to recover an amount under or by virtue of the provisions of the Motor Vehicle Act, 1939, section 96 But the Participant shall repay to the Fund all sums paid which would not have been paid but for the said provisions.

### **APPLICATION OF LIMITS OF INDEMNITY**

In the event of any accident involving indemnity to more than one person any limitation by the terms of this policy and/or of any Endorsement hereon of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the participant.

### **GENERAL EXCEPTIONS**

No payment will be made in respect of:

1. any accident loss damage and/or liability caused sustained or incurred outside the geographical area as described in the Schedule.
2. any claim arising out of any contractual liability
3. any accident loss damage and/or liability caused sustained or incurred whilst the Motor vehicle in respect of, or in connection with which cover is granted under this Policy, is:
  - a. Being used otherwise than in accordance with the limitations as to use or as described in the schedule, or
  - b. Being driven by any person other than a driver
4.
  - a. any accident, loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss
  - b. Any liability whatsoever nature Directly or indirectly caused by or contributed to by or arising from ionizing 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 exception combustion shall include any self-sustaining process of nuclear fission.

Any accident, loss or damage and/or liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

5. Any accident, loss or damage and/or liability caused sustained or incurred after any variation in or termination of the participant's interest in the Commercial Vehicle.

No payment will be made in respect of any accident loss damage and/or liability directly or indirectly proximately or remotely occasioned by contributed to by or traceable to or arising out of or in connection with war invasion the act of foreign enemies hostilities or warlike operations (whether before or after declaration of war) civil war mutiny civil commotion assuming the proportions of or amounting to a popular rising military rebellion revolution insurrection military or usurped power or any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence or by any direct or indirect consequences of any of the said occurrences and except under section II-I(I) of this Policy whilst the Participant or any person driving with general knowledge and consent of the participant is under the influence of the intoxicating liquor or drug and in the event of any claim hereunder the participant shall prove that the accident loss damage and/or liability arose independently of and was in no

way connected with or occasioned by or contributed to by or traceable to any of the said occurrences or any consequence thereof and in default of such proof no payment will be made to the Participant.

### **CONDITIONS**

This policy and the schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the schedule shall bear the same meaning wherever it may appear.

1. Notice shall be given in writing to the operator immediately upon the occurrence of any accident or loss or damage and in the event of any claim and thereafter the participant shall give all such information and assistance as the operator shall require. Every letter claim writ summons and/or process shall be forwarded to the operator immediately on receipt by the participant. Notice shall also be given in writing to the operator immediately the participant shall have knowledge of any impending prosecution inquest or fatal inquiry in respect of any occurrence which may give rise to a claim under this policy. In case of theft or other criminal act which may be the subject of a claim under this policy the participant shall give immediately notice to the police and co-operate with the operator in securing the conviction of the offender.
2. No admission offer promise payment or indemnity shall be made or given by or on behalf of the participant without the written consent of the operator which shall be entitled if it is so desires to take over and conduct in the name of the participant the defense or settlement of any claim or to prosecute in the name of the participant for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the participant shall give all such information and assistance as the operator may require.
3. The operator may at its own option repair reinstate or replace the motor-vehicle or part thereof and/or its accessories or may pay in cash the amount of the loss or damage. However, such amount of the operator shall not exceed the actual value of the parts damaged or lost plus the reasonable cost of fitting and shall in no case exceed the participant's estimate of the value of the motor vehicle (including accessories thereon) as specified in the schedule or the value of the motor vehicle (including accessories thereon) at the time of the loss or damage whichever is the less.
4. The participant shall take all reasonable steps to safeguard the motor vehicle from loss or damage and to maintain it in efficient condition and the operator shall have at all times free and full access to examine the motor vehicle or any part thereof or any driver or employee of the participant. In the event of any accident or breakdown the motor vehicle shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the motor vehicle be driven before the necessary repairs are effected any extension of the damage or any further damage to the Motor Vehicle shall not be covered under this Policy.
5. If at the time any claim arises under this policy there is any other existing coverage covering the same loss damage or liability, no payment shall be made or contribute more than its ratable proportion of any loss damage compensation cost or expenses. Provided always that nothing in this condition shall impose any liability from which, but for this condition, it would have been reviled under proviso (a) of section II-3 of this policy.
6. If any difference arises as to the amount to be paid under this Policy (Liability being otherwise admitted) such difference shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties or in case the Arbitrator do not agree of an Umpire appointed in writing by the Arbitrator before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an Award shall be a condition precedent to any right of action against the operator.
7. The operator may cancel this policy by sending seven day's notice by registered letter to the participant at his last known address and in such event will return to the participant the contribution paid less the *pro rata* portion thereof for the period the policy has been in force or the policy may be cancelled at any time by the operator on seven day's notice and (provided no claim has arisen during the current period of coverage) the participant shall be entitled to a return of contribution less contribution at the operator's short period rates for the period the policy has been in force.
8. At any time after the happening of any event giving rise to a claim under section II of this policy, the Participant may be paid the full amount to be indemnified under that Section and the Operator may relinquish the conduct of any defense settlement or proceedings and the operator shall not be

responsible for any damage alleged to have been caused to the participant in consequence of any alleged action or omission of the operator in connection with such defense settlement or proceedings or of the operator relinquishing such conduct; nor shall any cost or expenses whatsoever incurred by the participant or any claimant or other person after the operator shall have relinquished such conduct.

9. The due observance and fulfillment of the terms conditions and endorsements of this policy in so far they relate to anything to be done or complied with by the participant and the truth of the statements and answers in the said proposal shall be conditions precedent to the Participant being indemnified under this Policy.

#### **TAKAFUL OPERATOR FEES**

The Operator shall deduct Operator's fee as per defined ratio approved by Shariah Advisor out of the Contribution received under this policy. Such fee shall be based on the Wakala principle since the Operator hereby acts as a Wakeel of the Fund. The Wakala Fees shall be credited to the Operators Fund and remaining portion shall be remained credited in the Participant Takaful Fund. The rate of Wakala Fees shall be approved by the Shariah Advisor based on the rating and risk management guidelines of the Window Takaful Operator for each type of Risk.

#### **INVESTMENT MANAGEMENT SHARE**

The Operator shall act as a Modarib or Wakeel for the purpose of managing the investment of available fund in the PTF. As such, the Operator stands entitled to a Modarib share or Wakala-tul-Istismar fee in the investment income subject to approval by the Shariah Advisor.

#### **TIMING AND TRANSFER OF FUNDS**

- 1- All Contributions recognized under General Takaful contracts, net of any Government levy, shall be credited to the Participant Takaful Funds.
- 2- All Contributions into a Participant Takaful Fund shall be deposited in a bank account designated as belonging to the Participant Takaful Fund or be paid across to such an account within seven days of receipt.
- 3- All income received on assets of a Participant Takaful Fund and receipts from Re-Takaful operators relating to the Participant Takaful Fund shall be deposited in bank accounts designated as belonging to the Participant Takaful Fund or be paid across to such account within seven days of receipt.
- 4- All assets, liabilities, income and expenditure of a General Takaful Operator which do not relate to a Participant Takaful Fund shall be deemed to be part of the Operator's Fund.

#### **SURPLUS DISTRIBUTION**

Operator may hold a portion of the surplus

- As a contingency reserve (over and above the technical provisions)
- For meeting solvency level under the Insurance Ordinance, 2000 and Takaful Rules, 2012
- For charity / donations
- The rest of the surplus may be distributed to participants in accordance with the approved Surplus Distribution Mechanism and Policy approved by the Shariah Advisor.
- For this purpose the Commission is also empowered to develop and issue the Surplus Distribution Mechanism for the General Takaful Operator which shall also be complied by the Operator.

#### **UNDERTAKING FOR SUBROGATION**

The participant hereby irrevocably and unconditionally authorizes Alfalah Insurance Company(Window Takaful Operations) the transfer of all his/their rights, title and interest in the asset(s) listed in the Schedule and all the right(s) and claim(s) against any person(s) in respect thereof to the Participant Takaful Fund/WaqfFund upon being indemnified by the Operator from the Participant Takaful Fund/Waqf Fund as per the Waqf rules, and further undertakes to sign all necessary documents in this regard.

#### **IMPORTANT NOTICE**

The Participant should for his own protection examine this policy to ascertain whether it is in accordance with his intentions and correctly described, if any error or discrepancy is found the same should immediately be intimated to the Operator for correction.

#### **ALFALAH INSURANCE (WINDOW TAKAFUL OPERATIONS)**

Alfalah Insurance (Window Takaful Operations) is committed to customer care. We wish to build a reputation as the Operator that puts its customers first and foremost.

#### **OUR COMMITMENT TO YOU**

Whilst all efforts will be made to provide you with a high standard of service at all times, however, if you are unhappy with any aspect of our service, please help us by writing your complaint to the following

**Address:**

Customer Service Department,  
Alfalah Insurance Company Limited,  
(Window Takaful Operations),  
Post Office Box 3531,  
Lahore.  
Email: [afi@alfalahinsurance.com](mailto:afi@alfalahinsurance.com)

We assure you that our Customer Service Department will contact you promptly to resolve the issue to the satisfaction of all parties involved.

In the unlikely event of you not getting the proper and satisfactory response please forward your complaint along with a copy of response from any of our officers, if any, to the following email address:

Email: [ceoffice@alfalahinsurance.com](mailto:ceoffice@alfalahinsurance.com)