

CROP TAKAFUL MASTER 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 '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 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 authorized 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.
- iii.

Now this policy of Takaful witnesseth that subject to terms conditions exceptions and limitations contained herein or endorsed hereon the Fund shall indemnify the Participant to the extent and in the manner provided hereinafter.

If the Participant shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise the Policy shall become void and all claim hereunder shall be forfeited.

Whereby the Bank is authorized to advertise, offer, market and provide this Takaful to its customers in Pakistan as per agreed terms and conditions contained in the Policy Agreement.

The Operator will manage the pool of Takaful as stated in this policy. Any declaration made or undertaking to pay the contribution by the participant will form the basis of the contract and be part of the policy. This policy is evidence of membership of Participant Takaful Fund. The contract

comes into force when the list of customers will be provided to the operator by the bank on monthly basis as per terms, conditions and exceptions of this Takaful policy.

In consideration of the Participant named in the schedule hereto paying to the Alfalah Insurance Company Limited (Window Takaful Operations) (hereinafter called “The Operator”) the contribution as per contribution mentioned in the said schedule.

The Company agrees (subject to terms and conditions contained herein or endorsed or otherwise expressed herein, which conditions shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Participant to recover) that if after payment of the contribution the Crop Participant described in the Certificate of Takaful, be destroyed or damaged by:

- a) **Natural calamities** like Excessive Rains, Hail Storm, Frost, Flood & Drought etc.
- b) **Crop Related Diseases** like viral and bacterial attacks or locust attack etc.

At any time before 2400 hours on last day of the harvesting / period of coverage expressed in the Certificate of Takaful, the Fund will pay to the Participant the extent of outstanding facility amount of the client (including any outstanding interest) at the time of the happening of the damage or destruction.

Provided that the liability of the Company shall in no case exceed in respect of the “Crop” the total sum expressed in the Certificate of Takaful or endorsed thereafter.

Indemnification:-

A valid claim under scope of cover will be payable subject to declaration of calamity by the Competent Authority in the area where the farm is located and/or Catastrophic Individual Losses where individual losses certified by concerned Area Manager on affidavit of Branch Manager/Branch Credit Manager.

For the purpose of this Takaful scheme reference yield means the average yield of the covered crop and variety for the last three years for the Union Council, Tehsil or District for which the Official record is available with agriculture Department/ revenue department.

Catastrophic Area Loss Cover (CALC):

The covered crops situated in an area declared as “Calamity affected” by the Government and the damage to crop was due to any of the covered perils. The following documents will be required from the bank:

1. Claim letter signed and stamped by the Bank Officials.
2. Copy of Gazette notification declaring calamity affected area by Provincial or Federal Government where the crop is situated.
3. MIS/ List of effected clients.

Catastrophic Individual Loss Cover (CILC):

1. In case of individual losses, borrower requests for the claim dully verified by BM and Area Manager.
2. Claim Letter signed and stamped by the Bank Officials.
3. MIS/list of effected clients.

EXCLUSIONS:

1. This Takaful does not cover:
 - a. War, Invasion, Act of Foreign Enemy, Hostilities or Warlike Operations (whether war has been declared or not), Civil War, Rebellion, Riots & Strike, State of Siege, Labor Disputes or any events or causes which determine the proclamation or maintenance of martial law or state of siege the acts of any lawfully constituted authority, terrorism and alike activities.
 - b. Losses occurring before attachment of risk or after harvesting.
 - c. Losses directly or indirectly caused due to neglect and/or malfeasance of the covered/ members of his family employees, poor farming practices or failure to reseed or replant if it is possible to do so under the circumstances
 - d. Loss due to theft, malicious act or due to reasons and risks not specifically covered by the policy
 - e. Any loss or damage arising out of measures taken by the government for public interest.
 - f. Price fluctuations (output prices), and loss of market etc.
 - g. Losses directly or indirectly caused due to earthquake, volcanic eruption, subsidence, landslide or erosion.
 - h. Losses due mis utilization/ nonutilization of covered facility for the purpose it was given.
 - i. Act of Loss, destruction, damage, directly or indirectly caused to the covered Property by or arising from or in consequence of or contributed by; ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only combustion shall include any self sustaining process of nuclear fission or arising from or in consequence of or contributed to by nuclear weapons/materials.
 - j. Loss,destruction or damage directly or indirectly caused by act(s) of Terrorism; acts of terrorism as specifically defined hereunder, ‘an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of an act harmful to human life, tangible or intangible property or infrastructure, 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’.

CONDITIONS

- 1.) If there be any material misdescription of any kind or of the place of sowing, or any misrepresentation as to any fact, material to be known for estimating the risk, or any omission to state such fact, the Fund shall not be liable upon this Policy so far as it relates to “Crop” affected by any such misdescription, misrepresentation or omission.
- 2.)
 - a) The contribution will be paid to the Operator by the bank in full after inception of the cover within the agreed period.
 - b) 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 or duly appointed agent of the Operator shall have been given to the Participant.
- 3.) The Participant shall give notice to the Company of any Takaful policy or policies already effected, or which may subsequently be effected, covering any of the Crop hereby covered, and unless such notice be given and the particulars of such Takaful policy or policies be stated in or endorsed on this policy by or on behalf of the Operator before the occurrence of any loss or damage, all benefits under this policy shall be forfeited.
- 4.) This coverage may be terminated at any time at the request of the Participant, in which case the Company will retain the short period contribution for the time the policy has been in force. This coverage may also at any time be terminated at the option of either Party upon 60 days’ notice. However, Parties should immediately settle their accounts and obligations (if any).
- 5.) All the claims shall be settled and paid by Alfalah Insurance (Window Takaful Operations) within 30 days subject to completion of all formalities/ documents.

In case of any claim in respect of Takaful, the entertainment of claim by the Alfalah Insurance (Window Takaful Operations) will be subject to the furnishing the following documents;

- I. _____ Bank will provide loss intimation letter to the Alfalah Insurance (Window Takaful Operations) giving complete details of the incident immediately.
 - II. Notification of the Government regarding calamity hit area under CALC if applicable.
 - III. In case of individual claim, the Bank/client must inform the Operator during the standing crop and it shall not be harvested without prior permission (in writing) from the Operator. AFI(WTO) will immediately assign the surveyor and survey report will furnish within reasonable time.
 - IV. The Fund shall not be liable for any losses reported after harvest.
 - V. All payments of claims will be made to the Bank on the basis of Survey report assessed and recommended by AFI(WTO) Surveyor and as per terms and conditions.
 - VI. In case of any dispute or difference as to Liability/Quantum of loss shall be decided/ finalized by AOCC (Area Office Credit Committee, comprising representative of the Bank, AFI(WTO) and the farmer). The decision of AOCC will be final.
- 6.) The Bank Officials’ certificate of “Fasal Kharaba” to the extent of 50% or more damage/loss to the Crop or 75% less yield against reference yield of the area whichever is

higher, the compensation will be equal to 100% of the amount receivable against Facility and facility markup.

- 7.) Identified losses from 25% will be considered on proportionate basis as per mutual consensus of AFI & Bank.
- 8.) The maximum limit of liability of the Alfalah Insurance (Window Takaful Operations) for all claims for facility covered in the same period would be 300% of contribution received in the policy year.
- 9.) The Participant shall also at all times at his own expense produce, procure and give to the Operator all such further particulars, books, vouchers, invoices, duplicates or copies thereof, documents, proofs, and information with respect to the claim and the origin and cause of the damage/loss and the circumstances under which the loss or damage occurred, and any matter effecting the liability or the amount of the liability of the Operator as may be reasonably required by or on behalf of the Operator 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 policy shall be payable unless the terms of this condition have been complied with.
- 10.) On the happening of any loss or damage to any of the property covered by this Policy, the Company may
 - a. Enter and take and keep possession of the covered Crop where the loss or damage has happened.
 - b. Take possession of or require to be delivered to the Operator any part of the covered Crop.
 - c. Keep possession of any such Crop and examine, sort, arrange, remove, or otherwise deal with the same.
 - d. Sell any such destroyed Crop or dispose of the same for account of whom it may concern.

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

If the Participant or any person on his behalf shall not comply with the terms and conditions of the Policy or shall hinder or obstruct the Company in the exercise of its powers hereunder, all benefits under this Policy shall be forfeited.

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

- 11.) 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 Participant or any one acting on his behalf to obtain any benefits under the Policy; or, if the loss or damage be occasioned by the willful act, or with the connivance of the Participant; or if the claim be made and rejected and an action or suit be not commenced within three

months after such rejection, or (in case of an arbitration taking place in pursuance of the condition 12.c of this Policy) within three months after the arbitrator or arbitrators or umpire shall have made their award, all benefits under the Policy shall be forfeited.

- a. The Participant shall, at the expense of the Operator, do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Operator for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Fund.
 - b. If at the time of any loss or damage happening to any property hereby covered, there be any other subsisting Takaful policy or policies, whether affected by the Participant or by any other person or persons, covering the same "Crop", this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.
 - c. If any difference arises as to the amount of any loss or damage such difference shall independently of all other questions 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 disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within two calendar months after receipts of notice in writing requiring an appointment the other party shall be at liberty to appoint a sole Arbitrator; and in case of disagreement between the Arbitrators the differences shall be referred to the decision of an Umpire who shall have been appointed by the two Arbitrators in writing before entering on the reference and who shall sit with the Arbitrators and preside at their meetings. The death of any party shall not revoke or affect the authority or powers of the Arbitrator, Arbitrators or Umpire respectively; and in event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The costs of the reference and of the award shall be in the discretion of the Arbitrator, Arbitrators or Umpire making the award and it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss or damage if disputed shall be first obtained.
- 12.) In no case whatsoever shall the Fund be liable for any loss or damage after the harvesting from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.
- 13.) Every notice and other communication to the Operator required by these conditions must be written or printed.

- 14.) Warranted that when so authorized by the Insurance Association of Pakistan the Inspector of the Insurance Association of Pakistan shall have access at any time to the risk and/or the premises.

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.

IMPORTANT

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 misdescription is found the same should immediately be intimated to the Operator for correction.

DECLARATION:

The Participant/bank shall declare complete details of the Crop being sowed alongwith the detailed information of the client, and complete address of the piece of land on which the Crop is being sowed.

Settlement of Claims:

All claims shall be settled and paid by AFI(WTO) without any delay within 30 days after submission of completed claim document by the Bank. AFI(WTO) will immediately assign the task to surveyors and conclude the survey report on priority basis ensure that claim settlement is executed within defined timelines. The survey report will also be shares with the Bank and no claim amount shall stand to be adjusted against the contribution payable to AFI(WTO).

In case of any claim in respect of the Takaful, the entertainment of claim by Operator will be subject to furnishing the following documents:

- I. The Bank will provide loss intimation letter to AFI giving complete details of the incident via claim intimation form.
- II. Notification of the Government regarding calamity hit area under CALC.
- III. In case of individual claim, the Bank/client must inform the Operator during standing crop and it shall not be harvested without prior permission (in writing) from the Operator. AFI will immediately assign the surveyor and survey report will furnish with within reasonable time.
- IV. The Fund shall not be liable for any losses reported after harvest.
- V. All payments of claim will be made to the Bank on the basis of the Survey Report assessed and recommended by AFI surveyor and as per terms and conditions.
- VI. In case of any dispute or difference as to Liability/Quantum of loss shall be decided/ finalized by AOCC (Area Office Credit Committee, comprising representatives of the Bank, AFI(WTO) and the Farmer). The decision of AOCC will be final.

Note: Reference Yield

For the purpose of this Takaful scheme reference yield means the average yield of the covered crop and variety for the last three years for the Union Council, Tehsil or District for which the official record is available with Agriculture Department/ revenue department.

Crop Takaful - Grievance Redressal Procedure

If you have a grievance that you wish us to redress, you may contact us with the details of your grievance through:

- Our website : www.alfalahinsurance.com
- Email : afi@alfalahinsurance.com
- Telephone : 111-786-234
- Fax : 042 – 35774329 & 30
- Courier : Alfalah Insurance Company Limited, 5 – Saint Mary Park, Gulberg, Lahore

In case you are not satisfied with the decision of the above office, you may approach the nearest Insurance Ombudsman for resolution of your grievance. The contact details of Ombudsman offices are mentioned below:

| Ombudsman Offices | |
|---|--|
| Jurisdiction | Office Address |
| Federal Insurance Ombudsman | 2 nd Floor, Pakistan Red Crescent Society, Annexed Building, Plot No. 197/5, Dr. Duod Pota Road, Karachi. Phone: 021-99207761-62 Website: www.fio.gov.pk |
| Official Coordinator, Small disputes Resolution committee (Islamabad) | The Management Executive, Insurance Division, 3 rd Floor, NIC Building, 63-Jinnah Avenue, Blue Area, Islamabad. Phone: 051-9207091-4 ext: 439 Email: complaints@secp.gov.pk |
| Official Coordinator, Small disputes Resolution committee (Karachi) | The Deputy Director, Specialized Companies Division, 5 th Floor, State Life Building No. 2, Wallace Road, Off. I. I. Chundrigar Road, Karachi. Phone: 021-32414204 Email: complaints@secp.gov.pk |
| Official Coordinator, Small disputes Resolution Committee (Lahore) | The Deputy Registrar of Companies, Company Registration Office – Lahore, Associate House, 3 rd & 4 th Floor, 7 – Edgerton Road, Lahore. Phone: 042-99204962-66 ext: 28 Email: complaints@secp.gov.pk |

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within the coverage or any endorsement thereto it is agreed that this coverage excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with nuclear energy or radioactivity of any kind including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

If the Operator alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Takaful the burden of proving the contrary shall be upon the Participant.

Subject otherwise to the same terms, conditions, exceptions and limitations of the Original Policy.

Jurisdiction Clause

It is hereby declared and agreed that the indemnity granted under this coverage shall not apply to:

- (a) any judgement(s) delivered or obtained other than by courts of competent jurisdiction within Pakistan.
- (b) Costs and expenses of litigation incurred by an original claimant which are not incurred in and recoverable in Pakistan.

Subject otherwise to the same policy terms, conditions, limitations and exception of the original policy.
