

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

PRIVATE CAR 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 Car 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 break-down, failure or breakage and
- b) Damage to tyres and battery, unless the motor car 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 car 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 repairer(s) and of redelivery to the Participant but not exceeding Rs. 500/- in all, in respect of any one accident.

The Participant may authorise the repair of the Motor Car necessitated by damage for which coverage has been granted under this Policy provided that:

- a) the estimated cost of such repair(s) does not exceed Rs. 500/-,
- 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 such repair is necessary and the charges are 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 Car, 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 but except so far as is necessary to meet the requirements of Section 95 of the Motor Vehicles Act, 1939, the Operator shall not warrant liability where such death or injury arises out of and in the course of the employment of such person by the Participant.
 - b) Damage to property other than property belonging to the Participant or held in trust by or in the custody or control of the Participant.
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 and for the purpose of the indemnity which is granted by this section to the Participant, the Participant's driver who is driving the Motor Car 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 Takaful or insurance policy.
 - b) Shall, as though he were the Participant, observe, fulfill and be subject to the terms, conditions and exceptions of this Policy in so far as they can apply.
4. In terms of and subject to the limitations of the indemnity which is granted by this Section in connection with the Motor Car, the Participant shall be indemnified whilst personally driving a private Motor Car (but not a Motor Cycle) not belonging to him and not hired to him under a hire purchase agreement.
5. 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.
6. 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) Undertake 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 - MEDICAL EXPENSES

The Participant shall be paid the reasonable medical expenses not exceeding Rs. 350 in respect of any one accident incurred in connection with any bodily injury by violent, accident, external and visible means sustained by the Participant or any occupant of the Motor Car as the direct and immediate result of an accident to the Motor Car.

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 Vehicles 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.

GENERAL EXCEPTIONS

No payment will be made in respect of:

1. Any accident, loss, damage and/or directly/indirectly 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 any Motor Car 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 as described in the schedule, or
 - b. Being driven by any person other than a driver as described in the schedule.
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 of whatsoever nature, directly or indirectly caused by or contributed to or arising from 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 exception, combustion shall include any self-sustaining process of nuclear fission.
5. Any accidental loss, damage or liability directly or indirectly caused by or contributed to or arising from nuclear weapons material.
6. Any accidental loss, damage and/or liability caused, sustained or incurred after any variation in or termination of the Participant's interest in the Motor Car.

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 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 rising, 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-1(a) of this Policy, whilst the Participant or any person driving with the general knowledge and consent of the Participant, is under the influence of intoxicating liquor or drugs 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 immediate 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 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 claims 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, arrange to repair, reinstate or replace the Motor Car or part thereof and/or its accessories or arrange to pay in cash the amount of the loss or damage. However, such amount 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 Motor Car (including accessories thereon) as specified in the Schedule or Participant's estimate of the value of Motor Car (including accessories thereon) at the time of the loss or damage, whichever is less.

4. The Participant shall take all reasonable steps to safeguard the Motor Car 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 Car or any part thereof or any driver or employee of the Participant. In the event of any accident or break-down, the Motor Car shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the Motor Car be driven before the necessary repairs are affected, any extension of the damage or any further damage to the Motor Car shall not be covered under this Policy.
5. If, at the time of claim arises under this Policy, there is any other existing Takaful or insurance policy covering the same loss, damage, or liability, no payment shall be made or contributed more than the rateable proportion under this Policy, of any loss, damage, compensation, costs or expenses. Provided always that nothing in this condition shall impose any liability from which, but for this condition, it would have been relieved under provision (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 to do so by either of the parties or in case the Arbitrators do not agree to the decision of an Umpire appointed in writing by the Arbitrators 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 serving seven days' notice by registered letter to the Participant at his last known address and in such event may be given an amount equivalent to the Contribution paid less pro-rata portion thereof for the period this Policy has been in force or this Policy may be cancelled at any time by the Participant on giving seven days' notice in writing and (provided no claim has arisen during the then current period of takaful) the Participant shall be entitled to a return of contribution less the contribution at the operator's short period rates for the period the policy has been in force.

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.