

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

FIRE 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 '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.

Whereas the Participant has made a payment (described in the Schedule) as Contribution to the Fund and accepting the same the Operator hereby agrees the (subject to Conditions contained herein or endorsed or otherwise expressed here on which Conditions shall so far as the nature of them respectively will permit to be deemed to be Conditions precedent to the right of the Participant to recover hereunder) the Property covered vide this Policy as described in the said Schedule, or any part of such Property, be destroyed or damaged by Fire and/or Lightning specified in the schedule at any time during the policy period but before 2400 hours on last day of the policy period as stated in the said Schedule, the Participant will be paid for the value of the property at the time of the happening of its destruction or the amount of such damage or at Operator's option it will be reinstated or replaced.

Provided that the amount of indemnification shall in no case exceed, in respect of each item, the sum expressed in the said Schedule to be covered thereon or in the whole, the total sum covered hereby or such other sum or sums as may be substituted thereof, by memorandum hereon, or attached hereto, signed by or on behalf of the Operator.

General Exclusions

This Policy does not cover loss, destruction or damage caused by:

1. (i) War, invasion, act of foreign enemy, hostilities or war like operations (whether war be declared or not) and civil war.

(ii) Mutiny, riot and strike, lock out, civil commotion, popular rising, military rising, rebellion, revolution, insurrection or military or usurped power, martial law or state of siege or any of the event or causes which determine the proclamation or maintenance of martial law or state of siege.

(iii) 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 organisation(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.
2. Loss, destruction or 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 material.
 3. Loss, destruction or damage caused to the covered property by pollution or contamination excluding pollution or contamination which itself results from a peril hereby covered against.
 4. Loss, destruction or damage to bullion or unset precious stones, any curiosity or works of art for an amount exceeding Rs.10,000/-, goods held in trust or on commission, manuscripts, plans, drawings, designs, patterns, models, moulds, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or other business books, computer system records, explosives unless otherwise expressly stated in the Policy.
 5. Any loss or damage occasioned by or through or in consequence of the burning whether accidental or otherwise of forests, bush, prairie, pampas, or jungle, and clearing of lands by fire.
 6. Loss, destruction or damage to coal occasioned by its own spontaneous combustion unless otherwise expressly stated in the Policy.
 7. Loss or damage to covered property occasioned by its own fermentation, natural heating or spontaneous combustion or by its under going any heating or drying process.
 8. Loss or damage occasioned by or through or in consequence of
 - (a) The burning of property by order of any public authority
 - (b) Subterranean fire
 9. Loss, destruction or damage occasioned by or through or in consequence of explosion, but loss or damage by explosion of gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works, will be deemed to be loss by fire within the meaning of this Policy.
 10. Loss, destruction or damage to the stocks in Cold Storage premises caused by change of temperature.
 11. Loss, destruction or damage to any electrical machine, apparatus, fixture, or fitting arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self- heating, or leakage of electricity, from whatever cause (lightning included) provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixtures or fittings which may be destroyed or damaged by fire so set up.
 12. Any loss or damage occasioned by or through or in consequence directly or indirectly due to Earthquake, Volcanic eruption, tsunami or other convulsions of nature.
 13. Any loss or damage occasioned by or through or in consequence directly or indirectly due to:
 - (a) Hail, Snow, Wind, Typhoon, Hurricane, Tornado, Cyclone, Rain, Flood or other atmospheric disturbances.
 - (b) Landslide and Subsidence.
 14. Expenses incurred on (i) Architects, Surveyors and Consulting Engineer's Fees and (ii) Debris Removal by the participant following a loss, destruction or damage to the Property by covered peril
 15. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
 16. Loss by theft during or after the occurrence of fire.

CONDITIONS

1. If there be any material misdescription of any of the property hereby covered, or of any building or place in which such property is contained, or any misrepresentation as to any fact, material to be known for estimating the risk, or any omission to state such fact, no indemnification shall be made under this Policy so far as it relates to property affected by any such misdescription, misrepresentation or omission.
2. The Participant shall give notice to the Operator of any Policy(s) of Takaful or Conventional Insurance policies already affected, or which may subsequently be affected, covering any of the property hereby covered, and unless such notice be given and the particulars of such Policy(s) of Takaful or Conventional Insurance(s) 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.
3. All coverage under this Policy
 - i. on any building or part of any building
 - ii. on any property contained in any building
 - iii. on rent or other subject matter of Takaful in respect of or in connection with any building or any property contained in any building, shall cease immediately upon any fall or displacement.
 - a) of such building or of any part thereof,
 - b) of the whole or any part of any range of buildings or of any structure of which such building forms part.

PROVIDED that such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material.

AND PROVIDED that such fall or displacement is not caused by fire. Loss or damage which is covered under this Policy or would be covered if such building, range of buildings or structure **was** covered under this Policy,

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire covered under this Policy, as aforesaid shall be upon the Participant.

4. Under any of the following circumstances this Policy ceases to attach as regards the property affected unless the Participant before the occurrence of any loss or damage, obtains the sanction of the Operator signified by endorsement upon the Policy, by or on behalf of the Operator.
 - (a) If the trade or manufacture carried on be altered, or if the nature of occupation of or other circumstances affecting the building covered or containing the covered property be changed in such a way as to increase the risk of loss or damage by fire.
 - (b) If the building covered or containing the covered property become unoccupied and so remained for a period of more than 30 days.
 - (c) If the property covered be removed to any building or place other than that in which it is herein stated to be covered.
 - (d) If the interest in the property covered passes from the Participant otherwise than by will or operation of law.
5. This Policy does not cover any loss or damage to property which at the time of the happening of such loss or damage, is covered by or would, but for the existence of this Policy be covered by any **marine Policy or policies** except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this Takaful not been effected.
6. This Policy may be terminated at any time at the request of the Participant, in which case the Operator will retain contribution at the customary short period rate for the time the policy has been in force. This policy may also at any time be terminated at the option of the Operator, on 14 days' notice to that effect being given to the Participant at his/her last known address. In which case, the Operator shall be liable to repay on demand a rate able proportion of the contribution for the unexpired term from the date of cancellation.
7. On the happening of any loss or damage, the Participant shall forthwith give notice thereof to the Operator, and shall within 15 days deliver the following to the Operator after the loss or damage or such further time as the Operator may allow in writing in this regard:
 - (a) A claim in writing for the loss and damage containing as particular an account as may be reasonably practicable of all the several articles or items of property damaged or destroyed and of the amount of the loss or damage thereto respectively, having regard to their value at the time of loss or damage, not including profit of any kind.
 - (b) Particulars of all other Takaful(s) and/or other conventional insurance(s), if any.

The participant shall also at all times at his own expense produce, procure and give to the Operator all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs, and information with respect to the claim and the origin and cause of the fire and the circumstances under which the loss or damage occurred, and any matter touching 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.

8. On the happening of any loss or damage to any of the property covered by this Policy the Operator may;
- (a) Enter and take and keep possession of the building or premises where the loss or damage has happened.
 - (b) Take possession of or require to be delivered to it any property of the Participant in the building or on the premises at the time of the loss or damage.
 - (c) Keep possession of any such property and examine, sort, arrange, remove, or otherwise deal with the same.
 - (d) Sell any such property 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 requirements of the Operator or shall hinder or obstruct the Operator in the exercise of its powers hereunder, all benefit under this policy shall be forfeited.

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

9. 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 anyone acting on his behalf to obtain any benefit under this 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 15th condition of this Policy) within three months after the Arbitrator(s) shall have made their award, all benefit under this Policy shall be forfeited.
10. The Operator may at its option arrange to reinstate or replace the Property damaged or destroyed. or any part thereof instead of arranging the payment of the amount of the loss or damage or may join with any other Operator or Takaful Operator/[insurance company](#) in doing so, but the Operator shall not be bound to arrange to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Operator be bound to arrange to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, not more than the sum covered by the Operator thereon.

If the Operator so elects to arrange the reinstatement or replacement of any property the Participant shall, at his/her own expense, furnish the Operator with such plans, specifications, measurements, quantities and such other particulars as the Operator may require, and no acts done, or caused to be done by the Operator with a view of reinstatement or replacement shall be deemed in election by the Operator to arrange the reinstatement or replacement.

If in any case, the Operator shall be unable to arrange the reinstatement or replacement of the property hereby covered, because of any municipal or other regulation in force affecting the alignment of streets or the construction of buildings, or otherwise, in every such case, only the sum will be paid as it as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

11. The Participant shall, at the expense of the Fund, 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 Fund shall be or would become entitled or subrogated, upon the payment 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 the indemnification by the **Operator**.

12. If at the time of any loss or damage happening to any property hereby covered, there be any other subsisting Policy(s) of Takaful or Conventional Insurance, whether effected by the Participant or by any other person(s), covering the same property, no payment shall be made or contributed more than rate able proportion under this Policy of such loss or damage.
13. If the property hereby covered shall, at the breaking out of any fire, be collectively of greater value than the sum covered thereon, then the Participant shall be considered as bearing the risk **himself/herself** for the difference, and shall bear a rate able proportion of the loss or damage accordingly Every item, if more than one, of the Policy shall be separately taken into consideration subject to this condition.
14. 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 to do so in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within two calendar months after receipts to 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 them 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.
15. No payment will **be made** for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.
16. Every notice and other communication to the Operator required by these Conditions must be written or printed.
17. In any action, suit or other proceeding where the Operator alleges that by reason of the provisions of this **policy** any loss or damage is not covered by this Policy, the burden of proving that such loss or damage is covered shall be upon the Participant.
18. The Operator or any of the authorized representatives of the Operator shall have the right to access 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.