

# HOME TAKAFUL TERMS & CONDITIONS



## WELCOME TO NOOR TAKAFUL

Thank you for choosing Noor Takaful.

This booklet is designed to help you check your cover and to reassure you that we will give you the protection you need for the year ahead.

This booklet, together with your Takaful Schedule and Takaful Certificate, provides all the details you need to know about your cover. Please take a moment to read them all and then keep them in a safe place.

If a change is required, or if you would like to add any of our optional extras to your cover, please call our dedicated Customer Service Center on 800 NOOR (6667).

Making your house a home.

# CONTENTS

Definitions	3
Section 1 : Building, Household Contents/Appliances, Jewellery And Valuables	6
Section 2 : Public Liability	12
Section 3 : Worldwide Cover	15
Section 4 : Legal Liability To Domestic Workers	17
General Exclusions	18
General Conditions	20
Principles of Takaful	23

# DEFINITIONS

**Accident**

A fortuitous event or circumstance which is sudden, unexpected and unintentional including resultant continuous, intermittent or repeated exposure arising out of the same fortuitous event or circumstance.

**Act of terrorism**

Means an act, 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 similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear.

**Burglary**

Theft following upon an actual, forcible and violent entry to and/or exit from the Premises.

**Building/ Homebuilding**

Any building used for permanent occupation by the Participant as a place of living or residence for himself/ herself and his/her family members.

**Certificate Period/ Period of Takaful Cover**

Means the period as shown in The Schedule during which the Peril Covered should occur in order to be eligible for indemnification under The Takaful Certificate.

**Condition of average**

If the Property hereby covered shall, at the commencement of any Damage, be collectively of greater value than the Limit of Liability thereon, then the Participant shall be considered as being covered on their own for the difference, and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the Certificate shall be separately subject to this condition.

**Covered Peril(s)**

Means the incident or event resulting in loss or damage, which is covered under the terms, conditions and limitations of The Takaful Certificate for indemnification.

**Damage**

Physical loss, destruction or damage to tangible property due to Accident.

**Deductible**

Means the amount for which The Participant shall be responsible for each and every claim.

**Electronic Data**

Means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

**Household Contents**

Household goods like clothing, linen, furniture and fixture, curtains, utensils and crockery; in the Home building or its domestic outbuildings or garage, owned by any member of the Participant's household (or for which the Participant is legally responsible).

**Household Appliances**

Electronic/mechanical and electrical equipment pertaining to cooking, washing, drying, ironing, Audio/ video systems and appliances.

**Injury**

Death, bodily injury, illness or disease of or to any person.

**Jewellery**

Ornaments made of gold and/or silver and/or precious metals set with precious/semi precious stones or without them.

**Material fact**

A fact that affects the judgment of the underwriter, in deciding whether to accept a risk or not and if he decides to accept, the terms on which he will do so. For an existing Certificate it affects the Company's judgment of whether it wishes to continue to cover the risk and if so on what terms.

**Personal Belongings**

Luggage, clothing and articles of personal use, normally worn, used or carried about the person, belonging to the Participant or for which he/she is legally responsible.

**Portable Equipment**

Sports, musical, photographic and other portable equipment including laptop computers, mobile telephones and the like.

**Premises**

The residential building as stated in the Schedule.

**Property**

Homebuilding and/or Household Contents and/or Household Appliances and/or Jewellery and Valuables as defined above.

**Re-Takaful**

Means transfer of part or whole of the Contribution paid by the Participants to the Takaful Company under the Takaful Contract to any other Takaful Company, Retakaful Company, Insurer or Reinsurer in order to distribute the risk and provide financial protection to the Participant.

**Retroactive date**

Coincides with the date of commencement of the Certificate for the first time as long as the Certificate has been renewed without any break. When there is a break, the Retroactive date shall commence from the date of renewal of this Certificate.

**The Company**

Means, Noor Takaful General PJSC, the scheme manager, which runs this Takaful scheme, for a fee as agreed, as an agent of The Participant for providing indemnity and making investments of The Takaful Contribution credited to General Takaful Fund (GTF) on terms and conditions as contained in The Takaful Certificate.

**The Participant**

The person or entity as shown in The Schedule, who has entered into Takaful Contract by making Takaful Contribution, who is entitled to be indemnified for damages sustained by him arising out of Covered Perils as per the provisions of The Takaful Certificate and receive a net surplus and return on investment of the General Takaful Fund (GTF) on agreed terms.

**The Property Covered**

Means the property(ies) as described in The Schedule against the item the 'The Property Covered'.

**The Schedule/ Certificate Schedule**

The Schedule contains the individual details of The Participant viz., name of Participant, Certificate Period, Sum Covered, details of property covered, and Deductible etc. and shall be an integral part of The Takaful Certificate.

**The Sum Covered**

Means the amount as shown in The Schedule against the item the 'Sum Covered' and shall be the maximum amount of indemnity to The Participant for loss or damage to Covered Property arising out of a Covered Peril, subject otherwise to the terms and conditions of The Takaful Certificate.

**The Takaful Certificate**

The Takaful Certificate is the document signifying the contract between The Company, as the scheme manager and The Participant and the terms and conditions contained therein shall be the sole basis of indemnity and benefits to The Participant.

**The Takaful Contribution**

Means the amount paid by The Participant to The Company as a consideration for entering in to Takaful Contract, which is credited to General Takaful Fund (GTF) on terms as agreed.

**The Takaful Scheme**

The Takaful Scheme is a scheme that provides mutual finance protection and indemnity for loss or damage among the Participant, where the Company is appointed by the Participants to manage the payment of claims (Takaful benefits) and invest the General Takaful Fund (GTF) as per the terms and conditions as contained in The Takaful Certificate.

**Valuables**

Furs, curios, works of art, gold, silver, or other precious or semi-precious metals or stones, or articles composed wholly or in part of any of them; collections or sets of objects whose value lies in the existence of the collection or set rather than in an individual item of it.

## SECTION 1

# BUILDING, HOUSEHOLD CONTENTS/APPLIANCES, JEWELLERY AND VALUABLES

### THE COVER

1. In the event of Damage to Participant's Homebuilding and/or Household Contents, Household Appliances, Jewellery and Valuables due to:
  - i. Fire;
  - ii. Lightning;
  - iii. Explosion;
  - iv. Smoke;
  - v. Aircraft and other aerial devices or articles dropped there from;
  - vi. Impact of vehicles;
  - vii. Riot, strike and civil commotion;
  - viii. Hail, storm, tempest, flood and tidal waves;
  - ix. Sandstorm, typhoon, hurricane;
  - x. Landslide, subsidence;
  - xi. Subterranean fire;
  - xii. Sprinkler leakage;
  - xiii. Water damage, bursting and overflowing of water tanks, apparatus and pipes;
  - xiv. Neighbour's recourse; and
  - xv. Burglary

at any time during the Period of Takaful Cover shown in the Schedule, The Company shall pay to the Participant the value of the Building, Household Contents and/or Appliances and/or Jewellery and Valuables at the time of the happening of the Damage or at the option of the Company reinstate, repair or replace the Building, Household Contents and/or appliances and/or Jewellery and Valuables or any part thereof.

2. In the event of the Participant's Home being made uninhabitable due to Damage to the said home/building by any cause listed in 1. above, the Company shall pay any sum which the Participant is liable to pay for ground rent for a period not exceeding two years.

The Company shall also pay:

i. For the loss of rent;

or

ii. Any reasonable additional expenses necessarily incurred for the Participant's alternative accommodation during the period necessary to restore his/her private dwelling to a habitable condition.

All such payments shall not exceed 20% of the Building sum covered.

3. In the event of Damage to Participant's Homebuilding due to any of the causes listed in 1. above, the Company shall pay:

i. Architects and surveyors fees necessarily incurred in the reinstatement of the Building. The amount payable for such fees shall not exceed those authorized by the respective professional institute.

ii. The cost of removing debris, demolishing, shoring or propping up the damaged parts of the Building necessarily incurred with a written consent from The Company.

iii. The additional cost of reinstatement of the Building necessarily incurred to comply with statutory or other building regulations or municipal or local authority byelaws.

But not:

i. Fees for preparing any claim

ii. Any cost resulting from a notice served on the Participant prior to the date of destruction or damage.

All such payments shall not exceed 10% of the Building sum covered.

## **LIMITS OF LIABILITY**

The Company's liability under this Section shall be as set out in the Certificate, Schedule, but in no circumstances should exceed the following limits:

Building:	AED 10,000,000
Household Contents:	AED 1,000,000 (single item not to exceed AED 10,000 unless declared)
Money and currency:	AED 1,000 in the aggregate
Cost of replacing locks:	AED 500 in the aggregate
Household Appliances:	Single item value not to exceed AED 10,000 unless declared
Jewellery and Valuables:	Single item value not to exceed AED 10,000 unless declared

## **DEDUCTIBLES**

AED 500 for each and every claim

## SPECIFIC EXCLUSIONS

### EXCLUDED CAUSES

1. For Home/building:

- a. The coverage under this Certificate shall cease on expiry of seven days from the date of fall or displacement of any building or part thereof or of the whole or any part of any range of buildings or of any structure of which such building forms part. Provided such a fall or displacement is not caused by Covered Perils, loss or damage which is covered by this Certificate or would be covered if such building, range of building or structure were covered under this Certificate.

Notwithstanding the above, the Company, subject to an express notice being given as soon as possible but not later than seven days of any such fall or displacement may agree to continue the coverage subject to revised rates, terms and conditions as may be decided by them and confirmed in writing to this effect.

- b. If the building hereby covered shall at the breaking out of any Covered Peril or at the commencement of any destruction of or damage to the building by any other peril hereby covered against, be collectively of greater value than the Sum covered thereon, then the Condition of Average shall apply.
- c. Under any of the following circumstances the coverage ceases to attach as regards the property affected unless the Participant, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the Certificate by or on behalf of the Company:
- i. If the nature of the occupation of or other circumstances affecting the building covered or containing the Household Contents and Appliances be changed in such a way as to increase the risk of loss or damage by Covered Perils.
  - ii. If the building covered or containing the Household Contents and Appliances becomes unoccupied and so remains for a period of more than 45 days.
  - iii. If the interest in the homebuilding and/or Household Contents and Household Appliances and/or Jewellery and Valuables passes from the Participant to otherwise than by will or operation of law.

2. For Household Contents, Household Appliances, Jewellery and Valuables:

Damage to the Household Contents/Appliances and/or Jewellery and Valuables caused by:

- a.
  - i. Faulty or defective design materials or workmanship, inherent vice, latent defect, gradual deterioration, deformation, or distortion or wear and tear or the cost of normal upkeep and maintenance.
  - ii. Interruption of the water supply, gas, electricity, fuel systems or failure of the effluent disposal systems to and from the Premises unless Damage by a cause not excluded in this Certificate ensues and then the Company shall be liable only for such ensuing Damage
- b.
  - i. Collapse or cracking of buildings.
  - ii. Corrosion, rust, extremes or changes in temperature, dampness, dryness, wet or dry rot, fungus, shrinkage, evaporation, loss of weight, pollution, contamination, change in color, flavor, texture or finish due to action of light, vermin, insects, marring or scratching unless caused directly by Damage to Household Contents and Household Appliances covered

or to premises containing such contents and appliances by a cause not excluded by this Certificate.

- c. i. Theft except from a building and then only if there is violent or forcible entry to or exit from such building and except where any member of Participant's family is involved as a principal or accomplice.
- ii. Acts of fraud, dishonesty, trick device or other false pretence.
- iii. Unexplained disappearance.
- d. i. The actual failure, breaking, distortion or burning out of any plant or machinery or electrical or electronic equipment whilst in use or connected ready for use causing its sudden stoppage and necessitating its immediate repair or replacement before it can resume normal work and arising out of mechanical or electrical breakdown and/ or defects in the item.
- ii. Bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes when the premises are empty disused unless Damage by a cause not excluded in the Certificate ensues and then the Company shall be liable only for such ensuing Damage.
- e. i. Wind, rain, hail, frost, snow, flood, storm, tempest, inundation, sand or dust to movable Property in the open or in open-sided buildings or to fences and gates.
- ii. Deterioration of Household Contents and/or Appliances and/or Jewellery and Valuables due to failure or inadequate operation of an air-conditioning cooling or heating system.
- iii. Forest fire.
- iv. Due to impact by rail/road vehicle or animal belonging to or owned by the Participant or any occupier of the Premises or any of Participant's employees

## EXCLUDED ITEMS

1. The following will in no case be deemed to form part of Household Contents and/or Appliances and/or Jewellery and/or Valuables for the purpose of this section of the Certificate:
  - a. Money, cheques, stamps, bonds, credit cards and securities of any description.
  - b. Documents, manuscripts, plans, designs, business books or computer systems records for the value of the information contained therein.
  - c. Goods held in trust or on commission.
2. The following will in no case be deemed to be covered under Household Contents or Appliances and/or Jewellery and Valuables for the purpose of this section of the Certificate:
  - a. Household Contents and/or Appliances and/or Jewellery and Valuables which at the time of the happening of such Damage is covered by or would but for the existence of this Certificate be covered by any marine Certificate or policies except in respect of any excess beyond the amount which would have been payable under the marine Certificate or policies had this Takaful Cover not been effected.
  - b. Livestock, growing plants, crops or trees.
  - c. Household Contents and/or Appliances and/or Jewellery and Valuables damaged as a result of:
    - i. It undergoing any process (including manufacturing process).

- ii. Its own fermentation natural heating or spontaneous combustion.
  - d. Household Appliances during installation, removal or re-sitting (which shall include dismantling, re erection, stripping down and assembly) if directly attributable to such operations.
  - e. Household Contents and/or Appliances and/or Jewellery and Valuables undergoing alteration, repair, testing, installation or servicing including materials and supplies thereof if directly attributable to the operations or work being performed thereon unless Damage by a cause not otherwise excluded ensues and then the Company will be liable only for such ensuing loss.
  - f. Household Contents and/or Appliances and/or Jewellery and Valuables for which the manufacturer or supplier or repairer is responsible either by law or contract or maintenance agreement.
  - g. Household Contents and/or Appliances and/or Jewellery and Valuables more specifically covered elsewhere.
3. Damage to Household Contents and/or Appliances and/or Jewellery and Valuables if removed to any building or place other than in which it is herein stated to be covered.
  4. Damage to Jewellery by whatsoever means.
  5. Loss of bullion, unset/loose precious stones/gems not forming part of Jewellery.
  6. Loss or damage due to faults or defects existing at the time of commencement of this Certificate.
  7. Loss due to cracking, scratching, marring or breaking unless by a cause not otherwise excluded ensues and then the Company will be liable only for such ensuing loss.

## SPECIAL CONDITIONS

1. **Repair and Replacement:** The Company may at its option, repair or replace the Building, Household Contents and/ or Household Appliances Jewellery and Valuables appliances damaged or destroyed or any part thereof instead of paying the amount of the Damage or may join with any other company or companies in so doing, but the Company, shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner and in no case shall the Company, be bound to expend more in repair than it would have cost to replace such Building and/or Household Contents and/or Household Appliances and/or Jewellery and Valuables as it was at the time of the occurrence of such Damage, nor more than the Limits of Liability thereon.

If the Company elects to repair or replace any Building, Household Content and/or Appliance and/or Jewellery and Valuables, the Participant shall, at their own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view to repair or replace shall be deemed an election by the Company to repair or replace.

2. **Reasonable Precautions and Statutory Norms:** The Participant shall maintain the Property in a proper state of repair and take all reasonable precautions to prevent Damage thereto.
3. **Reinstatement of Limit of Liability:** At all times during the Period of Takaful Cover, the coverage will be maintained to the full extent of the respective Limits of Liability in consideration of which upon the settlement of any loss under this Certificate, pro-rata contribution for the unexpired period from the date of such loss to the expiry of Period of Takaful Cover for the amount of such loss shall be payable by the Participant to the Company.

The additional contribution referred above shall be deducted from the net claim amount payable under the Certificate. This continuous cover to the full extent will be available notwithstanding any previous loss for which the Company may have paid hereunder and irrespective of the fact whether the additional contribution as mentioned above has been actually paid or not following such loss.

The intention of the above condition is to ensure continuity of the cover to the Participant subject only to right of the Company for deduction from the claim amount, when settled, of pro-rata contribution to be calculated from the date of loss till expiry of the Certificate.

Notwithstanding what is stated above, the Limit of Liability shall stand reduced by the amount of loss in case the Participant, immediately on occurrence of the loss, exercises their option not to reinstate the Limit of Liability as above.

Replacement is applicable to all Household Contents. Repair is applicable to furniture and fixtures only.

## SECTION 2

# PUBLIC LIABILITY

(including Tenant's Legal Liability)

### THE COVER

The Company shall indemnify the Participant against all sums for which the Participant shall become legally liable to pay including all costs, fees and expenses incurred with the written consent of the Company, in the event of accidental Injury to third party.

The Company shall indemnify the Participant against all sums for which the Participant shall become legally liable to pay including all costs, fees and expenses incurred with the written consent of the Company, in the event of:

- a. Accidental Injury to any person; or
- b. Accidental damage to Property.

happening during the period commencing from the Retroactive date and terminating on the expiry date as shown in the Certificate Schedule and giving rise to a claim first made in writing against the Participant during the commencement date and terminating on the expiry date of this Certificate as shown in the Certificate Schedule and arising out of and in the course of the Participant's household activities carried out from the Building covered within the geographical limits subject to the Limit of Liability and the Jurisdiction Clause.

This Section shall also cover the legal liability of the Participant to his/her landlord as a tenant within the overall limit of liability under this section.

### LIMITS OF LIABILITY

The Company's liability under this Section shall not exceed the limits specified in the Schedule for any one accident and aggregate during the Period of Takaful cover.

### SPECIFIC EXCLUSIONS

This Section does not cover:

1. Any liability attaching by virtue of an agreement but which would not have attached in the absence of such agreement.
2. Liability arising out of loss of pure financial nature such as loss of goodwill, loss of market of similar nature.
3. Liability for any fines, penalties, punitive or exemplary damages or any other damages resulting from the multiplication of compensatory damages.
4. Liability arising out of:
  - a. All personal injuries such as libel, slander, false arrest, wrongful eviction and detention, defamation and mental injury, anguish or shock resulting there from.

- b. Infringement of plans, copyright, patent, trade name, trademark, registered design.
- 5. Liability arising out of:
  - a. Pollution howsoever caused unless specifically covered.
  - b. Any Product.
- 6. Liability arising out of Injury or damage caused by or resulting from anything sold, supplied, installed, erected, repaired, altered or treated by the Participant or any person on behalf of the Participant other than food or beverages supplied by the Participant as a service to the visitors for consumption in the Building covered.
- 7. Accidents directly or indirectly caused by, traceable to, arising out of the ownership, possession, use or the custody by or on behalf of the Participant of animals, aircrafts, ships, boats or crafts of any kind.
- 8. Transportation of materials and/or hazardous/dangerous substances outside the covered Building.
- 9. Liability for damage to:
  - a. Property owned, leased or hired or in Participant's custody or control (other than Building, including fixtures and fittings thereon, leased and occupied by the Participant for the purpose of residence).
  - b. That part of any Property upon which the Participant has been operating.
- 10. Liability for damage arising out of deliberate, willful or intentional non-compliance of any statutory provision.
- 11. Liability for damage arising out of earthquake, earth tremor, volcanic eruption, flood, storm, tempest, typhoon, hurricane, tornado, cyclone or other similar convulsions of nature and atmospheric disturbances.
- 12. Liability for Injury and/or Damage occurring prior to the Retroactive date.
- 13. Liability more specifically covered elsewhere.
- 14. Liability arising out of the ownership, possession or use by the Participant or on their behalf of any motor vehicle or trailer for which compulsory insurance is required by legislation.
- 15. Liability arising out of any professional advice rendered by the Participant or any person acting on their behalf.

## SPECIAL CONDITIONS

- 1. **Costs:** The Company will pay all costs, fees and expenses incurred with their prior consent in the investigation, defence or settlement of any claim made against the Participant and the costs of representation at any inquest, inquiry or other proceedings in respect of matters which have a direct relevance to any claim made or which might be made against the Participant, provided such claim or claims are the subject of indemnity by the Certificate.
- 2. **Claims Series Clause:** For the purpose of this Section of the Certificate where a series of and/or several bodily injuries and/or property damages are attributable directly or indirectly to the same cause all such bodily injuries and/or property damages shall be added together and all such bodily injuries and/or property damages shall be treated as one claim and such claim shall be deemed to have been made at the point in time when the first of the claims were made in writing. There shall, however be no coverage for claims made arising from one specific cause which are made later than 3 years after the first claim of the series.

3. **Notification Extension Clause:** Should the Participant notify the Company during the Certificate Period in accordance with General condition No. 12 (a) or any specific circumstance which the Company accept and which may give rise to a claim or claims which form the subject of indemnity by this Certificate, the acceptance of such claim or claims shall be as if they had first been made against the Participant during the Certificate Period. The extension under this Clause will be subject to the maximum time limit laid down under the limitation period, if any, in force from time to time.
4. **Extended Claim Reporting Clause:** In the event of non-renewal or cancellation of this Certificate, either by the Company or by the Participant, the Company will allow a time limit not exceeding 90 days from the date of expiry or cancellation of the Certificate provided no insurance/Takaful Cover is in force during this extended reporting period in respect of the same interest, for notification of claims for accidents which had taken place after the Retroactive date but on or before the expiry date of the Certificate and could not be made during the Certificate Period, provided, however, all claims made during the extended reporting period shall be handled as if they were made on the last day of the expiring Certificate Period and are subject to the limits of indemnity and the terms, Conditions and Exclusions of the Certificate.
5. The Company may at any time pay to the Participant in connection with any claim or series of claims under this Section of the Certificate amount of the Limit of Liability applicable (after deduction of any sums paid) or any lesser amount for which such claims can be settled and upon such payment being made, the Company shall relinquish the conduct and control of and be under no further liability in connection with such claims.
6. The Company will have the right but in no case the obligations, to take over and conduct in Participant's name the defence of any claims and will have full discretion in the conduct of any proceedings and in the settlement of any claim and having taken over the defence of any claim may relinquish the same. All amounts expended by the Company in the defence, settlement of payment of any claim will reduce the Limit of Liability, specified in the Schedule of the Certificate.
7. In the event of liability arising under the Certificate or the payment of a claim under this Certificate, the Limit of Liability per any one Certificate Period under this Section of this Certificate shall get reduced to the extent of quantum of liability to be paid or actual payment of such claim. Under no circumstances shall it be permissible to reinstate the aggregate Limit of Liability to the original level even on payment of extra contribution.
8. This Certificate does not cover liability which at the time of happening of any event resulting into such liability, be covered by or would, but for the existence of this Certificate, be covered by, any other Certificate (but not any Takaful Certificate covering the legal liability) or policies, except in respect of any excess beyond the amount which could have been payable under such Certificate/ policies, had this cover not been effected.

## SECTION 3

# WORLDWIDE COVER

(This section is covered if shown in the Schedule)

### THE COVER

The Company will pay for the Participant's Personal Belongings, Valuables and Portable Equipment (as listed out in the Schedule) in the event of burglary/ robbery/ waylaying or snatching up to the sum insured shown in the Schedule while within the geographical limit and while temporarily elsewhere in the world for not more than 60 days in the Certificate Period.

### SPECIFIC EXCLUSIONS

This Section does not cover:

- a. Loss or damage caused by wear and tear, depreciation, the process of cleaning, washing, repairing or restoring any article, the action of light or atmospheric conditions moth, vermin or any other gradually operating cause.
- b. Damage to sports racquets, sticks, bats and clubs while in play
- c. Skis (including sticks and bindings), watercraft, sub-aqua equipment, camping equipment and riding track
- d. Contact and corneal lenses and hearing aids
- e. Confiscation or detention by customs or other officials
- f. Consequential loss
- g. Failure, loss or damage NOT consequent upon or attributable to an accident including but not limited to electrical or mechanical breakdown
- h. Loss or damage due to business or professional use in respect of musical instruments, photographic and sporting equipment and accessories
- i. Loss or damage caused by willful act of the Participant or any member in the Participant's household
- j. Money, credit cards, securities, documents
- k. Theft from unattended road vehicle other than from a locked concealed luggage, boot concealed luggage compartment or glove compartment following forcible and violent entry to a securely locked vehicle
- l. Loss or damage to property dispatched by sea or air under a bill of lading airway bill or similar document
- m. Breakage of strings of any musical instrument
- n. Motorcycles and other mechanically or electrically propelled vehicles
- o. Livestock and pets

- p. In respect of Pedal Cycles only:
  - i. Loss or damage while being used for track racing or trade purposes
  - ii. Theft unless in a building or securely locked to an immovable object
  - iii. Loss of or damage to accessories unless caused by an accident to pedal cycle is stolen or destroyed by fire at the same time
- q. Valuables and Portable Equipment exceeding AED 10,000 unless a list has been provided to the Company.

#### **Loss of Passport, Driving License, Work Permit, Residence Permit, Base Pass and Iqama**

The Company will reimburse the cost of making a duplicate passport, driving license, work permit, residence permit, base pass and/or Iqama which is/are lost by reason of burglary/ robbery/ waylaying or snatching while within the Geographical Limit and while temporarily elsewhere in the world for not more than 60 days in any Period of Takaful Cover.

The maximum amount which can be indemnified is AED 1,000 per document subject to a maximum of AED 3,000 for all documents during the Period of Takaful Cover.

Provided always that:

- a. Reimbursement will be for the cost of making a similar duplicate, advertisement fees if required, fines and penalties if imposed and other out of pocket expenses for which bills must be produced.
- b. This Cover applies only to The Participant, his/her spouse and 2 children normally residing with the Participant.
- c. The first AED 100 of each and every loss must be borne by the Participant.
- d. The Company will not be responsible for the renewal or extension costs of the lost or damaged document which The Participant would have had to bear if there had been no loss.

## SECTION 4

# LEGAL LIABILITY TO DOMESTIC WORKERS

(This section is covered if shown in the Schedule)

### THE COVER

The Company shall pay the Participant against all sums for which the Participant shall become legally liable to pay under UAE Federal Labor Law No. 8 of the year 1980 (Chapter VIII) and subsequent amendments thereto including all costs, fees and expenses incurred with the written consent of the Company, in the event of accidental Injury to domestic servant(s).

### LIMITS OF LIABILITY

The Company's liability under this Section shall not exceed the following limits:

Death/Permanent Total Disablement:	AED 35,000
Medical expenses per person for treatment at Government Hospitals/Clinics and Private Hospitals/Clinics:	AED 5,000
Repatriation expenses per person in case of death or major injury:	AED 5,000

### SPECIFIC EXCLUSIONS

This Section does not cover for any claim arising from any of the following:

- a. Hazardous pursuits and occupations
- b. Intoxicating liquor or drugs
- c. Self inflicted injury or illness; and
- d. Persons above the age of 65 or below the age of 18 at the time of the incident.
- e. Liability for damage to domestic servant's clothing and personal effects.

## GENERAL EXCLUSIONS

(Applicable to all Sections of the Certificate)

This Certificate does not cover:

1. Loss, destruction, neither damage nor liability caused by or arising out of any willful act or willful negligence on Participant's part or that of any person acting on Participant's behalf.
2. Loss, destruction, neither damage nor liability occasioned directly or indirectly by or through or in consequence of any of the following occurrences, namely:
  - a. War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
  - b. Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power;
  - c. Permanent or temporary dispossession resulting from confiscation, nationalization, commandeering or requisition by any lawfully constituted authority;  
  
Permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person;
  - d. The destruction of Property by order of any government de jure, de facto or any public authority In any action, suit or other proceeding where the Company allege that by reason of the provisions of Exclusions 2 (a) to (d) above any loss, destruction, damage or liability is not covered by this Certificate the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Participant.
3. Loss, destruction, damage or liability directly or indirectly caused by or arising from or in consequence of or contributed to by:
  - a. Nuclear weapons material.
  - b.
    - i. Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this General Exclusion 3(b) combustion shall include any self-sustaining process of nuclear fission.
    - ii. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear as sembly or nuclear component thereof.
4. Loss, destruction, damage or liability directly or indirectly caused by or arising from or in consequence of or contributed to by:
  - a. Total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data.
  - b. Error in creating, amending, entering, deleting or using electronic data, or
  - c. Total or partial inability or failure to receive, send, access or use electronic data for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur, nor any liability arising from or in any way related to any such event.

However, in the event that a peril listed below (being a peril which but for this exclusion is covered by the Section of this Certificate under which any claim is made) is caused by any of the matters described in paragraph a, b, c above, then such Section of the Certificate, subject to all its provisions, shall not exclude:

- i. Physical loss or destruction of nor damage to Property covered under such Section of the Certificate directly caused by such listed peril, and/or
- ii. Loss of profits or business interruption covered by any relevant Section of this Certificate.

Further, this Exclusion does not apply in the event that a peril listed below (being a peril covered by any Section of this Certificate, but for this Exclusion) causes any of the matters described in paragraph a, b, c above:

Fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, tsunami, flood, freezing, weight of snow, impact by aircraft or other aerial objects dropped there from, Impact by any road vehicle or animal, bursting, overflowing, discharging or leaking of water tanks apparatus or pipes.

5. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion also excludes loss, damage, cost or expenses 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 action taken in respect of any act of terrorism.

If the Company alleges that by reason of this Exclusion, any loss, damage, cost or expenses is not covered by this Certificate the burden of proving the contrary shall be upon the Participant.

6. Sonic bangs  
Loss or damage by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
7. Loss, destruction or damage caused to the covered property by pollution or contamination excluding:
  - i. Pollution or contamination which itself results from a peril hereby covered against.
  - ii. Any peril hereby covered against which itself results from pollution or contamination.
8. Loss or damage to articles of brittle nature.
9. Loss or damage to contents by wear and tear, depreciation, insects, vermin, moth, fungus, corrosion, rust, atmospheric or climatic conditions, ingress of water, gradually operating cause, process or cleaning, dyeing, repair, alteration or restoration.
10. Loss or damage caused by or arising out of willful act of the Participant or any person acting on his/her behalf.
11. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
12. Loss, destruction or damage caused to the property covered by burning by order of any Public Authority.
13. Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.

# GENERAL CONDITIONS

(Applicable to all Sections of the Certificate)

1. **Enrolment:** Participation in the Takaful Fund takes effect on the commencement date shown in the Certificate Schedule and ends on the expiry date. The Certificate will be terminated or discharged in accordance with the Certificate Terms and Conditions.
2. **Interpretation:** This Certificate, the proposal, the Certificate Schedule, the General Conditions, any Special Conditions, the warranties, the exceptions, the exclusions and the endorsements known collectively as the Terms of the Certificate, shall be read together as one Certificate and any word or expression to which a special meaning has been attached in any part shall bear such meaning throughout. The due observance and fulfillment of the terms of this Certificate in so far as they relate to anything to be done or complied with by the Participant and the truth of the statements and answers in the questionnaire and proposal made by the Participant shall be a condition precedent to any liability of the Company.
3. **Contribution Received:** No payment in respect of any contribution shall be deemed to be paid to the Fund unless a printed form of receipt for the same signed by an official or duly appointed agent of the Company shall have been given to the Participant. Cover under this Certificate 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.
4. **Notice:** Every notice or communication to be given or made under this Certificate shall be delivered in writing to the Company. Neither alterations in Terms and Conditions of this Certificate nor any endorsement hereon will be held valid unless the same is recognized and initialed by the duly authorized representative of the Company. No renewal receipts are valid unless they are on the printed form of the Company and under the signature of a duly authorized representative.
5. **Reasonable Precautions:** The Participant shall take all reasonable steps to safeguard the covered Property from loss or damage and the Company shall have at all times free and full access to examine the covered Property or any part thereof. In the event of any loss or damage, proper precautions should be taken to prevent further loss or damage.
6. **Other Coverage:** If at the time any claim arises under this Certificate there shall be any other Certificate covering the same loss, damage, liability or expense, the Company shall be liable for such loss, damage, liability or expense, but shall be entitled to recover any amount paid in excess of its rateable proportion of any such loss, damage, liability or expense from the other Takaful operator or insurer. However, if the property is covered by more than one company, the Company shall only be liable to pay a share of the indemnity amount and of the expenses and fees equal to the proportion of the contribution amount over the aggregate of all contribution amounts.
7. **Misrepresentation, Fraud and Non-Disclosure:** This Certificate shall be voidable if there has been misrepresentation or non-disclosure of any material fact. If any claim under this Certificate shall be in any respect fraudulent or if any fraudulent means or devices are used by the Participant or anyone acting on their behalf to obtain any benefit under this Certificate or the liability or damage has resulted from a deliberate act committed by the Participant, or in collusion with any other, all or partial benefits hereunder shall be forfeited.

If for any payment made, it is discovered that the Participant or conniver is responsible for the fraudulent claim, The Company will be subrogated by the Participant and shall be entitled to pursue and enforce all rights of recovery in the name of the Participant from any third parties involved.

8. **Reinstatement:** All payments in respect of claims made under specific terms in the Certificate Schedule of this Section shall reduce the sums covered under these items unless such sums covered shall be reinstated up to but not exceeding their original amounts by payment to the Company of such additional contribution as the Company may require and this additional contribution shall be disregarded for the purpose of any adjustment of contribution under General Condition 13 of this Certificate.
9. The Participant shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
10. Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk, and the Participant shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
11. The Participant shall immediately notify the Company by fax/ email and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and or contribution shall, if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Participant whereby the risk is increased, unless the continuance of the Certificate is confirmed in writing by the Company.
12. In the event of any occurrence, which might give rise to a claim under this Certificate, the Participant shall:
  - a. Immediately notify the Company by telephone or fax/ email as well as in writing, giving an indication as to the nature and extent of loss or damage.
  - b. Take all steps within his power to minimize the extent of the loss or damage.
  - c. Preserve the parts affected and make them available for inspection by a representative or surveyor of the Company.
  - d. Furnish all such information and documentary evidence as the Company may require.
  - e. Inform the police authorities in case of loss or damage due to theft or burglary or due to way laying or snatching away of jewellery and valuables.

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by it within fourteen (14) days of its occurrence. Upon notification being given to the Company under this condition, the participant may carry out the repairs or replacement of any minor damage. In all other cases, a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are affected. If a representative of the Company does not carry out the inspection within a period of 10 days, the Participant is entitled to proceed with the repairs or replacement. The Company's liability under this Certificate in respect of any item sustaining damage shall cease, if said item is not repaired properly without delay.

13. No legal actions resulting from this Certificate shall be possible after a period of three (3) years as from the date of the event that caused the legal action subject to any other provisions in the Laws of the United Arab Emirates.
14. The Participant shall at the expense of the Company, with its prior written approval do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company, in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those covered under this Certificate) to which the Company shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Certificate, whether such acts and things shall be or become necessary or required before or after the Participant's indemnification by the Company.

15. This Certificate may at any time be terminated at the option of the Company, upon thirty (30) days notice to such effect being given to the Participant at his/her last known address. In such case, the Participant shall be given an amount equivalent to a rateable proportion of the Contribution for the unexpired Certificate Period from the date of such cancellation. This Certificate may also be terminated at any time at the request of the Participant, in which case the Participant will be paid an amount equivalent to the actual contribution made initially by him/her, less the amount worked as per the following scale applicable to the period during which the Certificate has been in force:

Period not exceeding	Short Period rates as % of Annual Contribution
10 days	10%
1 month	20%
2 months	30%
3 months	40%
6 months	65%
9 months	75%
Over 9 months	100%

16. Under any of the following circumstances the coverage ceases to attach as regards the Property affected unless the Participant, before the occurrence of any Damage obtain sanction of the Company signified by endorsement upon the Certificate, by or on behalf of the Company:
- If the nature of the occupation of or other circumstances affecting the building or containing the covered Property be changed in such a way as to increase the risk of Damage.
  - If the building covered or containing the covered Property becomes unoccupied and so remains for a period of more than 30 days.
  - If the Property covered be removed to any building or place other than that in which it is stated herein to be covered.
  - If the interest in the Property covered passes from the Participant otherwise than by will or operation of law.
17. **Applicable Laws:** The provisions of this Takaful Certificate shall be subject to the laws of the United Arab Emirates to the extent these laws are not inconsistent with the rules and principles as interpreted by the Fatwa and Shari'a Supervisory Board, in which case the latter will prevail and the exclusive jurisdiction to hear all the disputes arising there from shall be vested with the competent Law Courts of the United Arab Emirates.

# PRINCIPLES OF TAKAFUL

*In the Name of Allah the Most Gracious the Most Merciful*

## **PARTICIPATION IN TAKAFUL SCHEME**

Takaful is a scheme based on joint-guarantee, brotherhood, solidarity and mutual cooperation among a group of people called Participants to help and provide financial assistance to each other. The objective of the scheme is to provide financial protection to the Participants through the principles of Takaful, which encourage people to co-operate and help one another for a good cause as embodied in the teaching of Islam.

“... Help ye one another in righteousness and piety, but help ye not one another in sin and rancor...”  
(Al-Maidah, verse 2)

In line with this concept the Participants shall agree to contribute a sum of money called Takaful Contribution into a common takaful fund called General Takaful Fund (hereinafter called the “GTF”). With the payment of the Takaful Contribution, the Participants shall be entitled to the benefits provided under the terms and conditions of the Takaful Certificate in accordance with the Islamic Shari’a principles of co-operation, mutual help and joint indemnity.

The Company, as the scheme manager, acts as an agent (wakeel) in managing the takaful operations on behalf of all the Participants. In return, the Company is entitled to a wakalah fee which is deducted from the Takaful Contributions paid by the Participants. This wakalah fee would be used by the Company to pay for its operational expenses. As approved by the Fatwa and Shari’a Supervisory Board of the Company, the wakalah fee may constitute up to a maximum of 40% of the takaful contribution.

The GTF shall be used for payment of claims (Takaful Benefits) to the Participants who are eligible in accordance with the terms and conditions of the Takaful Certificate. The Takaful Contributions used for claims payment are considered as Tabarru’ for the purpose of solidarity and mutuality as embodied in the principles of Takaful. The Participants authorize the Company to secure retakaful protection whenever necessary to safeguard the GTF. All related takaful expenses such as acquisition costs, payment to retakaful, claims investigations and allocation for reserves shall also be deducted from the GTF.

## **INVESTMENT**

The Company shall deal exclusively with managing and investing the assets of the GTF and surplus therefrom, if any, in accordance with the Shari’a principles as guided by its Fatwa and Shari’a Supervisory Board. The Company undertakes to invest these assets separately from its own assets and free from any liens of its own creditors. Pursuant to this, and in full accordance with the approval of the Fatwa and Shari’a Supervisory Board, the Company is entitled to 10% of the investment return, and the balance shall be credited to the GTF.

Any losses due to investment and business risks as recognized under the Shari’a rulings and associated with market conditions are initially borne by the GTF. And in conformity with rulings of the Shari’a as well, the Company shall be liable for any proven loss to assets of the GTF if such loss is due to the act of breach of trust or negligence on the part of the Company.

## **DISTRIBUTION OF SURPLUS**

If at the end of the financial year of the Company there is a net surplus in the GTF, the Participants shall be entitled to a share of the surplus. The surplus from the GTF would be calculated according to actuarial principles and in proportion to the contributions retained in the GTF after retakaful and wakala fees.

The Company shall distribute the surplus from the GTF as set out below:

- The entitlement of the Participant to the surplus shall be determined by taking into consideration all the claims incurred under the Takaful Certificate during the financial year and after making appropriate provisions for reserves.
- If the above is less than the amount of Takaful Contribution earned during the financial year under the Takaful Certificate, the Participant shall be entitled to the share of surplus on the amount of the difference between the Takaful Contribution and the claims and provisions above.

All eligible Participants will be notified of their share of the surplus. If the Participant fails to collect or cash the surplus within a period of 5 years from the date written on the aforementioned notification of surplus, then the Participant shall be considered to have forfeited its right to the share of surplus. Forfeited surplus shall be transferred to a reserve account under the GTF.

Should the Participant withdraw from the Takaful Scheme before the Expiry Date of the Takaful Certificate, no surplus will be paid.

## **GTF DEFICIT**

In the event that the GTF has a shortfall in fulfilling its Takaful obligations, the Company shall grant an interest-free loan (al-qard al-hasan) from its standby capital to provide for the total amount of any losses in the GTF, which shall be recouped from future surpluses of the GTF.

**The whole scheme shall be governed by the principles and provisions of the Shari'a as advised by the Company's Fatwa and Shari'a Supervisory Board.**





**COPYRIGHT NOTICE**

Copyright (2011) © by Noor Takaful.

All rights reserved. This material is confidential and proprietary to Noor Takaful and no part of this material should be reproduced, published in any form by any means, electronic or mechanical including photocopy or any information storage or retrieval system nor should the material be disclosed to third parties without the express written authorization of Noor Takaful.



800 NOOR (6667) | [www.noortakaful.com](http://www.noortakaful.com)