

## CONTRACTOR'S ALL RISK TAKAFUL

WHEREAS the Participant by an application and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Takaful Operator for the Takaful hereinafter contained and with the payment of Takaful contribution by the Participant stated in the Schedule. The Takaful Operator will manage this Takaful Plan on the terms conditions and benefits as stated in this Certificate. No variations or changes to the terms of this Certificate shall come into force unless effected by an Endorsement.

NOW THIS CERTIFICATE WITNESSETH that in respect of covered event(s) occurring during the Period of Takaful and subject to the limitations exceptions conditions contained herein or endorsed hereon the Takaful Operator will indemnify the Participant in the proportions manner and to the extent hereinafter provided against loss or damage caused by any of the under-mentioned Perils.

THE CONTRIBUTION shall be distributed into two funds, 66% to Participant Risk Fund (PRF) as TABARRU (donation) and remaining 34% to Operator Fund as WAKALAH FEE (non-refundable). Takaful Operator's operational expenses shall be managed from WAKALAH FEE. And Underwriting Expenses (Claims & Re-Takaful) & Reserve shall be managed from the PRF.

THE MONEY in the Participants Risk Fund (PRF) shall be invested by the Takaful Operator, if the return rate from the investment exceeds 1.2%, the additional return or excess shall be retained and credited to the Takaful Operator under the principle of PERFORMANCE FEE (JUA'LAH).

IN THE EVENT of insufficient balance in the PRF to pay for the Takaful claims during the Period of Takaful the Takaful Operator shall make good the balance in the PRF under the principle of QARDHUL HASSAN (benevolent loan) provided that the insufficiency is not due to the Takaful Operator's negligence. If the insufficiency is due to the Takaful Operator's negligence the Takaful Operator will make an outright transfer for the insufficiency under the principle of WAKALAH (agent). It is further agreed that any future surplus arising from the PRF can be used to repay for the outstanding QARDHUL HASSAN in the PRF (if any) to the Takaful Operator.

### IMPORTANT POINTS

This certificate should be read carefully. It gives full details of what is and is not covered and the conditions and exclusions of the cover. Failure to comply with them will prejudice a participant's claim.

### UDERTAKING TO DONATIONS

The contribution made by the participant shall donate to the Participant Risk fund gradually by retaining a certain amount as per provided table by the Takaful Operator. The fund set aside shall be treated as an undertaking to make donations.

Duration	Retention of Contribution (% of Total contribution to PRF)
0-30 days	66%
31-90 days	46%
91-150 days	36%
151-240 days	26%
Exceeding 240 days	0%

### GENERAL EXCLUSIONS

The Takaful Operator will not indemnify the Participant in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by

- war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;
- nuclear reaction, nuclear radiation or radioactive contamination;
- willful act or willful negligence of the Participant or of his representatives;
- Cessation of work whether total or partial.

In any action, suit or other proceeding where the Takaful Operator allege that by reason of the provisions of Exclusion a) above any loss, destruction, damage or liability is not covered by this cover the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Participant.

### PERIOD OF COVER

The liability of the Takaful Operator shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. The Takaful Operator's liability expires for parts of the covered contract

works taken over or put into service. At the latest the cover shall expire on the date specified in the Schedule. Any extensions of the Period of cover are subject to the prior written consent of the Takaful Operator.

**GENERAL CONDITIONS**

1. The due observance and fulfillment of the terms of this Certificate in so far as they relate to anything to be done or compiled with 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 Takaful Operator.
2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Certificate and the expression "this Certificate" wherever used in this contract shall be read as including the Schedule and the section(s). Any word or expression to which a specific meaning has been attached in any part of this Certificate or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.
3. The Participant shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Takaful Operator to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
4.
  - a) Representatives of the Takaful Operator shall at any reasonable time have the right to inspect and examine the risk and the Participant shall provide representatives of the Takaful Operator with all details and information necessary for the assessment of risk.
  - b) The Participant shall immediately notify the Takaful Operator by telegram 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 cover be confirmed in writing by the Takaful Operator.

5. In the event of any occurrence which might give rise to claim under this Certificate, the Participant shall
  - a) immediately notify the Takaful Operator by telephone or telegram 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 loss or damage;
  - c) preserve the parts affected and make them available for inspection by a representative or surveyor of the Takaful Operator;
  - d) furnish all such information and documentary evidence as the Takaful Operator may require;
  - e) inform the police authorities in case of loss or damage due to theft or burglary.

The Takaful Operator shall not in any case be liable for loss, damage or liability of which no notice has been received by the Takaful Operator within 14 days of its occurrence.

Upon notification being given to the Takaful Operator under this condition, the participant may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Takaful Operator shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Takaful Operator does not carry out the inspection within a period of time which could be considered as adequate under the circumstances the Participant is entitled to proceed with the repairs or replacement.

The liability of the Takaful Operator under this Certificate in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

6. The Participant shall at the expense of the Takaful Operator do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Takaful Operator 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 Takaful Operator 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 after the Participant's indemnification by the Takaful Operator.
7. If any difference shall arise as to the amount to be paid under this Certificate (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 being required in writing so to do by either of the parties, or, in case the Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of an action against the Takaful Operator.
8. If a claim is in any respect fraudulent, or if any false declaration is 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 Certificate, or if a claim is made and rejected and no action or suit is commenced within three months after the rejection or, in case of arbitration taking place as provided herein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Certificate shall be forfeited.
9. If at the time any claim arises under the Certificate there be any other covering the same loss, damage or liability the Takaful Operator shall not be liable to pay or contribute more than ratable proportion of any claim for such loss, damage or liability.
10. **CANCELLATION**  
This Certificate maybe cancelled by the Participant by serving at least fifteen (15) days' notice to Ayady Takaful, such notice to state when thereafter cancellation shall become effective. In such event, provided no claim has been made during the current certificate year, the Participant shall be entitled for a return of the Takaful Contribution calculated on below mentioned short-period basis in proportion to the period of the Takaful has been in force.

SHORT TERM TABLE	
PERIOD	CONTRIBUTION REFUND
0-30 days	66%
31-90 days	46%
91-150 days	36%
151-240 days	26%
Exceeding 240 days	0%

This certificate may also be cancelled by Ayady Takaful by sending seven days' notice by registered letter to the Participant at the participant's last known address, in which case Ayady Takaful shall be liable to repay on demand a rate-able proportion of the contribution for the unexpired term from the date of cancellation.

#### 11. SHARE OF NET SURPLUS (PROFIT)

If at the end of the financial year, there is a net surplus in the Participant Risk Fund (PRF), the Takaful Operator may in its sole discretion share any amount which it may decide from the net surplus in the Participant Risk Fund (PRF) among the Participants provided always that the Participant has not incurred any claim and/or not received any benefits under this certificate whilst it is in force. Furthermore, the participant will get share of surplus for the active day(s) of the certificate, falling into the year for which surplus is being calculated and the surplus share must be minimum MVR 100.

## SECTION I – MATERIAL DAMAGE

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The Takaful Operator hereby agrees with the Participant that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Takaful Operator will indemnify the Participant in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as covered hereby.

The Takaful Operator will also reimburse the Participant for the cost of clearance of debris following upon any event giving rise to a claim under this Certificate provided a separate sum therefore has been entered in the Schedule.

### Special Exclusion to Section 1

The Takaful Operator shall not, however, be liable for

- a) the deductible stated in the Schedule to be borne by the Participant in any one occurrence.
- b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract.
- c) loss or damage due to faulty design;
- d) the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from accident due to such defective material and/or workmanship;
- e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric condition.
- f) mechanical and/or electrical breakdown or derangement of construction plant, equipment and construction machinery.
- g) loss of or damage to vehicles licensed for general road use or water borne vessels or aircrafts.
- h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques.
- i) loss or damage discovered only at the time of taking an inventory.

### Provision Applying to Section 1

**Memo 1- Sums covered:** It is a requirement of this cover that the sums covered stated in the Schedule shall not be less than for item 1: the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues, and materials or items supplied by the Principal; for items 2 and 3: the replacement value of construction plant, equipment and construction machinery; which shall mean the cost of replacement of the covered items by new items of the same kind and same capacity;

and the Participant undertakes to increase or decrease the amount of cover in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded on the Certificate by the Takaful Operator.

If, in the event of loss or damage, it is found that the sums covered are less than the amounts required to be covered, then the amount recoverable by the Participant under this Certificate shall be reduced in such proportion as the sums covered bear to the amounts required to be covered. Every object and cost item is subject to this condition separately.

**Memo 2- Basis of Loss Settlement:** in the event of any loss or damage the basis of any settlement under this Certificate shall be

- a) in the case of damage which can be repaired- the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
- b) in the case of a total loss- the actual value of the items immediately before the occurrence of the loss less salvage,

however, only to the extent the cost claimed had to be borne by the Participant and to the extent they are included in the sums covered and provided always that the provisions and conditions have been complied with.

The Takaful Operator will make payment only after being satisfied by production of necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) above.

The cost of any provisional repairs will be borne by the Takaful Operator if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Certificate.

**Memo 3- Extension of Cover:** Extra charges for overtime, night work, work on public holidays, express freight are covered by this cover only if previously and specifically agreed upon in writing.

## SECTION II – THIRD PARTY LIABILITY

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The Takaful Operator will indemnify the Participant up to but not exceeding the amounts specified in the Schedule against such sums which the Participant shall become legally liable to pay as damages consequent upon

- a) accidental bodily injury to or illness of third parties (whether fatal or not)
- b) accidental loss of or damage to property belonging to third parties Occurring in direct connection with the construction or erection of the items covered under Section I and happening on or in the immediate vicinity of the site during the Period of Cover. In respect of a claim for compensation to which the indemnity provided herein applies, the Takaful Operator will in addition indemnify the Participant against
- c) all costs and expenses of litigation recovered by any claimant from the Participant, and
- d) all costs and expenses incurred with the written consent of the Takaful Operator, provided always that the liability of the Takaful Operator under this section shall not exceed the limits of indemnity stated in the Schedule.

#### **Special Exclusions to Section II**

The Takaful Operator will not indemnify the Participant in respect of

1. the deductible stated in the Schedule to be borne by the Participant in any one occurrence;
2. the expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Certificate;
3. damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement);
4. liability consequent upon
  - a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is covered under Section I, or members of their families;
  - b) loss or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is covered under Section I, or an employee or workman of one of the aforesaid;
  - c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
  - d) any agreement by the Participant to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

#### **Special Conditions Applying to Section II**

1. 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 Takaful Operator who shall be entitled, if they so desire, to take over and conduct in the name of the Participant the defense or settlement of any claim or to prosecute for their own benefit in the name of the Participant any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Participant shall give all such information and assistance as the Takaful Operator may require.
2. The Takaful Operator may so far as any accident is concerned pay to the Participant the limit of the indemnity for any one accident (but deducting there from in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accidents can be settled and the Takaful Operator shall thereafter be under no further liability in respect of such accident under this section.

ALLIED ISLAMIC WINDOW