

MOTOR TAKAFUL

TYPE OF COVERS:

ANY ONE OF THE FOLLOWING WILL APPLY:

COMPREHENSIVE COVER – Section I and Section II of this contract applies.

THIRD PARTY ONLY – Only section I applies.

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.

UNDERTAKING TO DONATION

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 in future.

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%

SECTION I- LIABILITY TO THIRD PARTIES

1. Takaful Operator will indemnify you or your authorized driver for the amount which you or your authorized driver are legally liable to pay (including claimant's cost and expenses) for accident caused by or arising out of the use of your vehicle or in connection with the loading or unloading. Provided that you or your authorized driver also complies with all the terms and conditions of the contract that you are subject to.

1.1 death or bodily injury to any person except those specifically excluded under Exceptions to Section I

1.2 damage to property as a result of an accident arising out of the use of Your Vehicle Provided that You or Your authorized driver also complies with all the terms and conditions of the certificate that You are subject to.

2. LIMITS OF LIABILITY

2.1. Total liability under this section I (1.1) is limited to MVR 60,000

2.2. Total liability under Section I (1.2) is limited to MVR 40,000 in respect of any one claim or series of claim arising out of one event

3. COVER FOR LEGAL REPRESENTATIVES

Following the death of any person covered under this contract, the Takaful Operator will indemnify that person's legal representatives for liability covered under this Section, provided such legal representatives comply with all the terms conditions of this contract.

4. LEGAL COSTS

We will pay legal costs incurred up to a maximum of MVR 10,000 for defense of any charge including the charge of causing death by riding/driving the Motor Vehicle (other than murder) if prior written agreement had been secured.

EXCEPTIONS TO SECTION I

This Takaful does not cover:

- 5.1 Death or bodily injury to any person or damage to property caused or arising outside the limits of any carriageway or thoroughfare in connection with the loading onto and unloading from your vehicle.
- 5.2 Death or bodily injury to any person where such death or injury arises out of and in the course of the employment of such person by you or by your authorized driver.
- 5.3 Death or bodily injury to any person being carried in or upon or entering or getting on to or alighting from your vehicle (unless he/she is required to be carried in or on your vehicle by reason of or in pursuance of his/her contract of employment with you and/or your authorized driver and/or his/her employer).
- 5.4 Damage to property belonging to or in the custody of or control of or held in trust by you and/or your authorized driver and/or any member of you and/or your authorized driver's household.
- 5.5 Damage to any bridge weighbridge or viaduct or to any road or anything beneath by vibration or by the weight of the motor vehicle or of the load carried by the motor vehicle.
- 5.6 Any claims brought against any person in any country in courts outside Maldives.
- 5.7 All legal costs and expenses which are not incurred in or recoverable in Maldives.

SECTION II- LOSS OR DAMAGE TO YOUR VEHICLE

1. TAKAFUL OPERATOR WILL INDEMNIFY YOU IF YOUR VEHICLE IS DAMAGED OR LOST IN THE FOLLOWING CIRCUMSTANCES:

- 1.1. By accidental collision or overturning,
- 1.2. By collision or overturning caused by mechanical breakdown,
- 1.3. By collision or overturning caused by wear and tear,
- 1.4. By impact caused by falling objects
- 1.5. If the loss or damage is directly or indirectly caused by or contributed by or arising from flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, land-slide, landslip, subsidence or sinking of the soil/earth or other convulsion of nature is involved,
- 1.6. By fire, explosion or lightning,
- 1.7. By malicious act,
- 1.8. When in transit (including its loading and unloading) by road or direct sea route between Male' and Hulhumale',
- 1.9. Burglary/theft.

2. BASIS OF SETTLEMENT:

- 2.1 Takaful Operator will at its option
 - i. Pay the cost of repairs to your vehicle, or
 - ii. Pay in cash the amount of the loss or damage to your vehicle, or
 - iii. Reinstate or replace your vehicle.
- 2.2 The maximum amount Takaful Operator will pay is the market value of your vehicle at the time of the loss or the sum covered in the Certificate whichever is less.
- 2.3 If your vehicle shall at the time of happening of any loss or damage be covered for a sum lesser than its market value then, you shall be considered as being your own coverer for the difference and shall bear the ratable proportion of the loss accordingly. Provided always that this shall not apply unless the market value at the time of the loss exceeds the covered value by 10% or more.
- 2.4 The market value of your vehicle would be determined in the event of dispute by the Head Office of the authorize distributor /franchise-holder and this value would be equal to the cost of purchasing a replacement vehicle of the same make, model and age of your vehicle at the time of loss.
- 2.5 In the event no authorized distributor/franchise holder is available for the make of your vehicle, the market value of the vehicle would be determined by a Licensed Loss Adjuster.
- 2.6 The valuation done by the relevant Head Office of the distributor/franchise-holder or Loss Adjuster will be conclusive evidence in respect of the market value of your vehicle in any legal proceedings against Takaful Operator.
- 2.7 The maximum amount Takaful Operator will pay for the cost of repairs to your vehicle shall be the expense necessarily incurred to restore the damaged vehicle to its pre-accident condition (or as near its pre-accident condition as is reasonably possible). If new authorize/franchise parts are used, you will have to bear the betterment portion of the franchise parts replaced in accordance with following scale.

Age of Vehicles/Year	Betterment Portion
Less than 6 months	0
More than 6 months but less than 1 year	2.5
More than 1 year but less than 2 years	5
More than 2 years but less than 3 years	7.5
More than 3 years but less than 4 years	10
More than 4 years but less than 5 years	15
More than 5 years but less than 10 years	20
10 years and above	30

The following basis shall be used in determining the age of vehicles:

Age of Vehicles/Year	
New Vehicles	Date of Registration
Local second hand/used vehicle	Date of Original Registration

The application of betterment shall be at Takaful Operator's discretion. The scale of betterment represents the maximum rates of betterment that can be applied.

3. TRANSPORTATION OF DAMAGED VEHICLE

Takaful Operator will pay you up to a maximum of MVR 200 as Towing Charges for taking your vehicle to either the nearest Repairer or towing the vehicle by returning it to your address on the schedule of towing it to a secure place for it to be garaged, provided your vehicle has been damaged by circumstances described in this section.

4. PERSONAL ACCIDENT COVER TO DRIVER

This Takaful Covers death or Bodily injury to driver up to MVR 60,000.00.

5. EXCEPTIONS TO SECTION II

Takaful Operator will NOT pay for:

- 5.1 Consequential losses of any nature
- 5.2 Loss of use of your vehicle
- 5.3 Depreciation, wear and tear, rust and corrosion, mechanical or electrical or electronic breakdowns, equipment or computer malfunction, failures or breakages to your vehicle.
- 5.4 Damage to your vehicle's tyres unless your vehicle is damaged at the same time.
- 5.5 Any loss or damage caused by or attributed to the act of cheating/criminal breach of trust by any person within the meaning of the definition of the offence of cheating/criminal breach of trust.
- 5.6 The Excess stated in the schedule.
- 5.7 The failure or inability of any equipment or any computer program to recognize or correctly to interpret or process any date as the true or correct date or to continue to function correctly beyond.
- 5.8 Theft of accessories & spare parts.
- 5.9 Theft by deception.
- 5.10 Theft involving use of Skeleton/Ignition key in or on the vehicle.

CONDITIONS & EXCEPTIONS - THESE APPLY TO THE WHOLE CONTRACT

1. GENERAL EXCEPTIONS

Takaful Operator will NOT pay for any liability under the following circumstances:

- 1.1. If you or any person with your consent are not licensed to ride the vehicle except if you or any person with your consent has held and is not disqualified from holding or obtaining such license to ride your vehicle under any required laws, by-laws and regulations.
 - 1.2. If you or your authorized driver ride your vehicle whilst under the influence of drink or drug to such an extent as to be incapable of having control of your vehicle.
 - 1.3.
 - 1.3.1 Any loss, damage or liability caused by your vehicle being used for an unlawful purpose or being used otherwise than in accordance with the limitations as to use by you or be some other person with your consent.
 - 1.3.2. Any accident, loss, damage or liability caused, sustained or incurred whilst your vehicle, in respect of which indemnity is provided by this contract, is being ridden/driven by any person other than an authorized driver or a person riding/driving on your order or with your permission.
 - 1.4 If any loss, damage or liability is caused by invasion, war (whether war be declared or not), warlike operation, acts of foreign enemies, hostilities, civil war, acts of terrorism, strike, riot, civil commotion, mutiny, rebellion, revolution, insurrection, military or usurped power or by any direct consequence of any of the said occurrences.
 - 1.5 If your vehicle is used for or is being tested in preparation for any motor sport or competition. This includes (but is not limited to) reliability trials, hill-climbing testes and rallies.
 - 1.6 If in the event of any accident or breakdown, your vehicle is left unattended without proper precautions being taken to prevent further loss or damage and if your vehicle is ridden/driven in an inroad worthy condition before the necessary repairs are effected, any extension of the damage or any further damage to your vehicle shall be excluded from the cover granted by this contract.
 - 1.7 For any accident, loss, damage or liability caused sustained or incurred outside of Maldives.
 - 1.8 If any liability attaches by virtue of an agreement but for which the Takaful Operator not have been liable in the absence of such agreement.
 - 1.9
 - 1.9.1. Any accident, loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss.
 - 1.9.2. Any liability whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing 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 exception combustion shall include any self-sustaining process of nuclear fission.
 - 1.10. Any accident, loss, damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapons and materials.
- If a law or laws are named in a section of this contract entitled "Avoidance of certain terms and right of recovery" or in the Certificate schedule under the heading of "legislation" all references to specific sections of such laws are deemed to be deleted so that the references to such law or laws are left to apply to each law in its entirety.

2. DUTY OF DISCLOSURE

If you fail to disclose to Takaful Operator fully and faithfully, all the facts which You know or ought to know, or if You misrepresented any fact to Takaful Operator before the Certificate was entered into, Takaful Operator may avoid this certificate. You must observe and fulfil the Terms, Conditions, Endorsements, Clauses or Warranties of the Certificate.

3. ACCIDENTS AND CLAIMS PROCEDURES

Takaful Operator must be notified in writing or by phone in either case with particulars of the vehicles involved, date of accident and, if possible, a brief description of the circumstances of the accident within the specific time frame as follows after an event which may become the subject of a claim under this certificate:

- 3.1 Immediately inform Maldives Police Service and submit police report along with other relevant documents not later than 14 days, if you are not physically disabled or hospitalized following the event.
- 3.2 Within thirty (30) days or as soon as practicable if you are physically disabled and hospitalized as a result of the event.
- 3.3 Other than 3.1 and 3.2, a longer notification period may be allowed subject to specific proof by You.
- 3.4 All accidents must be reported to the Police as required by the Law.
- 3.5 Every communication, writ, summons and/or process from other parties must be sent to Takaful Operator immediately. You must also tell Takaful Operator if You know of any impending prosecution, inquest or fatal inquiry without delay. In case of theft or other act which may give rise to a claim under this Certificate, you must without undue delay make a report to the Police and cooperate with Takaful Operator in securing the conviction of the offender.
- 3.6 No negotiation, admission or repudiation of any claim may be entered into without Takaful Operator's prior written consent.
- 3.7 Takaful Operator shall have full discretion in the conduct, defense and/or settlement of any claim.
- 3.8 No repairs maybe authorized to Your Vehicle without Our prior written consent.
- 3.9 In any event giving rise to claim or series of claims under Section II 5.2 of this contract, We may pay to You the full amount of Our liability under Section II 5.2 and relinquish the conduct of any defense, settlement or proceeding and we shall not be responsible for any damage alleged action or omission by Takaful Operator in connection with such defense settlement or proceeding or by Takaful Operator relinquishing such conduct nor shall Takaful Operator be liable for any cost or expenses how whatsoever incurred by You or any claimant or any person after Takaful Operator have relinquished such conduct.
- 3.10 The Takaful Operator will treat theft as permanent after 6 months from Loss intimation date.

4. 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. However, you shall not be entitled to a refund of contribution if you/your vehicle are covered under Section II only (Liability to Third Party Only).

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 be 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.

5. OTHER INSURANCE/TAKAFUL

You must give Takaful Operator written notice if You have any other Takaful/Insurance covering Your Vehicle. If at the time any claim arises under this Certificate, there is any other existing Takaful/ Insurance covering the same loss, damage or liability, Takaful Operator shall only pay Our ratable proportion of any loss, damage, compensation, costs or expenses. However, nothing in this Condition shall impose on Takaful Operator any liability from which Takaful Operator would not have been subject to.

6. AVOIDANCE OF CERTAIN TERMS AND RIGHTS OF RECOVER

In the event that an Own Damage claim has been paid and a Third Party Property Damage claim has also been made, You are required to sur-render and/or return any sums paid to You back to the Takaful Operator, failing which Takaful Operator are entitled to recover the said sums paid and any consequent costs fees or expenses incurred.

7. SUBROGATION

Takaful Operator shall be entitled if Takaful Operator so desire to take over conduct at Takaful Operator's own expense in Your name the defense or settlement of any claim or to prosecute in your name for our benefit any claim for indemnity or damages or otherwise. Takaful Operator shall have absolute discretion in the conduct of any proceedings and in the settlement of any claim and You shall give all such information and assistance as Takaful Operator may require.

8. ARBITRATION CLAUSE

All differences arising out of this Certificate shall be referred to an Arbitrator who shall be appointed in writing by You and Takaful Operator. In the event that You and Takaful Operator are unable to agree on who is to be the Arbitrator within one month of being required in writing to do so then You and Takaful Operator shall be entitled to appoint an Arbitrator each who shall proceed to hear the differences together with an Umpire to be appointed by both Arbitrator. However, this is provided that any disclaimer of liability by Takaful Operator for any claim hereunder must be referred to an Arbitrator within twelve calendar months from date of Our disclaimer to You.

9. OTHER MATTERS

This Certificate will only be operative if:

- 9.1. Any person claiming protection has complied with all its Terms, Conditions, Endorsements, Clauses or Warranties.
- 9.2. You have taken all reasonable precautions to maintain Your Vehicle in an effective roadworthy condition.
- 9.3. You have taken all reasonable precautions to safeguard Your Vehicle from loss or damage.
- 9.4. You must grant Takaful Operator free access at all reasonable times to examine Your Vehicle.

10. DEFINITION OF WORDS HIGHLIGHTED IN THE CERTIFICATE

- 10.1. We/Us/Our refers to the Takaful Operator.
- 10.2. You/Your/Yourself refers to the Certificate Holder and/or Participant.
- 10.3. Your Vehicle refers to the Vehicle, its standard factory-fitted accessories and any other additional accessories as described in the Certificate Schedule.
- 10.4. Accessories refer to the standard tools of a motor vehicle including spare tires and may include radio/cassette player/compact disc player and the like if specified in the schedule.
- 10.5. Your household refers to all members of Your immediate family (i.e. Spouse, Children including legally adopted Children, Parents, Brother and Sister).
- 10.6. Cheating defined as follows:
Whoever by deceiving any person, whether or not such deception was the sole or main inducement: -
 - 10.6.1. fraudulently or dishonestly induces the person so deceived to deliver any property to any person, or to consent that any person shall retain any property; or
 - 10.6.2. Intentionally induces the person so deceived to do or omit to do anything which he would not do or omit to do if he were not so deceived and which act or omission causes or likely to cause damage or harm to any person in body, mind, reputation, or property, is said to "cheat".
- 10.7. Criminal breach of trust defined as follows: -
Whoever, being in any manner entrusted with property, or with any dominion over property either solely or jointly with any other person, dishonestly misappropriates, or converts to his own use, that property, or dishonestly uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or willfully suffer any other person so to do, commits "criminal breach of trust"
- 10.8. 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.

The Certificate Schedule and any subsequent Schedule issued upon renewal of this Certificate is computer generated and shall form part of this Certificate.

11. GEOGRAPHICAL AREAS: Republic of Maldives

12. AUTHORIZED DRIVER:

Any of the following

- 12.1. The Participant
- 12.2. Any other person who is driving on the Participant's order or with his/her/their permission

Provided that the person driving is permitted in accordance with the licensing or other laws or regulations to drive the Motor Vehicle or has been so permitted and is not disqualified by order of a Court of Law or by reason of any enactment or regulation in that behalf from driving the Motor Vehicle.

13. LIMITATIONS AS TO USE:

Use for social domestic and pleasure purposes and in connection with the Participant's business or profession.

Use only for social, domestic and pleasure purposes and by the Participant in person in connection with his business or profession.

The Certificate does not cover

- 13.1. Use for hire or reward
- 13.2. Use for racing, reliability trial or speed-testing
- 13.3. Use for the carriage of goods (other than samples) in connection with any trade or business
- 13.4. Use for any purpose in connection with the Motor Trade.

14. SHARE OF NET SURPLUS

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.