

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to participate in the Professional Indemnity Takaful.

Please be sure to also read the general terms and conditions.



TAKAFULmalaysia

Professional Indemnity Takaful

Date: 19 October 2020

1. What is this product about?

This product protects a professional such as an accountant, solicitor, architect and engineer against his/her legal liability to pay damages to persons who have sustained financial loss arising from participant's own professional negligence or that of participant's employees in the conduct of the business.

2. What are the Shariah concepts applicable?

This product applies the following Shariah concepts:

1. **Tabarru'** means donation for charitable purposes. Under this product, the participant donates a portion of the contribution to the General Takaful Fund (GTF) to help other participants.
2. **Wakalah** refers to a contract where a party, as principal authorizes another party as his agent to perform a particular task on matters that may be delegated, with or without the imposition of a fee. Under this product, the participant authorizes the company to manage the GTF and in return, the company will receive a wakalah fee.
3. **Ju'alah** refers to a contract where a party offers a specified reward to another party who achieved a determined result. Under this product, the participant allows the company to receive a portion of distributable surplus arising from the GTF as performance incentive for the Company's achievement in managing the GTF which results in the surplus.
4. **Qard** refers to a contract of lending money by a lender to a borrower where the latter is bound to repay an equivalent replacement amount to the lender. Under this product, the company will lend an amount of money to the GTF without interest if the GTF is in deficit.

3. What are the covers / benefits provided?

This product covers the Participant against all sums which the Participant shall become legally liable to pay as damages and claimant's costs as a result of any Claim first made against the Participant during the Period of Takaful by reason of a negligent act, negligent error or negligent omission by the Participant or by any person acting on behalf of the Participant in the conduct of the Participant's Business.

In addition, this product also indemnify the Participant against necessary and reasonable legal costs and expenses incurred with Underwriters' prior written consent, in the investigation, defence or settlement of any Claim which falls to be dealt with under this Certificate;

Extensions of coverage :

- Libel & Slander
- Loss of Documents
- Dishonesty of Employees
- Consultants, Sub-contractors and Agents
- Incoming and Outgoing Partners
- Newly Created or Acquired Entity or Subsidiary

4. How much contribution do I have to pay?

The total annual contribution that you have to pay may vary depending on;

- Risk exposure – Nature of profession
- Number of partners
- Estimated annual gross fees
- Limit of indemnity

5. What are the fees and charges that I have to pay?

Type	Amount
Wakalah Fees	45% of contribution of which: - Commission – 15% - Other expenses – 30%
Stamp Duty	RM10.00
Service Tax	6% of the contribution paid

6. What are some of the key terms and conditions that I should be aware of?

A. Duty of disclosure

Non-Consumer Takaful Contract

Pursuant to Paragraph 4(1) of Schedule 9 of the Islamic Financial Services Act 2013, if you are applying for this takaful for a purpose related to your trade, business or profession, you have a duty to disclose any matter that you know to be relevant to our decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant, otherwise it may result in avoidance of your contract of takaful, refusal or reduction of your claim(s), change of terms or termination of your contract of takaful. The above duty of disclosure shall continue until the time your contract of takaful is entered into, varied or renewed with us. You also have a duty to tell us immediately if at any time after your contract of takaful has been entered into, varied or renewed with us any of the information given in the Proposal Form (or when you applied for this takaful) is inaccurate or has changed.

- B. Completed signed and dated proposal form for evaluation and rating.
- C. An appropriate limit of indemnity is taken up.
- D. Excesses – being the amount which is to be borne by the participant in the event of a claim
- E. This product is subjected to 60 days Contribution Warranty, i.e. contribution due must be paid and received by Company within sixty (60) days from inception. Failing which, certificate is automatically cancelled and 60 days pro rate contribution shall be entitled to Company.

7. What are the major exclusions under this product?

This certificate does not cover certain losses such as:

- Known circumstance or incident
- Expected or intended Loss
- War, Invasion, Civil Commotion, Riot etc.
- Fines, Penalties, Exemplary or Punitive Damages
- Asbestos, Urea Formaldehyde, AIDS
- Unfair competition or infringement of Intellectual property rights
- Radiation or nuclear
- Directors' & Officers' Liability
- Claim by or against organisation in which the participant has a financial interest, or owns or controls or manages
- Professional services for participant's family member
- Public Officials Liability
- Contractual Liability
- Warranty, guarantee or estimate with respect to fees, costs, quantities or duration, or date of completion
- Pollution
- Property in the participant's Care, Custody or Control
- Participant versus participant
- Failure to effect or maintain takaful
- Insolvency or bankruptcy of any participant

Note: This list is non-exhaustive. Please refer to the certificate for the full list of exclusions under this certificate

8. Can I cancel my certificate?

You may cancel your certificate at any time by giving a written notice to us. Upon cancellation, you are entitled to a partial refund of the contribution provided you have not made any claim.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get further information?

Should you require additional information on the Professional Indemnity Takaful, you can contact us or any of our branches or from our agent.

If you have any enquiries, please contact:

Customer Service Unit (CSU)

Syarikat Takaful Malaysia Am Berhad [201701032316 (1246486-D)],

Menara Takaful Malaysia,

No. 4, Jalan Sultan Sulaiman,

50000 Kuala Lumpur.

P.O. Box 11483,

50746 Kuala Lumpur.

Tel: 1-300 88 252 385

Fax: 603 - 2274 0237

Email : csu@takaful-malaysia.com.my

Website: takaful-malaysia.com.my

11. Other types of similar cover available.

Please refer to our branches or agents for other similar types of cover available.

IMPORTANT NOTE:

YOU SHOULD READ AND UNDERSTAND THIS PRODUCT AND DISCUSS WITH THE AGENT OR CONTACT US DIRECTLY FOR MORE INFORMATION.

Syarikat Takaful Malaysia Am Berhad is licensed under the Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia.

The information provided in this disclosure sheet is valid as at 1 October 2020.