

## PRODUCT DISCLOSURE SHEET

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

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



TAKAFULmalaysia

Product Liability Takaful

Date: 1 October 2020

### 1. What is this product about?

Product Liability is one's legal liability to compensate for injury or damage sustained by another person caused by defective products supplied, distributed or sold. Liability for defective products may arise as a result of negligence in the process of manufacture, design, storage, packaging or even marketing including product information such as misrepresentation, failure to give warning or instruction of use.

### 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?

Product Liability takaful provides indemnity to manufacturer, distributor or supplier of products against the aforesaid potential liability exposure. A proposer would have to select an appropriate limit of indemnity (Sum Covered) that may commensurate with the kind of potential liability exposure. The territorial limit of the cover would depend on the market to which products are exported or for which they are intended.

Product Liability indemnifies the participant against all sums which the participant shall become legally liable to pay as damages in respect of Occurrences happening anywhere within the Territorial Limit in respect of Bodily Injury or Loss of or Damage to property arising out of claims first made in writing against the participant during certificate period as a result of an Accident after the Retroactive Date.

In addition to damages, We will indemnify the Participant for those Sums which the Participant shall pay as Legal Cost and Other Expenses, provided the maximum indemnity for Legal Cost and Other Expenses shall Not exceed the Limit of Indemnity.

Duration of cover is for one year. The Participant needs to renew your takaful certificate annually.

#### 4. How much contribution do I have to pay?

Key Factors in Contribution Computation:

- Type of Product
- Estimated Sales turnover
- Territorial Limits and Jurisdiction
- Limit of Indemnity and deductible

#### 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. Underwriting Consideration:

We need completed signed and dated application form for evaluation and rating.

- Nature of product - Risk Exposure
- Geographical scope and jurisdiction of cover i) Indirect exports  
worldwide excluding USA/Canada ii) Direct exports
- Worldwide
- Estimated Sales Turnover in accordance to the product and the respective country of export.
- Loss history
- Limit of Liability
- Risk Management (high standard of quality control)

This takaful is subjected to sixty (60) days Contribution Warranty, i.e. contribution due must be paid and received by Us within sixty (60) days from inception. Failing which, the certificate is automatically cancelled and 60 days pro rate contribution shall be entitled to Us.

**7. What are the major exclusions under this product?**

This product does not cover certain losses such as:

Product Guarantee  
Product Recall  
Damage to Product itself  
Fines, Penalties, Liquidated damages, Punitive Damages or Exemplary damages.  
Pure Financial or economic loss.

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

**8. Can I cancel my certificate?**

You may cancel your certificate by giving written notice to Us. Upon cancellation, you are entitled to a refund of the contribution based on the unexpired period of takaful subject to the minimum contribution to be retained by us. No refund contribution is allowed if there is a claim under the certificate.

**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 this Product, 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](mailto:csu@takaful-malaysia.com.my)

Website: [takaful-malaysia.com.my](http://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.