

PRODUCT DISCLOSURE SHEET

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

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



TAKAFULmalaysia

Goods in Transit Takaful

Date: 1 October 2020

1. What is this product about?

The product covers loss, destruction or damage to the goods whilst in transit by a lorry, train or any other land conveyance or whilst temporarily housed in the ordinary course of transit within the territorial limit caused by named perils or accidental means.

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?

There are 2 types of cover afforded under this class of takaful:-

- (a) Inland Transit (All Risks) Clause
Covering against all risks of loss or damage to the covered goods whilst in transit by road/rail.
- (b) Inland Transit Clause (Lorry Clause)
Covering against loss or damage to the covered goods whilst in transit by road/rail caused by fire, lightning, breakdown of bridges, collision, overturning or derailment. Loss as a result of theft is not covered.

4. How much contribution do I have to pay?

The contribution you have to pay may vary depending on type of goods, the limit per conveyance, the frequency of sending, the coverage required and our underwriting requirements.

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?

Some of the key terms and conditions that you should be aware of are:

▪ **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.

- **Change in Risk - you** must inform the company or your agent in writing of any material changes during the certificate period so that the necessary amendments are endorsed into your certificate.
- **Duty of Participant - you** shall take all reasonable precautions for the safety of the property covered.
- You must ensure that your property are covered at the appropriate amount, either on:
 - a) **Market value basis** – we will pay the full cost of repairing the damaged property less the amount for wear, tear and depreciation.
 - b) **Replacement value basis** – we will reinstate, repair or replace the loss or damaged property without any deductions being made for wear, tear or depreciation provided that the sum covered is adequate to cover the total cost of replacing.
- **Under coverage** – you must ensure that the sum covered is adequate, otherwise, average condition will apply for under coverage at the time of loss. You shall be considered as covering for yourself the difference and shall bear the rateable proportion of the loss accordingly.
- **Excess** - is the first amount of loss that you have to bear in the event of a claim.
- **Basis of takaful:** You may choose to cover your goods based on the following basis:-
 - a) **Single Transit Certificate** – covers a single transit from one place to another only
 - b) **Annual Certificate** – covers all your transits during the period of takaful based on the following basis:-
 - i. **Specified vehicle basis** – the value of goods carrying in anyone transit per vehicle subject to an aggregate limit during the takaful period. The limit will be reduced in the event of a claim on the certificate unless there is reinstatement on the limit.
 - ii. **Unspecified vehicle basis** – the value of goods carried over the takaful period. A Provisional Contribution based on estimated annual carrying is charged upfront and subject to adjustment based on the actual carrying declared at the end of certificate period.
- **Contribution:** If at the time of any loss, there be any other subsisting certificate/policy covering the same loss, we shall not be liable for more than its rateable proportion of any sums payable in respect of such loss.
- **Contribution Payment**

- a) **Single Transit Certificate:** Cash Before Cover
- b) **Annual Certificate:** Subject to Contribution Warranty - Contribution must be paid and received by us within 60 days from the inception date of the cover, otherwise the cover is automatically cancelled and you will still be responsible to pay the proportion of contribution for the period we have been on risk.

7. What are the major exclusions under this product?

This Product does not cover certain losses, such as:

- i) Willful misconduct of Participant.
- ii) Ordinary leakage, loss in weight or volume.
- iii) Insufficient or unsuitable packing
- iv) Inherent vice of cargo.
- v) Loss caused by delay.
- vi) Insolvency or of financial default of owners.
- vii) Unseaworthiness of vessel.
- viii) War and Strike, Riot & Civil Commotion unless the Certificate is extended to include these perils.
- ix) Any other events prohibited by Shariah principles.
- x) loss of any liquid gas or goods from containers by leakage or spilling unless cause by fire, accident to the conveyance or object falling on to the conveyance
- xi) loss or damage caused by weather, atmospheric conditions, wear and tear, moth, vermin, insects, damp, mildew, rust, defective packing, hooks or slings, delay, loss or market, depreciation or deterioration, contamination, fermentation or spontaneous combustion or consequential loss of any kind.
- xii) theft or pilferage in which any employee of the participant
- xiii) loss or damage occasioned by confiscation, nationalisation, detention, requisition or willful destruction by authorities.
- xiv) loss or damage whilst the property is temporarily housed in the course of transit for the purpose of storage, making up, packing or processing.
- xv) any act of terrorism

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 annual certificate?

You may cancel your certificate 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 changes 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 about 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)

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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.