

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the Agro Bestari-*i*. Be sure to also read the general terms and conditions).

PRODUCT : AGRO BESTARI - *i*

UNDERWRITTEN BY: TAKAFUL IKHLAS BERHAD

**Licensed under the Islamic Financial Services Act 2013
and regulated by Bank Negara Malaysia**

Date: 01/02/2018

1) What is this product about?

This plan offers takaful protection for [22] years.

This plan is specially designed for children between ages at entry of thirty (30) days to twelve (12) years old, which provides coverage in the event of death or Total Permanent Disability (TPD) of the Person Covered before the maturity of the Takaful Certificate.

2) What are the Shariah concepts applicable?

- **Wakalah** – refers to a contract where a party, as principal (*muwakkil*) authorizes another party as his agent (*wakil*) to perform a particular task on matters that may be delegated, with or without imposition of a fee. In the context of Takaful IKHLAS, the wakalah contract involves a fee (*wakalah bi al-ujrah*) to be paid to Takaful IKHLAS.
- **Tabarru'** – shall mean donation for the purpose of solidarity and cooperation among the Takaful Participants and to be used to help Takaful Participants in times of misfortune. In the context of Takaful IKHLAS, Tabarru' will be allocated into the Risk Fund.

3) What are the covers / benefits provided?

Takaful Benefit and Sum Covered offered as per below:

Coverage to the Person Covered

a)	Natural Death or TPD ¹	:	RM150,000.00	2
	• Lump Sum Payment			
b)	Accidental Death or TPD	:	RM150,000.00	2
	• Lump Sum Payment			
c)	Critical Illness – Lump Sum Payment	:	RM0.00	[additional]
d)	Hospital Income	:	RM0.00	[daily income]

e) Education Excellence Award

Under this plan the Person Covered will be awarded for their excellent academic results in UPSR, PT3, SPM, STAM or STPM. This benefit is payable only if the Takaful Certificate has been in force for a minimum number of three (3) years.

The award benefit schedule is as follows:

No.	Examination Category	Minimum Criteria	Benefit Payable (per distinction/ Mumtaz)
1	UPSR	5A	RM100
2	PT3	7A	RM100
3	SPM	7A	RM100
4	STAM	7 Mumtaz	RM100
5	STPM	5A	RM100

f) Maturity Benefit

Amount accumulated in the PIA / PRIA, inclusive of investment income from the PIA / PRIA and net distributable surplus from the Risk Fund, if any, is payable upon the maturity of the Takaful Certificate.

g) Surrender Benefit

Amount accumulated in the PIA / PRIA, inclusive of investment income from the PIA/ PRIA and net distributable surplus from the Risk Fund, if any, after deducting the administration fee up to RM 50, is payable upon the surrender of the Takaful Certificate.

h) Cash Withdrawal

Partial cash withdrawal from the balance in the PIA/ PRIA is allowed when the Takaful Certificate has reached the minimum term of five (5) years. For each Takaful Certificate, only five (5) withdrawals are allowed during the lifetime of the Person Covered where the minimum interval imposed is two (2) years between each withdrawal. The amount allowed being withdrawn is subjected to a maximum of 50% from the PIA/ PRIA at such time. Each withdrawal will be subjected to the withdrawal fee up to RM50 per withdrawal.

i) Top-up Option

Top-up of Takaful Contribution is allowed upon Commencement Date of the Takaful Certificate provided the current year's Takaful Contribution is not overdue. The amount of top-up shall be subject to a minimum of RM 50. This top-up amount shall be solely allocated to the PIA.

Coverage to the Takaful Participant

- j) Payor Saving (waiver of the Takaful Contribution in the event of Death or TPD or Critical Illness of the Takaful Participant) : RM0.00 annually
- k) Death or TPD of the Takaful Participant due to all causes : RM0.00
 • Lump Sum Payment

Notes:

1. TPD is based on “Own or Suited Occupation” definition and the Takaful Benefit is payable subject to an elimination period of six (6) months, provided that:
- The TPD claim is confirmed by the appointed Physician.
 - The Takaful Contributions are not overdue.

The maximum amount of the TPD Sum Covered payable from all Takaful Certificates written with Takaful IKHLAS on the life of the same Person Covered shall not exceed RM1,500,000 for adult and RM500,000 for child (age 16 and below).

2. Term of the contract : [22] years

3. Please read the Takaful Certificate for details of the Takaful Benefits.

4) How much Takaful Contribution do I have to pay?

The total Takaful Contribution that you have to pay and the Takaful Certificate terms may vary depending on the underwriting requirements, age, term, rider participate, occupational class and Sum Covered. Your Takaful Contribution is as follows:

Person Covered's Age : 1 Year Old
 Takaful Participant's Age : 30 Years Old
 Occupational Class : 2

Plan Details

Person Covered's Plan

<u>Plan Details</u>	<u>Coverage Term</u>	<u>Sum Covered (RM)</u>	<u>Yearly Takaful Contribution (RM)</u>
a) AGRO BESTARI- <i>i</i>	22	150,000.00	10,080.00
b) AGRO Critical Illness (additional)	-NA-	-NA-	-NA-
c) AGRO Hospital Income	-NA-	-NA-	-NA-

Takaful Participant's Plan

d) AGRO Payor Savings	-NA-	-NA-	-NA-
e) AGRO Term for Payor (level)	-NA-	-NA-	-NA-

Total Yearly Takaful Contribution **10,080.00**

The renewal Takaful Contribution is NOT GUARANTEED and Takaful IKHLAS reserves the right to revise the Takaful Contribution rate applicable at the time of Takaful Certificate anniversary based on the emerging claims experience of the product. Takaful IKHLAS shall give the Takaful Participant a three (3) months written notice in the event of revision of Takaful Contribution. The Takaful Contribution could be revised due to deterioration in claims experience, changes in the product benefits as well as a change in the risk profile of the Person Covered. The terms and conditions are not exhaustive and the Takaful Contribution rates may be reviewed under other justified circumstances.

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

- **Wakalah Fee**
Wakalah Fee as a percentage of the Takaful Contribution will be charged. Please refer to the benefit illustration for the Wakalah Fee amount.
- **Commission**
Commission amount is part of the Wakalah Fee. Please refer to the benefit illustration for the commission amount.
- **Tabarru'**
The tabarru' amount is deducted monthly from the Personal Investment Account (PIA)/ Personal Risk Investment Account (PRIA). The tabarru' amount increase as the Person Covered grows older. Goods and Services Tax (GST) will be charged on tabarru' for Critical Illness, Personal Accident and Medical and Health Takaful Benefits. Details of the tabarru' amount and other charges for this plan are illustrated in the benefit illustration.
- **Reinstatement Fee**
RM15 for each reinstatement will be imposed, plus Goods and Services Tax upon reinstatement of Takaful Certificate.
- **Surrender Fee**
The surrender fee will be charged up to RM50, plus Goods and Services Tax upon surrender of Takaful Certificate.
- **Withdrawal Fee**
The withdrawal fee will be charged up to RM50, plus Goods and Services Tax for each withdrawal transaction.
- **Stamp Duty**
RM10 stamp duty is imposed, additional to the first Takaful Contribution for each Takaful Certificate.

Note: reinstatement refers to a situation where you reinstate your Takaful Certificate after it has lapsed. Please refer to the Takaful Certificate for details regarding reinstatement.

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

- a) Importance of disclosure – Takaful Participant must disclose all material facts such as medical condition, and state age correctly. Takaful IKHLAS has the right to repudiate liability in the event that Takaful Participant failed to disclose relevant information that would affect the decision to accept or reject the risk, and on the terms to be applied to the Takaful Participant.
- b) Cooling-Off Period - Takaful Participant may cancel the Takaful Certificate by returning the Takaful Certificate within fifteen (15) days after received the Takaful Certificate. The Takaful Contribution that have been paid (less any medical charges - if any) will be refunded to the Takaful Participant. Takaful IKHLAS shall cancel the Takaful Certificate immediately upon receipt of the cancellation letter and the Takaful Certificate shall be deemed not effective from the date of issuance.

- c) Should death or TPD occur before the Person Covered age five (5) at the next birthday, the Sum Covered payable will be as follows:

Age at Death/ TPD (Next Birthday)	1 year	2 years	3 years	4 years	5 years
Percentage of Sum Covered Payable	20%	40%	60%	80%	100%

- d) Waiting Period for the plan related to the Medical and Health Takaful is 30 days from the Commencement Date.
- e) The actual investment income may fluctuate based on market conditions. As a result, the amount accumulated in the PIA/ PRIA may rise above or fall below the total Takaful Contribution made into PIA/ PRIA (possibly leading to early Takaful Certificate lapsation).
- f) Investment profit arising from PIA/ PRIA, if any, shall be returned to the Takaful Participant (through PIA/ PRIA) after deducting an Investment Performance Fee of 30% from the profit. However, the Company may at its discretion deduct less than 30% from the profit as Investment Performance Fee.
- g) The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus declared at the end of each Financial Year. The net distributable surplus (after deducting SAC) from the Risk Fund will be allocated in full (100%) to the Takaful Participant.
- h) It is important for the Takaful Participant to retain receipts as proof of payment of Takaful Contributions.
- i) Please contact Takaful IKHLAS, if the Takaful Participant does not receive the Takaful Certificate after fourteen (14) days from the date of participation.
- j) Notification of claim must be given in writing to Takaful IKHLAS within thirty (30) days after occurrence of any claim. Takaful IKHLAS, upon receipt of notice of claim, will furnish to the claimant appropriate forms for filing proof of claim and shall notify the claimant of any other requirements. This shall not preclude Takaful IKHLAS from requiring further documentation in respect of the loss as deemed fit by Takaful IKHLAS. All such information and evidence must be furnished to Takaful IKHLAS within ninety (90) days from the date of the events covered.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the terms and conditions under this Takaful Certificate.

7) What are the major exclusions under the Takaful Certificate?

Exclusions applicable to Death

This Takaful Certificate does not cover any death caused directly or indirectly, wholly or partly, by any one of the following occurrences:

- Commit suicide; or
- HIV or dies as a result of Acquired Immune Deficiency Syndrome (AIDS) or other sexually transmitted diseases; or
- Under the influence of alcohol or drugs other than in accordance with the direction of a registered medical practitioner.

Major exclusions applicable to TPD

This Takaful Certificate does not cover any TPD caused directly or indirectly, wholly or partly, by any one of the following occurrences:

- a) Self-inflicted injury or any attempt thereof while sane and insane; or
- b) War, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not) or civil war; or
- c) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, martial law or state of siege any of the events or causes which determine the proclamation or maintenance of martial law or state of siege; or
- d) Disability arising prior to inception of coverage; or
- e) Pre-existing condition.

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

8) Can I cancel my Takaful Certificate?

Participating in a family takaful plan is a long-term financial commitment. If you do not pay your Takaful Contribution within the grace period, your Takaful Certificate may lapse. You may opt to cancel the Takaful Certificate by giving a written notice to Takaful IKHLAS. The cash amount that Takaful IKHLAS will pay you when you cancel the Takaful Certificate before the maturity period will be much less than the total amount of Takaful Contribution that you have paid.

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

It is important that the Takaful Participant informs Takaful IKHLAS of any change in contact details to ensure that all correspondences reach the Takaful Participant in a timely manner.

10) Where can I get further information?

Should you require additional information about family Takaful, please refer to the *insuranceinfo* booklet on 'Family Takaful'. You can obtain a copy from our Takaful representative or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

Takaful Ikhlas Berhad

CRM Department
IKHLAS Point
Tower 11A, Avenue 5
Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur.

Tel No: +603-2723 9696

Fax No: +603-2723 9998

Web-site : www.takaful-ikhlas.com.my

E-mail: ikhlascare@takaful-ikhlas.com.my

11) Other types of Family Takaful product cover available.

Please contact the nearest Agrobank branches for further information.

IMPORTANT NOTE:

PARTICIPATING IN A FAMILY TAKAFUL PLAN IS A LONG-TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF PLAN THAT BEST SUITS YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE REPRESENTATIVE OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

PURSUANT TO PARAGRAPH 5 OF SCHEDULE 9 OF THE ISLAMIC FINANCIAL SERVICES ACT 2013, IF YOU ARE APPLYING FOR THIS TAKAFUL WHOLLY FOR PURPOSES UNRELATED TO YOUR TRADE, BUSINESS OR PROFESSION, YOU HAVE A DUTY TO TAKE REASONABLE CARE NOT TO MAKE ANY MISREPRESENTATION IN ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL). YOU MUST ANSWER THE QUESTIONS FULLY AND ACCURATELY.

FAILURE TO TAKE REASONABLE CARE IN ANSWERING THE QUESTIONS MAY RESULT IN VOIDANCE OF YOUR CONTRACT OF TAKAFUL, REFUSAL OR REDUCTION OF YOUR CLAIM(S), CHANGE OF THE 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.

IN ADDITION TO ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL), YOU ARE REQUIRED TO DISCLOSE ANY OTHER MATTER THAT YOU KNOW TO BE RELEVANT TO OUR DECISION IN ACCEPTING THE RISKS AND DETERMINING THE RATES AND TERMS TO BE APPLIED.

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 PROVIDED IN THE PROPOSAL FORM (OR WHEN YOU APPLIED FOR THIS TAKAFUL) IS INACCURATE OR HAS CHANGED.

The information provided in this Product Disclosure Sheet is valid as at 01/02/2018