

GROUP CREDIT LIFE TAKAFUL SCHEME
RENEWAL FOR THE CUSTOMERS OF
AAFAQ ISLAMIC FINANCE PSC
FOR THE POLICY YEAR 2025

TABLE OF CONTENTS

INTRODUCTION	3
<u>GROUP CREDIT LIFE TAKAFUL SCHEME</u>	3
TAKAFUL BENEFITS	3
1. <u>DEATH DUE TO ANY CAUSE</u>	3
2. <u>PERMANENT TOTAL DISABILITY</u>	4
MAXIMUM TAKAFUL BENEFIT AMOUNT	4
MAXIMUM FINANCE AMOUNT	4
ELIGIBILITY CRITERIA	5
FREE COVER LIMIT	5
MEDICAL UNDERWRITING REQUIREMENTS	6
CLAIMS	7
ADMINISTRATION	7
GENERAL TERMS AND CONDITIONS	7

GROUP CREDIT LIFE TAKAFUL SCHEME

The objective of this takaful scheme (referred to as “**Aafaq Islamic Finance - Group Credit Takaful Scheme**”) will be to provide financial protection to the **customers** of **auto finance, personal finance, corporate finance, credit card** and **home finance** (all referred to as **Finance Facility**) during policy period as provided by Aafaq Islamic Finance in the event of **Death** or **Permanent Total Disability** of the customer.

The coverage under the scheme will be on **a compulsory basis** and we are prepared to accept existing customers on a rollover basis. Existing customers who underwent Individual Medical Underwriting Requirements in the past will be accepted as per the existing underwriting decisions (including any loading and/or extra mortality and morbidity or even declinature). No previously declined cases will be re-implemented.

All new customers and existing customers who will apply for additional finance facility will be covered by completing the Medical Underwriting Requirements from their normal dates of inclusion, subject to the Provisions & Conditions of the scheme.

TAKAFUL BENEFITS

The following takaful benefits will be provided on 24 hours worldwide basis under this scheme:

1. DEATH DUE TO ANY CAUSE (INCLUDING PWR)

In the event of Death of a customer arising out of a cause not specifically excluded under this scheme, Takaful Benefit payable will be as follows:

a) **Auto Finance**

The Outstanding Finance Amount, subject to a maximum amount of up to AED 500,000/-.

b) **Personal Finance**

The Outstanding Finance Amount, subject to a maximum amount of up to AED 500,000/-.

c) **Corporate Finance**

The Outstanding Finance Amount, subject to a maximum amount of up to AED 5,000,000/-.

d) **Credit Cards**

The Outstanding Finance Amount, subject to a maximum amount of up to AED 200,000/-.

e) **Home Finance** The Outstanding Finance Amount, subject to a maximum amount of up to AED 5,000,000/-.

2. PERMANENT TOTAL DISABILITY (INCLUDING PWR)

In the event of Permanent and Total Disability solely and directly resulting from accident and/or sickness of a customer arising out of a cause not specifically excluded, Takaful Benefit payable will be as follows:

a) Auto Finance

The Outstanding Finance Amount, subject to a maximum amount of up to AED 500,000/-.

b) Personal Finance

The Outstanding Finance Amount, subject to a maximum amount of up to AED 500,000/-.

c) Corporate Finance

The Outstanding Finance Amount, subject to a maximum amount of up to AED 5,000,000/-.

d) Credit Cards

The Outstanding Finance Amount, subject to a maximum amount of up to AED 200,000/-.

e) Home Finance

The Outstanding Finance Amount, subject to a maximum amount of up to AED 5,000,000/-.

Permanent Total Disability will follow “Any Occupation” definition and will be subject to a maximum Takaful Benefit of AED 5,000,000/-.

PWR is for Permanent Total Disability Accident Only.

Takaful Benefit for all Scheme Member’s will always be in line with the pre-agreed Finance Facility repayment schedule of the Policyholder, subject to the Provisions & Conditions of this Takaful Scheme.

MAXIMUM TAKAFUL BENEFIT AMOUNT

In the event that a Scheme Member is covered under more than one Finance Facility, the aggregate Takaful Benefit payable for a Scheme Member shall be subject to a maximum amount of up to AED 5,000,000/- for Death and Permanent Total Disability for existing and new customers irrespective of the total number of Finance Facility(ies) and their actual Outstanding Finance Amounts.

MAXIMUM FINANCE AMOUNT

The maximum finance amount limits will be as follows:

Auto Finance

- Maximum finance amount limit will be **AED 500,000/-**.

Personal Finance

- Maximum finance amount limit will be **AED 500,000/-**.

Corporate Finance

- Maximum finance amount limit will be **AED 5,000,000/-**.

Credit Cards

- Maximum finance amount limit will be **AED 200,000/-**.

Home Finance

- Maximum finance amount limit will be **AED 5,000,000/-**. Coverage for higher amounts shall be considered on a case-to-case basis with individual medical underwriting.

ELIGIBILITY CRITERIA

The following customers will be eligible to participate. The eligibility criteria will be as follows:

All individual customers who are:

- UAE Nationals and UAE Residents (Expatriates) only.
- Minimum age at entry will be **18 years**.
- Maximum age at entry will be **64 years**.
- Cover will be provided up to age **70 years** for Death and up to **age 65 years** for Permanent Total Disability and Terminal Illness.
- Takaful coverage is offered only to individual customers only.
- Takaful cover is subject to all Customers actively pursuing employment at the time of availing the Finance Facility. Customer must have a full-time permanent employment contract with the employer.
- Self-employed customers may be eligible, subject to them being fulltime involved in business activities and subject to the provisions & conditions of the scheme.
- Subject to provisions & conditions, only the nominated/named keyman under the Corporate Finance accounts will be eligible for coverage. Individual Takaful Cover for partners will be provided as per his/her share of Takaful Benefit calculated as per the partnership agreement. Complete details of the partnership agreement will need to be provided in the event of a claim to the Takaful Provider.
- Financial eligibility will be strictly applied.
- No financial risks are covered under this Takaful Scheme.
- The guarantor of the finance Facility(ies) is not covered under this Takaful Scheme.
- Unskilled workers and workers on oil rigs and dealing with explosive materials are excluded.

Cover will cease at age 70 years for Death and at age 65 years for Permanent Total Disability.

FREE COVER LIMIT

AED 2,000,000/- (UAE Dirhams Two Million Only) up to age 64 years.

All Customers with Finance Facility amount up to AED 2,000,000/- (UAE Dirhams Two Million Only) will be covered automatically in this Takaful Scheme, subject to the provisions & conditions.

For any Finance Facility amount greater than AED 2,000,000/- (UAE Dirhams Two Million Only) all customers will be required to complete Medical Underwriting Requirements before any decision of Individual Takaful Coverage can be provided by the Takaful Provider.

MEDICAL UNDERWRITING REQUIREMENTS

<u>Original Finance Amount</u>	<u>Age 18 – 64</u>
Up to AED 2,000,000/-	Free Cover Limit
AED 2,000,001/- to AED 5,000,000/-	Medical Questionnaire (MHQ) + Medical Examinations

MHQ: Medical Questionnaire.

All Customers will only be covered after satisfactory completion of the Medical Underwriting Requirements from their Normal Dates of Inclusion, subject to provisions & conditions.

Subject to completing the Medical Underwriting Requirements, the coverage shall be confirmed in writing by the Takaful Provider only if the Medical Questionnaire and medical examinations do not reveals any adverse conditions.

Medical Underwriting Requirements must be done by per head/customer and not per Finance Facility. In the event that a customer has several Finance Facility(ies), the individual underwriting will be done on the total amount of all the Finance Facility(ies).

If any Scheme Member is unable to complete the Medical Underwriting Requirements from the Normal Date of, the Takaful Benefit for the Finance Facility(ies) will be limited to the Outstanding Finance Amount or the Free Cover Limit, whichever is lower, for the Policy Period.

For cases involving individual Medical Underwriting with an unsatisfactory Medical Questionnaire, no takaful cover shall be provided until such time the underwriting decision is reached and is communicated to the Policyholder by the Takaful Provider.

In case of any positive disclosure, Takaful Provider will have the absolute right to request for further medicals examinations, cost of which shall be borne by the Customers. Extra takaful contribution amounts may be charged.

Extra takaful contribution amounts may be charged or the takaful cover may be declines in certain cases. Takaful cover for all Customers with Medical Questionnaire showing adverse medical conditions will commence only after obtaining written confirmation by the Takaful Provider.

There may be instances where request for takaful cover maybe declined. The Takaful cover will only commence after obtaining a written confirmation from Abu Dhabi National Takaful Co. PSC if there are Medical Underwriting Requirements to be completed.

Monthly Takaful Contribution amount will be calculated by Abu Dhabi National Takaful Co. PSC each month based on the detailed declarations provided by Aafaq Islamic Finance and it will be paid to Abu Dhabi National Takaful Co. PSC on a monthly basis by Aafaq Islamic Finance.

CLAIMS

Claims must be notified immediately and as soon as possible but in any case not more than 120 calendar days from the date of event of the claim, together with any supporting evidence required by Abu Dhabi National Takaful Co. PSC. Claims intimated after 120 calendar days will be rejected.

No claim above AED 2,000,000 (UAE Dirhams Two Million Only) shall be paid if the customer did not complete the Medical Underwriting Requirements and/or the decision of acceptance of cover was not provided by in writing by Abu Dhabi National Takaful to Aafaq Islamic Finance.

ADMINISTRATION

The administration will be simple and straightforward. The following steps will be involved:

1. Aafaq Islamic Finance will submit to Abu Dhabi National Takaful Co. PSC at end of each calendar month, preferably by 10th day of every month, electronic declaration with complete details of the covered customers. This listing will contain customer reference number, customer name, date of birth (dd/mm/yyyy), gender, nationality, product type/name, initial contract date, initial/principal finance amount, finance term, underwriting loadings (if any) and Outstanding Finance Amount.
2. Upon receiving the electronic declarations, Abu Dhabi National Takaful Co. PSC will check the information for accuracy, perform the Takaful Contribution Amount calculations and send the declaration back to Aafaq Islamic Finance for conformation.
3. Aafaq Islamic Finance will confirm the calculation of Monthly Takaful Contribution Amount.
4. Abu Dhabi National Takaful Co. PSC will send the Monthly Takaful Contribution Amount invoice.
5. Aafaq Islamic Finance will pay the Monthly Takaful Contribution Amount as per invoice received.
6. Each month step 1 to 5 will follow.

GENERAL TERMS AND CONDITIONS

1. This is sharia compliant Islamic insurance scheme that will be short-term takaful contract of 1 year that will be renewed at each policy anniversary, unless otherwise informed and subject to terms & conditions.
2. **Group Credit Takaful Scheme** will be on a **compulsory basis** for all customers.
3. **The provisions & conditions governing this Takaful Scheme shall be as per the Takaful Policy No. P/301/1/95123/2024/00001 where all definitions, provisions & conditions and their corresponding clauses and exclusions will be as per policy wordings issued to Aafaq Islamic Finance PSC by Abu Dhabi National Takaful Co. PSC.**

4. Pre-existing condition exclusion shall apply.
5. Takaful contribution amount payment grace period will be **30 days**.
6. Claims intimated after **120 calendar days** from the date of event of a claim will not be covered.
7. The cover will be provided on a cut-off basis i.e., monthly during the policy year.
8. The guarantor of the finance is not covered.
9. Automatic Additions and Deletions subject to contribution adjustment at expiry on a monthly basis.
10. Permanent Total Disability (PTD) is subject to 12 consecutive months deferment period.
11. Bad debts will not be covered. Any particular monthly finance installment default of more than three (03) consecutive or cumulative months in arrears will be borne by claimant or the policyholder. The exposure for all customers will always be in line with the pre-agreed finance repayment schedule.
12. All amendments, extensions, alterations, changes in the material risk including all endorsements are to be received, reviewed and agreed by Abu Dhabi National Takaful Co. PSC.
13. This takaful scheme shall be managed according to relevant articles of Insurance Authority Board of Directors' Decision No. (49) of 2019 Concerning Instructions for Life Insurance and Family Takaful Insurance.
14. Takaful scheme will be governed by and construed in accordance with the laws of the United Arab Emirates.
15. Coverage of Passive War Risk (PWR).

The Passive War Risk shall be reinsured as follows:

Subject to the terms and conditions of this Agreement, the Reinsurer shall be liable for claims directly or indirectly caused by, resulting from, or in connection with, war, civil war or warlike operations (whether war be declared or not), provided that

- such events take place in the country of residence of the insured and the insured does not actively participate in any of them; where an active participant is not only a person serving in any capacity as a member of the armed forces, but also a person who supplies, transports or otherwise handles installations, equipment, devices, vehicles, weapons or other materials for waging war on behalf of a warring party or is otherwise engaged in any of the aforementioned events (e.g. as a journalist, a doctor or paramedic); or
- the insured is involuntarily affected by a sudden outbreak of war, civil war or warlike operations while travelling outside the country of residence, provided that the insured leaves the war zone or area of conflict within a period of 7 days, where possible; for the avoidance of doubt, the insured is in no case affected involuntarily where he/she undertakes a work-related travel to a war zone or an area of conflict or is travelling to such an area in anticipation of a possible outbreak of war in order to do his/her job.

Notwithstanding the above, the Reinsurer shall not be liable for claims directly or indirectly caused by, resulting from, or in connection with nuclear, biological or chemical weapons or material.

In any case the Passive War Risk shall not be covered in Iraq, Syria, Yemen, Afghanistan and Palestine.

For the purposes of the passive war risk cover hereunder, solely death and disability resulting directly and independently of all other causes from bodily injury effected through external, violent and visible means shall be covered, provided the death materializes within a period of 6 months after the bodily injury has occurred.

Coverage of Passive War risk shall be provided for Death and Permanent Total Disability Accident Only.