

PERSONAL LOANS INSURANCE TERMS AND CONDITIONS

Group Credit Life Takaful provides takaful benefit, covering your Standard Chartered Bank Personal Finance outstanding balance for a nominal charge.

In the event of Death due to any cause or Permanent Total Disability (PTD), the outstanding balance of your Personal Finance is covered by the Insurance, without causing any inconvenience to your loved ones (subject to the Exclusions stated below).

As a Protected Person you can enjoy the benefits of Group Credit Life Takaful provided by Medgulf Allianz Takaful B.S.C (c). We request you to go through the Cover details in order to understand thoroughly the extent and terms of the Takaful Cover offered.

You can obtain a copy of the full Terms and Conditions issued by Medgulf Allianz Takaful B.S.C (c). The Group Credit Life Takaful is provided by Medgulf Allianz Takaful B.S.C(c) and Standard Chartered Bank (the "Bank") has no liability whatsoever to you for Group Credit Life Takaful. The Terms and Conditions below are only a summary of the principal provisions of the master policy of Group Credit Life Takaful issued by Medgulf Allianz Takaful B.S.C (c).

SCHEME HIGHLIGHTS

- 24 hour cover for Group Credit Life Takaful
- Easy enrolment
- No requirement for a medical certificate
- Low one time rate on the total amount of your Personal Finance

SUMMARY OF POLICY CONDITIONS OF MASTER POLICY

1. Low one time rate will be applied and the insurance premium will be added to your loan amount and amortized over the life of the loan.
2. To qualify for cover under the policy, the Protected Person should be older than 18 and younger than 65 years. Coverage under this policy for Death & PTD ceases when the Participant attains the age of 65 years.
3. Death and PTD Benefit cover is applicable worldwide.
4. PTD and Deathcover applies to any cause except those expressly excluded in terms of the policy or the Good Health Declaration in the Personal Finance application form.
5. Death and PTD benefit payable under this policy shall be paid against the Protected Person's total outstanding balance at the end of the month with the Bank.
6. The Bank shall not at any time be considered as an agent of Medgulf Allianz Takaful B.S.C (c), the "Takaful Provider". All claims or contestations for Takaful coverage shall be negotiated directly with Medgulf Allianz Takaful B.S.C (c), Kingdom of Bahrain.
7. The Bank reserves the right, at any time, to change the terms, conditions, rates and/or reject, discontinue or cancel the applicable Takaful Cover without assigning any reason.
8. The Protected Person should be a resident in the Kingdom of Bahrain at the time of sourcing the Policy. Any Protected Person shall be covered even in an instance where the Event of Claim occurred outside the Kingdom of Bahrain.

DEFINITIONS

Actively-at-Work – The work situation of a person performing any gainful activity or work, or engaging in any business or occupation for remuneration or profit, excluding those who are disabled, or granted a leave of absence due to disease or bodily injury.

Claim – A written demand made to the Company by the Bank for the payment of benefits under this Contract.

Contract Application – The Declaration of Good Health or Medical Questionnaire that the Customer accomplishes and submits as part of the Company's underwriting requirements.

Contract Schedules – The schedules which provide the specific conditions of this Contract and the data on the Bank's Customers and amount of Contributions payable. The data includes: Initial financing amount; financing inception and termination dates; amount of charges, if any; limitations and additional exclusions, if any.

Contract Year – A coverage term of twelve (12) consecutive calendar months under this Contract from the Effective Date or any anniversary date thereof.

Contributions – The amounts payable by the Bank as a contribution for the Participants who shall be covered under this Contract.

Customer – An individual person indebted or becoming indebted under the terms of a personal financing agreement with the Bank.

Effective Date – The date this Contract commences.

Financing Inception Date – The date on which the personal financing agreement takes effect.

Financing Termination Date – The date on which the last instalment under the personal financing agreement falls due.

Hazardous Activity – Any activity which exposes the Participant to serious Injury or Illness including but not limited to shooting, motor sports, water sports (e.g. diving, jet-skiing, power boats, water ski), horse riding activities (e.g. hunting, jumping, polo), climbing activities (e.g. mountaineering and rock-climbing), winter sports (e.g. bob-sleighbing, snowboarding, ice-hockey, snow-skiing, ski-jumping), ballooning, bungee jumping, sky diving, parachuting, paragliding, and martial arts of all kinds.

Initial Financing Amount – The total initial financing of a Customer at the inception of the personal financing agreement.

Instalment – The periodic payment made by a Customer to the Bank covering both the principal and profit/interest under a financing agreement.

Mudarabah – An investment contract whereby an individual or a group of individuals appoints a third party, called Mudarib, to invest their assets in a Shari'ah compliant manner for a pre-agreed share on investment income.

Mudarib Profit Share – A ratio of profit from total gross revenue less direct expense related to the investment payable to the Company.

Outstanding Financing Balance – The portion of the principal amount under a personal financing agreement that is still due and payable excluding charges for late payment, if any.

Participant – Any person eligible for coverage and enrolled under this Contract.

Personal Financing Agreement – A financing agreement made in writing between and duly executed by or on behalf of a Customer and the Bank, which requires payments of the sums due in accordance with the agreement by equal monthly instalments.

Prepayment – Provision in a financing agreement under which a Customer may pay off a financing ahead of the scheduled financing termination date.

Qardh Al-Hasan – A financing which is returned at the end of the agreed period without any interest or share in the profit or loss of the business.

Repayment Period – The period during which the Customer shall be required under the terms of a personal financing agreement to make equal monthly payments of the sums due under said agreement.

Wakalah – An Islamic contract where a representative, called Wakeel, is appointed to undertake transactions on another person's behalf.

Wakalah Fees – A set percentage of the Contributions which shall be paid by the Bank to the Company to cover the cost of sales, distribution, collection of contributions, customer service and administration, as well as the cost of handling any claims.

SCOPE OF COVER

Death Benefit

If a Protected Person dies due to sickness or an accident, the Takaful Company will, upon receipt of due proof in writing of the death of the Protected Person, pay the amount of the Takaful Cover Benefit to the Bank.

The Takaful Cover Benefit, at any time before the maturity date of the Personal Finance, shall be equal to 100 % of the Outstanding Balance of the Personal Finance as at the date of death, according to the amortisation schedule set in force on the Entry Date.

If the date of death corresponds to the due date of one instalment, it is considered that this instalment is not yet paid. The Takaful Company cannot be liable for more than the Outstanding Balance of the Personal Finance defined in the Personal Finance documentations / agreement(s) in force when the Personal Finance was executed, irrespective of possible changes brought to the instalments later.

Permanent Total Disability (PTD) Benefit

If an Participant becomes Permanently and Totally Disabled as defined in this policy, the Takaful Company will terminate the insurance on the life of such Participant and in lieu of all other benefits, will pay to the Policyholder in one lump sum 100% of the Outstanding Balance of the Personal Finance as at the date of recognition of the state of PTD, according to the amortisation schedule set in force on the Entry date.

Payments in arrears and interests give no right to any benefit.

If the date of recognition of the state of PTD corresponds to the due date of one instalment, it is considered that this instalment is not yet paid. The Takaful Company cannot be liable for more than the outstanding balance of the Personal Finance defined in the Personal Finance agreement in force when the Personal Finance was granted, irrespective of possible changes brought to the instalments later.

Such state of PTD shall be exclusively recognized by a physician specially authorized by the Takaful Company according to the definitions and provisions of this Policy.

There must be at least 6 continuous months elapsed from the commencement of Total Disability before it can be recognized as being Permanent.

Additionally, the Participant shall have to provide the Takaful Company with the evidence that he was carrying an officially registered occupation on the commencement of his Total Disability.

PTD Benefit is subject to a deferral of coverage period of 90 days from the Good Health Declaration sign off date for PTD Coverage. A PTD claim shall be automatically turned down if the PTD occurs within these 90 days.

SUMMARY OF POLICY EXCLUSIONS

Any Death caused by or resulting, directly or indirectly, wholly or partly, from any of the following factors will not be covered by this Takaful Coverage:

1. Attempted suicide or any act of intentional self injury whilst sane or insane;
2. Taking part in a criminal act;
3. Sexually transmissible diseases, AIDS or the presence of any human immunodeficiency virus or any antibodies to such virus limited to:
 - a. sexually transmissible diseases due to illegal relationship
 - b. sexually transmissible diseases due to illegal blood transfusion
 - c. AIDS due to drug taking
4. Radioactivity and nuclear reactions: In no event will this retakaful agreement provides coverage for loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, or nuclear explosion, pollution, contamination and/or fire following thereon, and release of weapon of mass destruction that do not involve an explosive sequence.

Also excluded hereon is any loss or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, or suppressing any, or all, of the above. In the event any portion of these exclusions is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

5. Worldwide Terrorism Exclusion Clause: Notwithstanding any provisions to the contrary within this Agreement and/or underlying agreements and or endorsements thereto, including express or implied obligations to “follow the settlements”, “follow the fortunes” or similar, it is hereby understood and agreed that all loss, liability, damage, costs, expenses, or legal expenses of whatsoever nature directly or indirectly caused by, resulting from, or in any way connected with or arising out of any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss is entirely excluded from this Agreement.

Act of Terrorism includes any act, or preparation in respect of action, including but not limited to the use of force or violence and/or the threat thereof, of any person(s) or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including but not limited to:

- a. the intention to influence or affect the conduct of any government (de jure or de facto); and/or
- b. to put the public, or any section of the public in fear; and/or
- c. to commit violence or threaten violence against one or more persons (whether legal or natural); and/or
- d. damaging tangible or intangible property; and/or
- e. endangering life; and/or
- f. creating a risk to the health or safety of the public or a section of the public; and/or
- g. an act designed to interfere with or disrupt an electronic system.

This endorsement also excludes loss, liability, damage, cost, expenses or legal expenses of whatsoever nature directly or indirectly resulting from, caused by or in connection with any action or decision of a government agency or other entity to prevent, control, respond to or terminate or in any other way relating to actual or alleged Acts of Terrorism. Such loss, liability or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss, liability or damage.

In the event that any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

6. War and Civil War Exclusion Clause: Notwithstanding any provision to the contrary within this Agreement or any endorsement thereto including express or implied obligations to “follow the settlements”, “follow the fortunes” or similar, it is agreed that this reinsurance entirely excludes loss, liability damage, cost or expense, including expense costs, of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
- a. War, civil war, war-like operations (whether war be declared or not), hostilities, invasion, acts of a foreign enemy, mutiny, strikes, riots, civil commotion, assuming proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, malicious damage, martial law.
 - b. Any action taken in controlling, preventing, suppressing or in any way relating to the excluded situations in (1) above, including, but not limited to, confiscation, nationalization, damage to or destruction of property.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

7. Total Asbestos Exclusion: It is hereby understood and agreed that this agreement shall not apply to and does not cover any loss or damage or actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos, in whatever form or quantity.
8. Extra – contractual Obligations, for example ex - gratia payments.

TERMINATION OF INDIVIDUAL TAKAFUL COVERAGE

The insurance of an individual shall automatically terminate upon the happening of any of the events mentioned below, whichever takes place earlier:

1. The Participant attains age 65 for Death & PTD;
2. Upon notification of a Death claim or payment of a PTD claim;
3. Upon settlement by the Participant of the amount of the Personal Finance; or
4. Upon cancellation by the Policyholder of the Personal Finance agreement of the Participant, regardless of the reason.

INSURANCE REFUNDS

The participant shall receive prorated insurance premium refunds in case the loan is settled early. The prorated refund account is based on the terms agreed between the Bank and the Takaful Provider.

GOVERNING LAW

The provisions and terms of this policy shall be construed in accordance with the laws applicable in the Kingdom of Bahrain and the Kingdom of Bahrain courts shall have the sole jurisdiction in respect of any controversy / dispute arising there from.

CONTACT INFORMATION

For any information or assistance please call Standard Chartered Bank Phone banking unit on 17531532.

Contact details of the Insurance Provider:

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