

**ADAMJEE LIFE ASSURANCE COMPANY LIMITED**  
**WINDOW TAKAFUL OPERATIONS**  
**PARTICIPANT TAKAFUL FUND POLICIES**

1. **Short title.** - These shall be called Participant Takaful Fund Policies.
2. **Definitions.** - In these PTF Policies, unless there is anything repugnant in the subject or context: -
  - (i) **Accounting Year** means financial year of the Operator, that is, the twelve (12) months commencing from January 1 till December 31;
  - (ii) **Appointed Actuary** is the person appointed by the Board of Directors of Adamjee Life Assurance Company Limited, in accordance with the relevant provisions of the Ordinance to perform functions and responsibilities thereof defined;
  - (iii) **Commission** means Securities and Exchange Commission of Pakistan;
  - (iv) **Companies Ordinance** means the Companies Ordinance, 1984;
  - (v) **Contribution** means amount (regular or single) payable by the Participant as member of the Takaful Plan;
  - (vi) **Deficit** means, the excess of liabilities over the assets of the Waqf Fund (PTF);
  - (vii) **Operator sub-Fund** means a sub-fund of the statutory fund set up by the Window Takaful Operator as per statutory requirements. The Operator Sub-Fund shall consist of the amount allocated by the company for Window Takaful Operations and undistributed profits to the Shareholders entirely consistent with the policies of the Board of Directors of Adamjee Life Assurance Company Limited. All Window Takaful Operator's fee shall be credited to this fund and all expenses relating to the statutory fund which are not charged to any Participant Takaful Fund or Participant Investment Account shall be debited to this fund;
  - (viii) **Ordinance** means the Insurance Ordinance (XXXIX of 2000) and all affiliated laws, rules and regulations that have or may be enacted from time to time;
  - (ix) **Participant** means a person who has applied for and has been enrolled as a member under a Takaful Plan attached to the Waqf Fund (PTF) managed by the Window Takaful Operator;
  - (x) **Participant Investment Account** means, where applicable, the investment account of the Participant under the membership of a Takaful Plan. The

investment component of the Contribution, if any, is credited to the participant Investment Account;

- (xi) **Participant's Membership Documents (PMD)** means the documents detailing the benefits, limitations, rights and obligations of the Window Takaful Operator and the Participant under a Takaful Plan;
- (xii) **Qard-e-Hasna** means an interest-free loan to the Waqf Fund (PTF) from the Operator Sub-Fund, to meet any existing or potential Deficit;
- (xiii) **Re-takaful** means an arrangement consistent with sound Takaful principles for Re-takaful of liabilities in respect of risks accepted or to be accepted by the Window Takaful Operator in the course of his carrying on Takaful business and includes ceding risks from Takaful pool(s) managed by the Window Takaful Operator to one or more Re-Takaful pool(s) managed by any other one or more Re-takaful Operator(s) or Reinsurer(s) having Takaful Pool, in line with Takaful principles;
- (xiv) **Shariah Advisor** means Shariah Advisor of the Window Takaful Operator, appointed in accordance to the requirements of rule 26 of the Takaful Rules, 2012;
- (xv) **Sum At Risk** means Sum At Risk as defined in the Participant Membership Document (PMD) or Supplementary Takaful Benefit Documents, which are an essential part of these Supplementary Rules;
- (xvi) **Supplementary Takaful Benefit** means additional product designed and distributed by Adamjee Life Assurance Company Limited for the purpose of Window Takaful Operations in accordance with Shariah principles, which may be attached to and provided as part of a takaful scheme and as such embodies certain benefits, limitations, rights and obligations as evidenced by the Supplementary Takaful Benefit Document(s);
- (xvii) **Supplementary Takaful Benefit Document(s)** means the document(s) / contract(s) detailing with the benefits, limitations, rights and obligations of the Operator and the Participant under a Supplementary Takaful Benefit;
- (xviii) **Supplementary Waqf Deed** means a deed rendered in writing to establish a sub-fund under the Waqf Fund (PTF) as deemed necessary for legal and operational reasons;
- (xix) **Surplus** means, the excess assets over the liabilities of the Waqf Fund (PTF);



- (xx) **Takaful Contribution** means the Contributions from Participants, net of any amounts credited directly to Participants Investment Account or the Operator Sub-Fund;
- (xxi) **Takaful Plan** means a product designed and distributed by Adamjee Life Assurance Company Limited as Window Takaful Operator, in accordance with Shariah principles, which embodies certain benefits, limitations, rights and obligations as evidenced by the **Participants' Membership Documents (PMD)**;
- (xxii) **Takaful Rules** means Takaful Rules, 2012;
- (xxiii) **Valuation Date** means the date on which PTF is valued for its assets and liabilities
- (xxiv) **Waqf Deed** means Waqf Deed made by the Window Takaful Operator to establish Waqf Fund (PTF)
- (xxv) **Waqf Fund / Participant Takaful Fund (PTF)** means:
- (a) A fund established by the Window Takaful Operator under the Waqf Deed in accordance with the requirements of Takaful Rules, 2012;
  - (b) The Waqf Fund (PTF) may comprise of one or more sub-fund(s) each of which will be a sub-fund of a given Statutory Fund;
  - (c) Each sub-fund of the Waqf Fund (PTF) shall be governed by the provisions of the Ordinance, Takaful Rules 2012, the Waqf Deed and Supplementary Deed; and
  - (d) Unless the context otherwise requires in this Deed, words importing Waqf Fund (PTF) shall include the sub-fund(s) of Waqf Fund (PTF).
- (xxvi) **Waqf Money** means the amount ceded by the Window Takaful Operator at the commencement of the Waqf Fund (PTF), from its Operator Sub-Fund. Upon dissolution of the Waqf Fund (PTF), the same will have to be transferred to another Waqf Fund (PTF), formed for similar or any other purpose, with the approval of the Shariah Advisor;
- (xxvii) **Window Takaful Operator** means Adamjee Life Assurance Company Limited working in the capacity of Wakeel and Modarib, as the case may be, thereby operating the Waqf Fund (PTF);

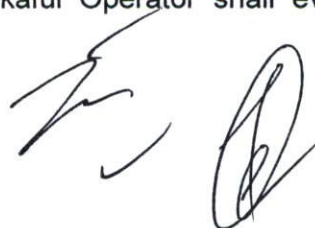
Unless the context otherwise requires, words or expressions contained in these PTF Policies shall have the same meaning as in Companies Ordinance, 1984, Insurance Ordinance 2000, Takaful Rules, 2012 and Waqf Deed; and words importing the singular shall include the plural, and *vice versa*, and words importing the masculine gender shall include feminine, and words importing persons shall include bodies corporate. However, in the event of ambiguity and / or conflict between the provisions of the PTF Policies or



the Waqf Deed and or its Supplementary Deeds, the provisions of the Waqf Deed and subsequently the Supplementary Deed(s) (as applicable) in its entirety shall prevail.

### 3. Operations:

- a) The Window Takaful Operator shall assess, classify, and determine risks prudently in accordance with sound Actuarial guidelines and Shariah principles.
- b) The Window Takaful Operator shall perform all functions necessary for the operations of the PTF, including but not limited to:
  - (i) Receiving Takaful Contributions from the Participants;
  - (ii) Utilizing these Takaful Contributions for the benefits of all the Participants;
  - (iii) Acting as Modarib or Wakeel, or both, in order to manage the funds in the best interest of the PTF;
  - (iv) The Window Takaful Operator shall define, design, implement manage, administer, run, control, govern, modify Takaful Plans or Supplementary Takaful Benefit for the benefits of all the Participants, whether existing or prospective, with the approval of Shariah Advisor and the Appointed Actuary;
  - (v) The Window Takaful Operator shall invest funds available in the PTF in the modes and products as may be permissible from time-to-time.
- c) Contributions under Takaful Plans, net of any government levy, shall be segregated into the Window Takaful Operator's Fee, the investment component and Takaful Contribution.
- d) The Takaful Contribution shall be credited to Waqf Fund (PTF).
- e) The determination of each component shall be in accordance with provisions of each Takaful Plan.
- f) All Takaful Contributions credited to Waqf Fund (PTF) shall be deposited in bank accounts designated as belonging to Waqf Fund (PTF) or paid across to such account within seven days of receipt.
- g) All income received on assets of a Waqf Fund (PTF) and receipts from Re-takaful Operators relating to the Waqf Fund (PTF) shall be deposited in bank account designated as belonging to the Waqf Fund (PTF) or be paid across within seven days of receipt.
- h) The Window Takaful Operator would periodically perform surplus calculation for the PTF, under advice from the Appointed Actuary. At least at the end of each Accounting Year the Window Takaful Operator shall evaluate the assets and



liabilities of the PTF and determine whether the operation for that particular period had produced a Surplus or a Deficit.

- i) Takaful Contributions received by the PTF are based on the applicable Sum At Risk under the membership of a Takaful Plan and any Supplementary Takaful Benefits attached to the PTF. Takaful Contributions are dependent on certain factors such as age attained, sex, residence, health, occupation, nationality, smoker / non-smoker-status, Window Takaful operator fee and such other factors for the duration of the membership. Takaful Contributions are paid into the PTF either by deduction of Units from the respective Participant Investment Fund (PIF) or by directly allocating a proportion of the Contribution received by the Participant to the PTF.
- j) The Takaful Contributions would be deposited as donation by the Participant into the PTF. The Window Takaful Operator fee expressed as a percentage of the Takaful Contribution would be taken out by the window Takaful operator in form of Wakalah Fee from the PTF for underwriting, administration and general management of the PTF. As Modarib, the Window Takaful Operator will also be entitled to a share in the investment income earned by the PTF.
- k) The Window Takaful Operator needs to be satisfied about the suitability of the applicant's state of health and occupation and may impose suitable additional conditions or limit the amount of benefits applied for, if the proposed Life Covered is subject to unusual risks at the Commencement Date or Reinstatement Date, whichever is later, as per the authority granted to the Window Takaful Operator in these PTF Policies.
- l) Any payments made by the Window Takaful Operator from the PTF on account of benefits covered under a Takaful Plan and Supplementary Takaful Benefits will be in accordance with the terms and conditions of PMD and Supplementary Takaful Benefit documents attached to the PTF

#### **4. Asset and Liability Position of the Waqf Fund (PTF)**

4.1 At least at the end of each Accounting Year the Window Takaful Operator shall evaluate the assets and liabilities of the Waqf Fund (PTF). The Window Takaful Operator shall:

- 4.1.1 Determine whether the Waqf Fund (PTF) has a Surplus or a Deficit at the end of the period;
- 4.1.2 Evaluate the requirement of Qard-e-Hasana at the end of the period; and
- 4.1.3 Distribute the Surplus of the Waqf Fund (PTF) among the participants, if any.

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4.2 The Surplus / Deficit at the end of the period will be:

- Surplus / Deficit at the beginning of the period

**Add:**

- Takaful Contributions received in the Waqf Fund (PTF)
- Investment income earned by investment of the Waqf Fund (PTF) itself
- Receipts from Re-takaful pools as their share of any claims paid out or as shares of surplus earned on Re-takaful arrangements
- Rebate / commission from Re- Takaful Operators
- Reserves required by preceding year's Actuarial valuation to be brought forward
- Any donation made to the Waqf Fund (PTF) by the Window Takaful Operator

**Less:**

- Incurred Claims
- Window Takaful Operator's Fees
- Repayment of Qard-e-Hasna
- Window Takaful Operator's share in investment income earned by investment of the Waqf Fund (PTF) itself
- Amounts paid out to Re-takaful pools as Re-takaful contributions
- Any third party costs directly associated with underwriting and claims investigation
- Reserves required by Actuarial valuation to be carried forward

4.2.1 For the purpose of determining the reserves required by Actuarial valuation, the Window Takaful Operator may require at least such technical reserves and solvency margins to be setup in the Waqf Fund (PTF), as may be prescribed by the Commission. In case the Commission does not prescribe such technical reserves and solvency requirements, the Window Takaful Operator may require such technical reserves and solvency margins as may be deemed appropriate, which may include, but not limited to:-

- (a) Unearned Contributions reserves;
- (b) Incurred but not reported claims reserves;
- (c) Deficiency reserves;
- (d) Reserve for Qard-e-Hasna to be returned in future;
- (e) Surplus equalization reserves;
- (f) Death benefit reserves;
- (g) Outstanding claims reserves;
- (h) Solvency Margins for Waqf Fund (PTF); and
- (i) Any other reserve as may be specified by the Appointed Actuary

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4.3 In case of Deficit in the Waqf Fund (PTF) at the end of the period, the Window Takaful Operator would ensure that there is adequate Qard-e-Hasana in the Waqf Fund (PTF) to fully meet the Deficit.

4.4 In case of a Surplus in the Waqf Fund (PTF) at the end of the period, the Window Takaful Operator will determine the extent of repayment of Qard-e-Hasana if any, from the Waqf Fund (PTF) as advised by the Appointed Actuary, prior to distributing any Surplus

## 5. Surplus Distribution

5.1 Participants are entitled to any Surplus in the Waqf Fund (PTF) at the end of the period subject to Condition 5.4.

5.2 The basis of the Surplus allocation amongst participants would be recommended by the Appointed Actuary in consultation with the Shariah Advisor" The basis of Surplus allocation shall:

5.2.1 ensure fair and equitable treatment of the Participants of the Waqf Fund (PTF);

5.2.2 be in line with the prescribed regulations of the Commission;

5.2.3 be in line with the generally acceptable actuarial principles;

5.2.4 be in line with the terms and conditions of the Participants' Membership Document.

5.2.5 be in line with the Net Contribution of each Participant under a membership.

5.3 Surplus may be distributed in the form of:

(i) Allocation of units to the Participant Investment Account

(ii) Payment of Cash to the participants

(iii) Any other method as advised by the Appointed Actuary and the Shariah Advisor and approved by the Commission.

5.4 The mechanism and frequency of Surplus distribution amongst Participants would be as approved by the Appointed Actuary and the Shariah Advisor.

5.5 A Participant may donate its surplus for social or charitable purposes and may request the Window Takaful Operator to arrange for the transfer of the donation.

## 6 General

6.1 These PTF Policies shall be governed by the Waqf Deed and the laws in Pakistan, subject to Shariah guidelines, for the time being in force and are applicable on the Window Takaful Operator.



6.2 The Participant Membership Document and Supplementary Takaful Benefit Document (s) for Individual Family Takaful Participant Fund would be an integral part of these PTF Policies.

6.3 The Window Takaful Operator shall have the right to modify / change in, add to, subtract from these PTF Policies, as may be deemed necessary, with due consultation and approval of Shariah Advisor.



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Fredrik Coenrard De Beer  
(Chief Executive Officer)

