

## PROVISION OF ISLAMIC MICRO INSURANCE POLICY“SI BIJAK”

### Article 1 – DEFINITIONS

1. **Takaful Insurance** is cooperative assistance (*ta'awanui*) and protect each other (*takafuli*) among the participants through the formulation of Tabarru' Fund managed based on islamic principles to face particular risks.
2. **Participants** are people who join the Takaful insurance in accordance with the terms set in Micro Takaful Insurance 'Si Bijak'.
3. **Beneficieries** are entitled to receive insurance compensation and have the insurable interest, such as husband, wife, biologic children, parents or heirs of lawful participants.
4. **Participants Card** is an identity card of Takaful Insurance Participant.
5. **Accidents** are the unexpected, sudden, unpredictable, coincident events experienced by the participants coming from outside, violent and visible.
6. **Disease/ Illness** is an abnormal phisical condition accompanied by aberarations/abnormalities acknowledged from the analysis of function changes or part of body condition from the normal condition of health based on doctor's diagnosis.
7. **Surplus Underwriting** is the excess of the total contribution of the participants for Tabarru' Fund minus compensation payment, re-insurance contribution and technical reduction in a specific period.

### Article 2 - TABARRU' AGREEMENT

1. Participants agree to abide of other participants in the Tabarru' Agreement to do *ta'awuni* (mutual helps/assitances), *takafuli* (to bear) and *ta'min* (protect each other) dealing with disaster/risks.
2. As part of the *Tabarru' Agreement in the clause* (1), participants pay *tabarru'* contribution to form *Tabarru'* Fund and Participants or Beneficieries will receive Insurance Compensation in accordance to the provision of Islamic Micro Insurance 'si Bijak'.
3. *Tabarru' Fund* as referred to in clause (2) will be combined with Tabarru' Fund of similar business lines managed by the Manager/business.

### Article 3 - WAKALAH BIL UJRAH AGREEMENT

Based on *Wakalah bil Ujrah Agreement*, the participants authorize the business to manage the Takaful Insurance, including the administration, underwriting, payment of insurance contribution, marketing, and management of the Tabarru' fund. By the authorization, the management/business gets *Ujrah*.

### Article 4 - QARDH

In case the *Tabarru'* Fund is not enough to pay the

insurance compensation, the business will give Qardh to cover the shortfall. The return of Qardh to the business is carried on the Surplus *Underwriting* and/or from *Tabarru'* Fund.

### Article 5 – BASIC MEMBERSHIP

1. As a basis for the enactment of Islamic insurance membership, participant must fill out the correct and complete their data, activation number and registration number of Membership Card when doing the activation of membership card. If necessary, the management entitles to request additional data as needed. All the information, data and statement that have been given to the management/business are the responsibility of the participants.
2. If the information and data referred to in clause (1) does not correspond to the actual state or condition or deliberately falsified:
  - a. Membership in the Takaful Insurance and its Insurance Benefits/compensation will entirely void and shall be deemed never apply. Upon termination of membership, the participant is not entitled to any payment.
  - b. If it happens as in (a and Insurance Benefit/compensation has been paid, the Insurance Benefit must be returned to the business manager to be returned to the Tabrru' Fund.
3. The provision of micro takaful insurance 'si Bijak' can not be changed, added or subtracted by anyone other than with the approval of the business and the participant.

### Article 6 – IRREFUTABLE CONDITION

If the membership has been running for 2 (two) months or more from the date of membership commencement and the participants has yet received the insurance benefit, the provision of article 5 clause (2) are not applicable.

### Article 7 – MEMBERSHIP PERIOD

1. The membership of takaful insurance is valid from the activation date done by the participant and contribution has been paid in full.
2. The membership of takaful insurance will be expired authomatically if one of the following events occur (whichever occurs earlier):
  - a. Date one type of Insurance benefit has been paid; or
  - b. Day of 366 from the activation date by the participant.

### Article 8 - CONTRIBUTIONS

Before the Takaful Insurance membership begins, participants are required to pay a contribution to the business manager through distribution channel

designated by the business manager for Rp 50.000,- (fifty thousand rupiahs). The contribution will be used to pay the tabarru' contribution and ujah with the composition 50:50.

#### **Article 9 – MEMBERSHIP REQUIREMENT**

1. The age of participants at the time of the validation membership of islamic insurance shall be at least 17 (seventeen) years and maximum of 64 (sixty four) years.
2. Participants are not in the ill condition and/or are being treated in the hospital at the time of membership islamic insurance is valid.
3. The business will not pay Insurance Compensation if the participant does not meet the the requirement in the provision of islamic micro insurance 'si Bijak'.

#### **Article 10 – INSURANCE COMPENSATION**

1. If the participant dies apart from accidents, the business will pay the Death Compensation of Rp 2.500.000 (Two million five hundreds thousands Rupiah) and Funeral compensation of Rp.500.000,- (Five hundred thousand Rupiah).
2. If participant dies due to an accident, the business insurance will pay the insurance compensation of Rp 2.500.000,- (Two millions five hundred thousand Rupiah).
3. If there is fire, natural disaster, theft, robbery of a dwelling house, a vehicle, kosk or insured business cart, the management will pay the compensation insurance of Rp 500.000,- (Five hundred thousand Rupiah).

#### **Article 11 – REQUIREMENT AND CLAIM PROCEDURES**

1. Participants or beneficiaries reported claim by mail or sms or phone to the call centre and stated the participants' data and activation number.
2. Participants or beneficiaries submit a claim document to the business in the form of:
  - a. Copy of Participants'/beneficiaries' Identity.
  - b. Evidence of the catastrophe, namely:
    - Letter from the chairman of RT/RW or hospital if the participant dies apart due to an accident.
    - Certificate of Police if the participant dies due to an accident or a fire, natural disaster, theft, robbery of a dwelling house, or vehicle, or a kiosk or an insured business cart.
3. Insurance compensation is paid to participants or beneficiaries no later than 10 (ten) days after the business recieves the complete document.

#### **Article 12 - SURPLUS UNDERWRITING**

If at the end of the financial year there were Surplus *Underwriting*, the participants agree to enter entirely into Tabrru' Fund, with the provision that there are Qardh so that Surplus Underwriting will be used to pay the Qardh first.

#### **Article 13 - EXCLUSION**

Insurance Compensation will not be paid if,

1. Participant dies due to suicide or HIV/AIDS or Illness/pain in the period of 30 (thirty) calendar days from the activation date.
2. Participants submit a claim that does not meet the type of insurance compensation specified in article 10 clause (1), (2) and (3).
3. Participants commit immortal acts, liquor, deliberate, crime, violence or actively engaged in actions contrary to moral norms.

#### **Article 14 – SETTLEMENT OF DISPUTES**

1. Any disputes arising in related to policy will be resolved by discussion to reach agreement within a period of 20 (twenty) working days after the dispute notified by one party to the other. Under certain conditions referred to in the applicable legislation, the timing of settlement disputes can be extended a maximum of 20 (twenty) working days with the notification to the participant.
2. If the discussion does not reach an agreement, participant can settle the dispute through alternative dispute resolution institution listed in the list stated by the Financial Services Authority (OJK), Religious Court or District Court.

#### **Article 15 – MANAGEMENT DAN CALL CENTER**

1. Management/Business is insurance companies and life insurance companies that are members of the Consortium Islamic Micro Insurance 'si Bijak', namely:
  - a. Life Insurance companies that will provide insurance compensation as referred to in Article 10 clause (1) consists of: PT A, PT B and PT C.
  - b. Insurance companies that will provide insurance compensation as referred to Article 10 clause (2) and clause (3) consists of: PT X, PT Y, and PT Z.
2. Call Center .....