



SHAKEEL IQBAL STAMP VENDOR  
 Lic # 50, Shop # 113, New Ruby Centre,  
 Talpur Road, Baitan Market Karachi  
 18 MAY 2015  
 S.No.....Date.....  
 Issued to with Address.....  
 Through with Address.....  
 Purpose.....  
 Value Rs.....Attached.....  
 Stamp Vendor's Signature.....  
 (NOT USE FOR FREE WILL & DIVORCE PURPOSE)

### IFTPF POLICIES

1. These shall be called Policies for Individual Family Takaful Participant Fund (hereinafter referred to as IFTPF).
2. **Definitions.-** In the IFTPF Policies unless there is anything repugnant in the subject or context:



**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 IFTPF Policies

**Valuation Date** means the date on which IFTPF is valued for its assets and liabilities

Unless the context otherwise requires, words or expressions contained in these IFTPF Policies (whether defined or not) shall have the same meaning as in the Insurance Ordinance 2000, Takaful Rules 2012, Waqf Deed, Waqf (PTF) Policies, IFTPF Supplementary Deed, PMD and Supplementary Takaful Benefit Documents 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.

### 3. Operator's Obligations:

- 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 IFTPF, 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 IFTPF;
  - (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 IFTPF in the modes and products as may be permissible from time-to-time.
- c) The Window Takaful Operator would periodically perform surplus calculation for the IFTPF, 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 IFTPF and determine whether the operation for that particular period had produced a Surplus or a Deficit.
  - d) Takaful Contributions received by the IFTPF are based on the applicable Sum At Risk under the membership of a Takaful Plan and any Supplementary Takaful Benefits attached to the IFTPF. 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 IFTPF either by deduction of Units from the respective Participant Investment Account (PIA) or by directly allocating a proportion of the Contribution received by the Participant, to the IFTPF.
  - e) Takaful Contributions will be calculated using age based charges as mentioned in Appendix:1 to these IFTPF Policies. However, these charges are subject to change, without notice as and when deemed necessary by the Window Takaful Operator, Nevertheless, such change would be effective prospectively.
  - f) The Takaful Contributions would be deposited as donation by the Participant into the IFTPF. 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 IFTPF for underwriting, administration and general management of the IFTPF. As Modarib, the Window Takaful Operator will also be entitled to a share in the investment income earned by the IFTPF.
  - g) 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 the IFTPF Policies.
  - h) Any payments made by the Window Takaful Operator from the IFTPF on account of benefits covered under a Takaful Plan and Supplementary Takaful Benefits will be in accordance with the terms and conditions of the PMD and Supplementary Takaful Benefit documents attached to the IFTPF.

#### 4. Asset and Liability Position of the IFTPF

- a) At least at the end of each Accounting Year the Window Takaful Operator shall evaluate the assets and liabilities of the IFPTF. The Window Takaful Operator shall:
  - (i) Determine whether the IFTPF has a Surplus or a Deficit at the end of the period;
  - (ii) Evaluate the requirement of Qard-e-Hasana at the end of the period; and
  - (iii) Distribute the Surplus of the IFTPF among the participants, if any.
- b) The Surplus/Deficit at the end of the period will be:

- Surplus/Deficit at the beginning of the period<sup>1</sup>
- Add:**
- Takaful Contributions received in the IFTPF
  - Investment income earned by investment of the IFTPF 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 IFTPF by the Window Takaful Operator

- Less:**
- Incurred Claims
  - Window Takaful Operator's Fees
  - Window Takaful Operator's share in investment income earned by investment of the IFTPF 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

- c) Where applicable (Retakaful Contributions, Commission from Retakaful Operators, Investment Income, etc), the above calculations will take into account accruals of receipts and payments, as advised by the Appointed Actuary.
- d) 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 IFTPF, 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:-
- (i) Unearned Contributions reserves;
  - (ii) Incurred but not reported claims reserves;
  - (iii) Deficiency reserves;
  - (iv) Reserve for Qard-e-Hasna to be returned in future;
  - (v) Surplus equalization reserves;
  - (vi) Death benefit reserves;
  - (vii) Outstanding claims reserves;
  - (viii) Solvency Margins for IFTPF; and
  - (ix) Any other reserve as may be specified by the Appointed Actuary
- e) In case of Deficit in the IFTPF at the end of the period, the Window Takaful Operator would ensure that there is adequate Qard-e-Hasana in the IFTPF to fully meet the Deficit.
- f) In case of a Surplus in the IFTPF at the end of the period, the Window Takaful Operator will determine the extent of repayment of Qard-e-Hasana, if any, from the IFTPF as advised by the Appointed Actuary, prior to distributing any Surplus

## 5. Surplus Distribution

- a) Participants are entitled to any Surplus in the IFTPF at the end of the period subject to Condition 4 e).
- b) 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:
- (i) ensure fair and equitable treatment of the Participants of the IFTPF;
  - (ii) be in line with the prescribed regulations of the Commission;
  - (iii) be in line with the generally acceptable actuarial principles;
  - (iv) be in line with the terms and conditions of the Participants' Membership Document;
  - (v) be in line with the Net Contribution of each Participant under a membership.
- c) The Net Contribution for each Participant under a membership would be calculated as follows:

<sup>1</sup> This does not include Qard-e-Hasana made to the IFTPF

Takaful Contributions received in the IFTPF  
Less: Change in technical reserves  
Less: Earned portion of Operator's Fee  
Less: Incurred claims

Surplus will be shared between all memberships that are in force on the Valuation Date of the IFTPF. The share of surplus allocable to each membership will be based on the ratio of the Net Contribution by the membership to the Net Contributions of all memberships that are in force as on the Valuation Date. The Net Contribution used for each membership will be based on the interval-valuation period ranging from the last Valuation date on which surplus was distributed to the current Valuation Date. The frequency of Surplus distribution amongst participants would be as approved by the Appointed Actuary and the Shariah Advisor.

- d) 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.

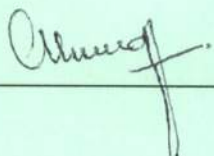
A Participant may donate its Surplus for social or charitable purposes and may request the Window Takaful Operator to arrange for the transfer of the donation.

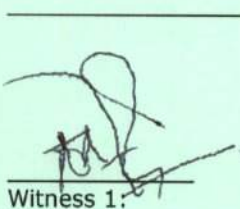
#### 6. General

- a) These IFTPF Policies shall be governed by the Waqf Deed; the Waqf (PTF) Policies; the Supplementary Deed for IFTPF; and the Laws in Pakistan, subject to Shariah guidelines, for the time being in force and are applicable on the Window Takaful Operator;
- b) The Participant Membership Document and Supplementary Takaful Benefit Document (s) for Individual Family Takaful Participant Fund would be an integral part of these IFTPF Policies.
- c) The Window Takaful Operator shall have the right to modify, vary, alter, change in, add to, subtract from these IFTPF Policies, as may be deemed necessary, subject to the approval of Shariah Advisor.

IN WITNESS HEREOF these Rules are executed hereunto on 12<sup>th</sup>, the \_\_\_\_\_ day of June 2015 at Karachi.

For and on behalf of

  
\_\_\_\_\_ (the Settlor)

  
\_\_\_\_\_ Witness 1.

  
\_\_\_\_\_ Witness 2.