



البنك العربي المتحد  
UNITED ARAB BANK

# Property Takaful Policy Customer Communication

We welcome you as United Arab Bank P.J.S.C., Property Finance Customer to the benefits offered under this Property Takaful Plan. We request you to go through the Plan details in order to understand the Plan coverage.

## 1. Definitions

For the purpose of this Plan, the following definitions shall apply unless the context otherwise requires:

**Bank Policyholder/Participant** means United Arab Bank P.J.S.C., Sharjah, United Arab Emirates

**Benefits** means the benefit(s) provided for under this Plan.

**Customer/Covered Person** means the person to whom the Bank has advanced a property finance and who has not been disqualified by the provisions of this Plan to be eligible to receive the Benefits under this Plan.

**Company** means means Dubai Islamic Insurance & Reinsurance Company (P.S.C.), which runs Takaful operations as a Wakeel for the Participants against the agreed / determined Wakala Fee and invests the Contribution as Mudareb against the pre-agreed share in the actual profit of the investment.

**Commencement Date** means the date the Covered Property is enrolled for this Plan by the Bank or the date of inception of this Plan whichever is later.

**Date of Event** means the date of loss or damage to the Covered Property happening on or after the Commencement Date and during the Plan period.

**Covered Property** means the buildings or apartments for which a property finance was disbursed by the policyholder and fixed improvements to the subject Covered Property, if any made by the Customer.

**Plan** means this Property Takaful benefit brought to you by the Bank.

**Terrorism** means an act of Terrorism including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

In this Plan, where the context admits, words importing the masculine gender shall include the feminine gender and words importing singular member shall include the plural and vice versa.

## 2. Eligibility conditions

- 1) The Covered Person must meet the eligibility criteria stipulated by the Bank for issuance of property finance.
- 2) The purpose of finance should be for the purchase of residential property only.

## 3. Scope of cover

### Section 1 – Property takaful

If the Covered Property or any part thereof shall be accidentally, physically lost, destroyed or damaged the Company will indemnify the Policyholder, the value of the property at the time of the happening of its loss or destruction or the amount of such damage or at their option reinstate or replace such property or any part thereof subject to a sum approved by the Company.

### Section 2 – Loss of rent

Following an admissible claim under Section 1, in the event of the Covered Property becoming inhabitable, the Company would pay the actual loss of rent or AED 15,000/- per month whichever is less until the Covered Property is ready for occupation or for a maximum period of 24 months from the Date of Event whichever is earlier.

### General exclusions

**The Company will not indemnify the Insured in respect of:**

- 1) a. electrical or mechanical breakdown or derangement of plant machinery or equipment;  
b. deterioration of the Property Insured due to change in temperature or humidity or failure or inadequate operation of an air-conditioning cooling or heating system; or  
c. subsidence ground heave landslip erosion settling or cracking,

### Unless either (i) caused by

Fire lightning;

explosion;

(for the purposes of this Exception "explosion" shall not mean the bursting or disruption of turbines compressors transformers rectifiers switchgear engine cylinders hydraulic cylinders fly-wheels or other moving parts subject to centrifugal force or boilers economisers or other vessels machinery or apparatus in which pressure is used);

aircraft or other aerial devices or articles dropped therefrom;

impact by vehicles watercraft locomotives or rolling stock;



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earthquake;  
riot or malicious acts (other than any act excluded by reason of Exception 6 (b) herein);  
Strikes locked-out workers or persons taking part in labour disturbances; or  
Storm, Tempest and Flood;

OR (ii) resulting in:

the occurrence of any of the events in (i) above then the Company will only indemnify the Insured under the Terms of the Plan in respect of the resultant loss destruction or damage;

2) loss destruction or damage to:

- a. property in course of construction or erection; or
- b. electrical wiring caused by electrical current (other than lightning);

3) a. consequential loss of any kind or description whatsoever;  
b. the cost of replacing or rectifying defective materials workmanship design or defect or omission in design plan or specification;  
c. contamination pollution, wear and tear, corrosion, vermin fungus rot, gradual deterioration, deformation or distortion, shrinkage, evaporation, change in colour or texture or finish or action of light; or  
d. the cost of normal upkeep or normal making good

4) loss destruction or damage by storm tempest water hail frost or snow to temporary structures other than buildings structures and designed to exist and operate in the open;

5) the amount of AED 1,000/- as the deductible in respect of each and every occurrence or a series of occurrences consequent on or attributable to one source or original cause giving rise to loss destruction or damage the subject of compensation payment under this Plan;

6) any loss destruction or damage directly or indirectly occasioned by or through or in consequence of :-

- a. war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war; or
- b. mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power or any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence;
- c. i) permanent or temporary dispossession resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority; or  
ii) permanent or temporary dispossession of any Property Insured resulting from the unlawful occupation of such Property Insured by any person;

provided that the Company is not relieved of any liability to the Policyholder in respect of physical damage to the Covered Property occurring before dispossession or during temporary dispossession which is otherwise Policyholder by this Plan;

d. the destruction of the Covered Property by order of any public authority

In any action suit or other proceeding where the Company allege that by reason of the provisions of Exceptions 6(a) and 6(b) above any loss destruction or damage is not covered by this takaful cover the burden of proving that such loss destruction or damage is covered shall be upon the Policyholder.

7) any loss destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by:

- a. nuclear weapons material; or
- b. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel solely for the purpose of this Exception 7(b) combustion shall include any self-sustaining process of nuclear fission;

provided that, in any action suit or other proceeding where the Company alleges that by reason of the provisions of Exclusion 6 above any loss destruction or damage is not covered by this Plan, the burden of proving that such loss destruction or damage is covered shall be upon the Policyholder.



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Conditions applicable to section 1

## 1. Alteration

Under any of the following circumstances the takaful cover under this Plan ceases to attach as regards the particular Covered Property affected unless the Policyholder before the occurrence of any loss or damage obtains the sanction of the Company signified by endorsement upon the Plan by or on behalf of the Company:

- if the nature of the occupation of or other circumstances affecting the Covered Property be changed in such a way as to increase the risk of loss or damage;
- if the Covered Property becomes unoccupied and so remains for a period of more than 90 days however this sub clause is not applicable in respect of total loss claims; or
- if the interest in the Covered Property passes from the Policyholder otherwise than by will or operation of law.

## 2. Safeguards and maintenance

The Customer shall at all times and as far as is reasonably practicable take steps to safeguard the Covered Property and maintain it in a proper state of repair. The Customer shall also take steps to enforce the observance of all statutory provisions promoter's/developer's recommendations and other regulations relating to the safety use and inspection of the Covered Property.

## 3. Company's rights after a loss

On the happening of any loss destruction or damage to any of the Covered Property the Company may;

- enter and take and keep possession of the Covered Property where the loss or damage has happened;
- take possession of the Covered Property at the time of the loss or damage;
- keep possession of any such Covered Property and examine sort arrange remove, or otherwise deal with the same; or
- sell any such Covered Property or dispose of the same for account of whom it may concern.

The powers conferred by this Condition shall be exercisable by the Company at any time until notice in writing is given by the Policyholder that they make no claim under this Plan or if any claim is made until such claim is finally determined or withdrawn and the Company shall not by any act done in the exercise or purported exercise of their powers hereunder incur any liability to the Policyholder or diminish their right to reply upon any of the conditions of this Plan in answer to any claim.

If the Policyholder or any person on their behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of their powers hereunder all Benefits under this Plan shall be forfeited.

The Policyholder shall not in any case be entitled to abandon any Covered Property to the Company whether taken possession of by the Company or not.

## 4. Reinstatement

If the Company elects or become bound to reinstate or replace any Covered Property the Covered Person shall at his own expenses produce and give to the Company all such plans documents books and information as the Company may reasonably require. The Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items covered more than the coverage amount thereon.

## 5. Subrogation

The Covered Person shall at the expense of the Company, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or compensation payment from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss destruction or damage under this Plan, whether such acts and things shall be or become necessary or required before or after their indemnification by the Company.

## 6. Contribution

If at the time of any loss destruction or damage happening to any Covered Property there be any other subsisting takaful cover or insurance whether effected by the Covered Person or by any other person or persons covering the same Covered Property the Company shall not be liable to pay or contribute more than their ratable proportion of such loss destruction or damage.



## 7. Average

Each item of Covered Property is declared to be separately subject to the following condition of Average namely.

If the sum representing 85% of the value of the Covered Property shall at the time of any loss destruction or damage be of greater value than the covered amount thereon, then the Covered Person shall be considered as being his own Insurer for the difference and shall bear a ratable proportion of the loss accordingly.

## 8. Architects', surveyors', consultants' & legal fees

The takaful cover for each item of Covered Property extends to include Architects', Surveyors', Consulting Engineers', Consultants' and legal or other fees for the preparation of estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the Covered Property consequent upon its destruction or damage and preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorized under the scale of various institutions and/or bodies regulating such charges and that the liability for such destruction or damage shall not exceed in the aggregate the coverage amount by each item and in respect of fees 10 % of the actual claim amount.

## 9. Debris removal and clean-up

The takaful cover for each item of Covered Property extends to include costs and expenses necessarily incurred by the Covered Person subject to a maximum of 10% of the claim amount with the consent of the Company in:

- a. removing debris;
- b. dismantling and/or demolishing;
- c. shoring up or propping; or
- d. cleaning up,

of the Covered Property destroyed or damaged by an event hereby covered against.

The liability of the Company under this Condition and the Plan shall in no case exceed 10% of the actual claim amount.

## 10. Fire brigade charges and other extinguishing expenses

It is hereby declared and agreed that should the Covered Property be or threatened to be destroyed or damaged by a covered peril against, this Plan shall cover:

- a. fire brigade charges and other extinguishing expenses for which the Insured may be assessed; and
- b. loss of fire extinguishing materials expended.

## 11. Workmen

Workmen shall be allowed on the premises of any Property Insured for the purpose of effecting repairs and minor structural alterations and also for general maintenance purposes and the like without prejudice to this insurance.

## 12. Public authorities

The insurance under this Plan extends to include such additional cost of reinstatement of the destroyed or damaged Property Insured as may be incurred solely by reason of the necessity to comply with the building or other regulations under or framed in pursuance of any act of Government or with Bye-laws of any municipal or local authority provided that:

1) the amount recoverable under this extension shall not include:

- a. the cost incurred in complying with any of the aforesaid regulations or bye-laws:
  - in respect of destruction or damage occurring prior to the granting.
  - in respect of destruction or damage not covered by the Plan.
  - under which notice has been served upon the Covered Person prior to the happening of the destruction or damage.
  - in respect of undamaged Covered Property or undamaged portions of Covered Property, other than foundations ( unless foundations are specifically excluded from the takaful cover by the Plan ) of that portion of the Covered Property destroyed or damaged;
- b. the additional cost that would have been required to make good the Covered Property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations or bye laws not arisen; or
- c. the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Covered Property or by the owner thereof by reason of compliance with any of the aforesaid regulations or bye-laws;



2) the work of reinstatement must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations or bye-laws so necessitate) subject to the liability of the Company under this condition not being thereby increased;

3) if the liability of the Company under any item of Covered Property under the Plan apart from this condition shall be reduced by the application of any of the Terms of the Plan then the liability of the Company under this condition (in respect of any such item) shall be reduced in like proportion;

4) the total amount recoverable under any item of Covered Property under the Plan shall not exceed the coverage amount thereby; and

5) all the conditions of the Plan except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein

### 13. Excess

For each and every occurrences AED 1000/- in respect of property damage claims.

### 4. General conditions

Notwithstanding anything contained herein to the contrary:

#### Information

The Customer/Policyholder shall furnish the Company with any relevant information the Company may require in respect of the Customer/Policyholder for the Benefits hereunder. Such Benefits under the Plan shall be extended only to the primary Customer (i.e. the first named person in the Policyholder's records if there are two or more Customers) and not to an additional or supplementary or collateral Customer/guarantor.

#### Misdescription

If there be any material misdescription or omission or any misrepresentation as to any fact material to be known for estimating the risk or any omission to state such fact, the Company shall not be liable under this Plan and the Plan shall become null and void in respect of the particular Customer/Policyholder Person.

#### Alteration

If under any circumstances the takaful cover written in respect of any particular Customer/Covered Person is materially altered, without the written consent of the Company, this Plan shall become null and void in respect of that Customer/Covered Person.

#### Forfeiture

If any claims upon this Plan be in any respect fraudulent or if any fraudulent means or devices or trick devices or other false pretence are used by the Covered Person/Customer or any one acting on his behalf to obtain any Benefits under this Plan or if the claim be occasioned by the willful act or with the connivance of the Covered Person/Customer all Benefits under this Plan shall be forfeited in respect of the particular Customer/ Covered Person.

#### Termination of benefits

The Benefits under this Plan in respect of the Covered Person shall terminate upon the happening of any one or more of the following:

- Closure of the Customer's property finance account
- Cancellation of the Benefits under this Plan by the Policyholder at any time in accordance with the terms and conditions of this Plan.
- Total loss of the Covered Property.

#### Time limitation

If a claim be made and rejected and an action or suit be not commenced within six months after such rejection or (in case of an arbitration taking place as per provisions of this Plan) within six months after the Arbitrator shall have made his award all Benefits under this Plan shall be forfeited.

#### Governing law and jurisdiction

This Plan shall be governed by and construed in accordance with the laws of United Arab Emirates. Both Parties agree and submit to the exclusive jurisdiction of the Courts of the United Arab Emirates.



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### Territorial limits

United Arab Emirates.

### Observance of conditions

The due observance and fulfillment of the terms conditions and endorsements of this Plan by the Policyholder/Covered Person/Customer in so far as they relate to anything to be done or complied with by them shall be conditions precedent to any liability of the Company to make payment under this Plan.

### 5. Claims procedure

Upon happening of an event giving rise to a claim under this Plan, the Customer /Customer's legal representatives shall follow the following procedure:

- 1) Give immediate written notice to the Company but not later than 30 days from the Date of Event.
- 2) The Policyholder or the Customer or the Customer's representative shall complete the standard claim form issued by the Company and produce at no cost to the Company such evidence to substantiate the claim to the satisfaction of the Company as the Company may reasonably require.

The Policyholder/Covered Person shall also give to the Company all such proofs and information with respect to the claim as may be reasonably required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Plan shall be payable unless the terms of this Condition have been complied with.

- 3) The Customer or the Customer's legal personal representative or the Bank shall submit the following documents:

#### a claim statement in writing containing:

- Date of loss;
- nature of loss;
- brief description about the incident;
- amount of such loss destruction or damage thereto respectively having regard to their value at the time of the loss destruction or damage;
- details of any other takaful cover or insurance on any Covered Property;
- contact details for survey
- relevant documents as required by the Surveyor needs to be provided by the Customer/Policyholder to the Company; and
- necessary proof of expenses has to be provided in respect of claims under loss of rent cover, if any

All documents as indicated above may be required to be produced in original (other than those surrendered to the authorities) for verification before the final settlement of claim.