

# **ASSURANCE SHIELD PROGRAMME**

## **CERTIFICATE OF INSURANCE**

This Certificate of Insurance is issued in consideration of the payment of the Premium as specified in this Certificate of Insurance. This Certificate of Insurance sets out the salient provisions of the coverage provided under the Policy.

### **1. PAYMENT OF PREMIUMS PROVISIONS**

#### **1.1 PAYMENT OF PREMIUMS**

1.1.1 In consideration of the single premium amount as shown in this Certificate of Insurance for each Life Assured, the insurance coverage for each Life Assured under this Certificate of Insurance shall take effect from the Issue Date as shown in this Certificate of Insurance provided the single premium is paid to Us on or before the Policy Date as shown in this Certificate of Insurance.

1.1.2 The single premium for each Life Assured shall be calculated according to the insured amount as shown in the Certificate of Insurance.

### **2. BENEFITS PROVISIONS**

While this Certificate of Insurance is in force, We shall, subject to the provisions contained in it, pay the following benefits less any Indebtedness:

#### **2.1 AMOUNT PAYABLE ON DEATH BEFORE MATURITY/EXPIRY DATE**

2.1.1 While this Certificate of Insurance is in force and subject to the Suicide clause below, in the event of the Life Assured's death before the Maturity/Expiry Date, upon Our receipt and approval of the proof of death of the Life Assured, We will pay to the Policy Owner an amount equivalent to the Reducing Sum Assured proportionate to this Certificate of Insurance ("Death Benefit") subject to the Policy Owner's undertaking to:

- a) retain from the Death Benefit, the amount equivalent to the outstanding loan amount owed by the Life Assured to the Policy Owner ("Outstanding Loan") or the whole Death Benefit, whichever is lower; and
- b) if there is any balance from the Death Benefit after deducting the Outstanding Loan, the Policy Owner shall pay to the Life Assured's claimant, next of kin, appointed nominee(s), trustees or the legal personal representative, whichever is applicable.

2.1.2 Payment of the Death Benefit by Us to the Policy Owner shall constitute Our full and final discharge from all Our liabilities under this Certificate of Insurance and this Certificate of Insurance with regard to the Life Assured.

#### **2.2 AMOUNT PAYABLE IN THE EVENT OF TOTAL AND PERMANENT DISABILITY BEFORE MATURITY/EXPIRY DATE**

2.2.1 In the event the Life Assured sustains Total and Permanent Disability as defined below before the Maturity/Expiry Date, upon Our receipt and approval of the proof of Total and Permanent Disability of the Life Assured, We will pay to the Policy Owner an amount equivalent to the Reducing Sum Assured proportionate to this Certificate of Insurance ("TPD Benefit") subject to the Policy Owner's undertaking to:

- a) retain from the TPD Benefit, the amount equivalent to the outstanding loan amount owed by the Life Assured to the Policy Owner ("Outstanding Loan") or the whole TPD Benefit, whichever is lower; and
- b) if there is any balance from the TPD Benefit after deducting the Outstanding Loan, the Policy Owner shall pay to the Life Assured, the Life Assured's claimant, next of kin, appointed nominee(s), trustees or the legal personal representative, whichever is applicable.

2.2.2 The payment under this Certificate of Insurance shall in aggregate not exceed RM2,000,000 per life.

2.2.3 Payment of the TPD Benefit by Us to the Policy Owner shall constitute Our full and final discharge from all Our liabilities under this Policy and the Certificate of Insurance with regard to the Life Assured.

### **3. TERMINATION PROVISION**

The relevant Certificates of Insurance issued under this Policy shall terminate upon the earlier occurrence of any one of the events:

- a) upon the payment of Death Benefit to the Life Assured; or
- b) upon payment of Total and Permanent Disability to the Life Assured; or
- c) on the Policy Anniversary when the Life Assured attains age seventy (70) nearest birthday; or
- d) on the Maturity/Expiry Date of this Certificate of Insurance; or
- e) upon surrender after full settlement of outstanding loan of the Life Assured to the Policy Owner.

#### 4. RISK EXCLUDED PROVISIONS

4.1 This Certificate of Insurance does not cover:

- 4.1.1 any death as a result of suicide, while sane or insane within twelve (12) months from the Issue Date. This Certificate of Insurance shall become void and We shall return the total premiums paid without interest under this Certificate of Insurance to the Policy Owner.
- 4.1.2 any Total and Permanent Disability, caused directly or indirectly, wholly or partly, by any one (1) of the following occurrences:
- a) Attempted suicide, self-inflicted bodily injuries, disorderly conduct on the part of the Life Assured; or
  - b) The Life Assured participating or involving directly or indirectly, in any riot, strike, civil commotion or terrorist activity, war, invasion, act of foreign hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power; or
  - c) The Life Assured deliberately exposing himself/herself to unnecessary danger or being involved in any unlawful act, regardless while sane or insane; or
  - d) Accidental events that are directly or indirectly related to ionization, radiation or contamination by radioactivity, nuclear or biological or chemical weapons material; or
  - e) An opportunistic infection or a malignant neoplasm if at the time of Disability, there is presence of Acquired Immunodeficiency Syndrome in Life Assured. An opportunistic infection includes but is not limited to Pneumocystis carini pneumonia, organism of chronic enteritis, virus and/or disseminated fungi infection. A malignant neoplasm includes but is not limited to Kaposi's sarcoma, central nervous system lymphoma, hairy-cell leukemia and/or other malignancies now known or which become known as immediate cause of the Disability in the presence of Acquired Immunodeficiency Syndrome; or
  - f) Pre-Existing Conditions, whether disclosed to Us or not; or
  - g) Any congenital defect which has manifested itself or was diagnosed before the Life Assured attained the age of seventeen (17); or
  - h) Pandemic disease or communicable disease requiring isolation or quarantine by law; or
  - i) The Life Assured taking drug, unless it is proven that the drug was taken in accordance with proper medical prescription and not for the treatment of drug addiction; or
  - j) The Life Assured engaging or taking part in:
    - (i) making an arrest as an officer of law; or
    - (ii) servicing in the armed forces in time of declared or undeclared war while under orders for warlike operations or restoration of public order; or
    - (iii) activities including but not limited to racing on wheels or on horse, any underwater activities, rock climbing or mountaineering, pot-holing, parachuting, skydiving, hang-gliding, gliding, para-gliding, ballooning, micro-lighting, bungee-jumping, winter sports, hunting on horse-back or driving or riding in any kind of race and forms of professional sports; or
    - (iv) entering, exiting, operating, servicing, or being transported by any aerial device or conveyance (except when the Life Assured is a passenger on a commercial passenger airline on a regular scheduled passenger trip over its established passenger route or when the Life Assured is a licensed pilot or member of a crew carrying out his/her duty according to his/her employment with that particular commercial airline).

#### 5. CLAIMS PROVISIONS

##### 5.1 NOTICE OF CLAIM

- 5.1.1 The Policy Owner or the claimant must give written notice within:
- a) two (2) months from the date of death of the Life Assured; or
  - b) within six (6) months from the date of commencement of the Total and Permanent Disability to claim under this Certificate of Insurance.
- 5.1.2 Failure to give notice within the time stipulated shall not invalidate any claim if it is shown that it was not reasonably possible to give such notice earlier and that notice was given as soon as was reasonably possible.
- 5.1.3 It shall be Our sole discretion whether to accept the reasons given for the failure to give notice within the time stipulated.

##### 5.2 PROOF OF CLAIMS

- 5.2.1 Upon Our receipt of the above notice, We will furnish to Policy Owner or the claimant the appropriate forms for filing proof of death or proof of Total and Permanent Disability.
- 5.2.2 Written proof in support of a claim must be furnished to Us at Our office within:
- a) three (3) months after the date of death of the Life Assured; or
  - b) one (1) year from the date of commencement of Total and Permanent Disability.
- 5.2.3 Such proof and other documents satisfactory to Us must be given at the Policy Owner or the claimant's own expense.
- 5.2.4 Claims shall be made on forms provided by Us together with written proof covering the occurrence and circumstances of death, character and the extent of the Total and Permanent Disability for which claims are made.

- 5.2.5 Failure to furnish such proof within the time required shall not invalidate any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as is reasonably possible
- 5.2.6 It shall be Our sole discretion whether to accept the reasons given for the failure to filing proof of claim within the time stipulated.
- 5.2.7 In any case, We reserve the right to request for any additional proof and further medical examination to be carried out on the Life Assured including, if appropriate and permitted by law, an autopsy of the Life Assured in the case of death claim.

### 5.3 PAYMENT OF CLAIM

Benefits payable under this Certificate of Insurance shall be paid to the Policy Owner.

## 6. OWNERSHIP PROVISIONS

### 6.1 OWNERSHIP OF POLICY

- 6.1.1 The Policy Owner is named on the Policy Schedule, this Certificate of Insurance or the Endorsement, if any.
- 6.1.2 During the Life Assured's lifetime, only the Policy Owner has the right to exercise all rights and privileges available under this Certificate of Insurance.

### 6.2 CHANGE OF OWNERSHIP / ASSIGNMENT

Assignment of this Certificate of Insurance is not allowed.

## 7. GENERAL PROVISIONS

### 7.1 ALTERATION

- 7.1.1 No alteration, variation or waiver of any provision of this Certificate of Insurance shall be valid unless such alteration, variation or waiver is made by an Endorsement pursuant to notifying the Policy Owner and signed by Our authorized person.
- 7.1.2 We may request for this Certificate of Insurance to be sent to Us to effect the Endorsement.
- 7.1.3 We will notify the Life Assured and/or Policy Owner of any amendments, variations, changes, alterations or modifications required by law or regulatory authorities to be made to this Certificate of Insurance.
- 7.1.4 Once the Endorsement is effected, the terms and conditions of this Certificate of Insurance shall be read subject to such Endorsement.
- 7.1.5 No agent has the authority to make any alteration to or to waive any of the terms and conditions in this Certificate of Insurance.

### 7.2 ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001

If We receive an order from the relevant authorities to freeze or seize the monies received as Premium or monies payable in respect of this Policy as provided under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 or such similar legislation or if We discover or have reasonable suspicion that this Policy is exploited for money laundering activities and/or to finance terrorism, We reserve the right to terminate this Policy immediately. We shall deal with all Premiums paid and all benefits/sums payable in respect of this Policy in any manner which We deem appropriate, including but not limited to handing it over to the relevant authorities.

### 7.3 APPLICABLE LAW

This Certificate of Insurance is governed and shall be construed in accordance with laws of Malaysia and the parties to this Certificate of Insurance agree to submit to the jurisdiction of the Malaysian courts.

### 7.4 CURRENCY AND PLACE OF PAYMENT

All amounts payable by the Life Assured or the Policy Owner to Us or by Us pursuant to this Certificate of Insurance shall be payable in Malaysia and in the Malaysian currency.

### 7.5 CHANGE OF PLAN / CONVERSION

No change of plan or policy conversion is allowed.

### 7.6 FREE LOOK PERIOD

- 7.6.1 The Life Assured may within fifteen (15) days or such longer period as may be specified by Bank Negara Malaysia, from the date of receipt of the Certificate of Insurance by the Life Assured ("**Free Look Period**") cancel the coverage under this Certificate of Insurance by:
  - a) submitting a written request to the Policy Owner; or
  - b) returning this Certificate of Insurance to the Policy Owner,

AND the Policy Owner shall inform Us immediately of the said written request to cancel or We shall have received the relevant Certificate of Insurance from the Policy Owner.

7.6.2 The refund amount is the single premium paid for the coverage of the Life Assured together with Premium loading (if any) less any expenses incurred for medical examination (if any), during the Free Look Period as provided in this Clause.

7.6.3 After the Free Look Period, any cancellation by the Life Assured will be processed as a surrender under Clause 7.13 below.

#### 7.7 **INDISPUTABILITY**

We shall not dispute the validity of the Life Assured's coverage if the said coverage has been in force during the lifetime of the Life Assured for more than two (2) years from the Issue Date unless a statement of material fact or matter was fraudulently made or there was a fraudulent suppression or omission of material fact or matter in the Life Assured's proposal and/or application.

#### 7.8 **LEGAL PROCEEDING**

No action at law or in equity shall be brought to recover on this Certificate of Insurance prior to the expiry of: (a) three (3) months after written proof in support of a Death Benefit claim has been furnished in accordance with the requirements of this Policy; or (b) one (1) year from the date of commencement of the Total and Permanent Disability, as the case may be.

#### 7.9 **MISSTATEMENT OF AGE**

7.9.1 The age of the Life Assured is stated on the Certificate of Insurance. The age is the age nearest birthday of the Life Assured.

7.9.2 If the age of the Life Assured has been misstated, We may vary the term of coverage or any benefits that may become payable based on the premium that would have become payable if this Certificate of Insurance had been based on the true age.

7.9.3 Where the Life Assured was not eligible for the insurance at the true age, We shall refund the total premiums paid without interest and the relevant insurance coverage shall then be void.

7.9.4 We shall require proof of age of the Life Assured before payment of benefits of this Certificate of Insurance issued here unless the age has been previously verified and confirmed by Us to be correct.

#### 7.10 **NOTICE**

Subject as otherwise provided in this Certificate of Insurance, all notices, demand or other communications required or permitted to be given or made under the terms of this Certificate of Insurance shall be in writing and delivered personally or sent by normal or prepaid registered post to the addresses set out in this Certificate of Insurance (or to such other address as either party may from time to time notify the other) or delivered electronically.

Any such notice, demand or communication shall be deemed to have been duly served:

- a) immediately, if delivered personally; or
- b) five (5) days after posting (excluding Saturday, Sunday and Malaysian federal public holidays), if sent by normal or prepaid registered post; or
- c) immediately, if delivered electronically.

#### 7.11 **PARTICIPATION IN DIVISIBLE SURPLUS**

This is a Non-Participating Policy.

#### 7.12 **SEVERABILITY**

In the event that any provision or part of a provision in this Certificate of Insurance is held or found to be void, invalid or otherwise unenforceable, that provision or part of that provision shall be deemed not part of this Supplementary Contract and it shall not affect the enforceability of the remainder of this Certificate of Insurance.

#### 7.13 **SURRENDER OF CERTIFICATE OF INSURANCE**

In the event the Life Assured has fully settled the outstanding loan to the Policy Owner before the maturity/expiration of this Policy, a Cash Value corresponding to the respective policy year as shown in this Certificate of Insurance will be paid. Upon payment of the Cash Value, the insurance coverage of the Life Assured under this Certificate of Insurance shall be terminated.

#### 7.14 **SUICIDE**

If the Life Assured, whether sane or insane, commits suicide within twelve (12) months from the Issue Date, the coverage under this Certificate of Insurance issued here shall become void and We shall refund the single premium paid without interest.

#### 7.15 APPLICABLE TAX

In the event that any sales and services tax, value added tax or any similar tax and any other duties, taxes, levies or imposts (collectively "Applicable Tax") whatsoever are introduced by any authority and are payable under the laws of Malaysia in connection with any supply of goods and/or services made or deemed to be made under this Policy, We will be entitled to charge any Applicable Tax as allowed by the laws of Malaysia. Such Applicable Tax payable shall be paid in addition to the applicable premiums and other charges. All provisions in this Policy on payment of premiums and default hereof shall apply equally to the Applicable Tax.

#### 7.16 TIME

Time wherever mentioned shall be of the essence of this Certificate of Insurance.

#### 7.17 WAIVER

Failure or neglect by either party to enforce at any time the provisions of this Certificate of Insurance shall not be construed or be deemed to be a waiver of either party's right in this Certificate of Insurance nor in anyway affect the validity of the whole or any part of this Certificate of Insurance or prejudice either party's right to take subsequent action.

### 8. DEFINITIONS

#### 8.1 When used in this Certificate of Insurance:

- 8.1.1 **"Accident"** means a sudden, unintentional, unexpected, unusual, and specific event that occurs at an identifiable time and place which shall, independently of any other cause, be the sole cause of Total and Permanent Disability.
- 8.1.2 **"Assignment"** means a transfer of ownership and/or the benefits under this Certificate of Insurance to any person or corporation.
- 8.1.3 **"Cash Value"** means the monetary value that remains as at the date of surrender of the relevant Certificate of Insurance less any Indebtedness.
- 8.1.4 **"Certificate of Insurance"** means the certificate issued to a Life Assured for the insurance coverage under this Certificate of Insurance together with any and all endorsements to it, stating his/her name, Identity Card number and details of benefits under the Scheme and consistent with the terms and conditions contained in this Certificate of Insurance.
- 8.1.5 **"Disability"** shall mean a sickness, disease, illness or the entire injuries arising out of a single or continuous series of causes.
- 8.1.6 **"Divisible Surplus"** means any surplus from the life insurance fund to be distributed from time to time as bonus and/ or dividends.
- 8.1.7 **"Eligible Person"** means the borrower of hire purchase financing offered by the Policy Owner and who is within the eligibility age stated in the Policy Schedule.
- 8.1.8 **"Endorsement"** means a variation to this Certificate of Insurance or any other basic insurance policy.
- 8.1.9 **"Indebtedness"** means any amount due and owing to Us.
- 8.1.10 **"Issue Date"** means the date the Certificate of Insurance is issued.
- 8.1.11 **"Life Assured"** means the Eligible Person, as specified in the Certificate of Insurance, whose life is insured under this Certificate of Insurance.
- 8.1.12 **"Maturity/Expiry Date"** means the date, as specified in the Certificate of Insurance, when the insurance coverage for the Life Assured shall mature/expire.
- 8.1.13 **"Non-Participating"** means this Certificate of Insurance does not participate in the Divisible Surplus of Our life insurance business.
- 8.1.14 **"Policy"** means the legal contract between Policy Owner and Us. We agree to give the benefits set in this Certificate of Insurance or the Certificate of Insurance and Endorsement (if any) for the Premiums paid for the Life Assured's coverage.
- 8.1.15 **"Policy Date"** means the date the insurance coverage under the Certificate of Insurance commences. The Policy Date is shown in the Certificate of Insurance.
- 8.1.16 **"Policy Owner"** means the company specified in this Certificate of Insurance which is issued under the Policy, who owns the Policy.

- 8.1.17 **"Pre-Existing Conditions"** means any Disability (physical or mental) of the Life Assured where the Disability is one (1) for which:
- a) the Life Assured had received or is receiving the treatment; and/or
  - b) medical advice, diagnosis, care or treatment has been recommended; and/or
  - c) clear and distinct symptoms are or were evident.
- 8.1.18 **"Reducing Sum Assured"** means the amount payable by Us as specified in the Certificate of Insurance upon the occurrence of the event indicated in this Certificate of Insurance which reduces according to the respective completed policy year indicated in the Certificate of Insurance. A pro-rated amount is payable if the event indicated in this Certificate of Insurance occurred prior to the respective completed policy year.
- 8.1.19 **"Scheme"** means Assurance Shield Programme.
- 8.1.20 **"Total and Permanent Disability/Disabled"** means, by reason of Accident or sickness, the Life Assured is totally unable to engage in any work, occupation or profession that the Life Assured can ever be capable of doing or following to earn or obtain any wages, compensation or profit, at the time that the disability commences and at any time after that, provided however that such Disability must, at least, last for a continuous period of not less than six (6) months in duration. If it is subsequently admitted as a Total and Permanent Disability for the purpose of this Certificate of Insurance, Our liability shall accrue as from the date of commencement of the Disability.

If the Life Assured is not gainfully employed at the time of disability or if the Life Assured has attained the age of sixty-five (65), Total and Permanent Disability means being totally unable to perform at least 3 of 6 Activities of Daily Living for a continuous period of at least six (6) months.

In addition to the aforesaid, the occurrence of any of the following shall also be considered as a Total and Permanent Disability:

- a) Total paralysis; or
- b) Total and irrecoverable loss of the sight of both eyes; or
- c) Loss by severance of two limbs at or above wrist or ankle; or
- d) Total paralysis of two limbs; or
- e) Total and irrecoverable loss of the sight of one eye and loss by severance of one limb at or above wrist or ankle.

The Activities of Daily Living (ADL) are:

- a) Transfer - Getting in and out of a chair without requiring physical assistance.
- b) Mobility - The ability to move from room to room without requiring any physical assistance.
- c) Continence - The ability to voluntarily control bowel and bladder functions such as to maintain personal hygiene.
- d) Dressing - Putting on and taking off all necessary items of clothing without requiring assistance of another person.
- e) Bathing/Washing - The ability to wash in the bath or shower (including getting in or out of the bath or shower) or wash by any other means without requiring assistance of another person.
- f) Eating - All tasks of getting food into the body once it has been prepared without requiring assistance of another person.

- 8.1.21 **"We /Us/Our"** means Allianz Life Insurance Malaysia Berhad.

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