

# CROP TAKAFUL PLAN

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POLICY DOCUMENT

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ABC FARM

POLICY NUMBER: FC01CRY100001

## LIABILITY AND RISKS

This takaful as – witness that in consideration of the payments, Participant named in the Schedule hereto paying to **JAIZ TAKAFUL INSURANCE PLC** (herein-after called “The Operator”) the first contribution mentioned in the said schedule.

**THE OPERATOR AGREES** (subject to the conditions contained herein or endorsed or otherwise expressed hereon which conditions shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Participant to recover hereunder) that if after payment of the contribution the farm insured described in the said schedule, or any part thereof, be destroyed or damaged by:

- 1) Fire
- 2) Lightning
- 3) Explosion
- 4) Aircraft damage,
- 5) Outbreak of diseases and pests;
- 6) Drought
- 7) Destruction or damage by windstorm;
- 8) Flood

At a time before four o’ clock in the afternoon of the last day of the period of takaful named in the said schedule, the Operator shall pay to the participant the cost of the crops as at the time of loss or damage.

**PROVIDED THAT** the **limit of liability** shall in no case exceed in respect of each item the sum expressed in the said schedule of the participant thereon or in the whole the total sum covered hereby of such other sum or sum as may be substituted there from by memorandum hereon or attached hereto signed or on behalf of the Operator.

## EXCLUSIONS

This takaful does not cover any loss or damage occasioned by or through or consequence, directly or indirectly, of any of the following occurrences, namely;

- a) Earthquake, Volcanic eruption, or other convulsion of nature;
- b) Typhoon, Hurricane, Tonrado, Cyclone or other atmospheric disturbance;
- c) War Invasion, Act of foreign enemy, hostilities or warlike operations (whether war be declared or not), Civil war;
- d) Mutiny, Riot, Military or Popular rising, Insurrection, Rebellion, Revolution, Military or Usurped power, Martial law or state of siege or any of the events or cause which determine .....or maintenance of martial law or state of siege
- e) Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or is deemed to be loss or damage which is covered by this takaful except to the extent that the participant shall prove that such loss or damage which is covered by this takaful except to the extent that the participant shall prove that such loss or damage happened independently of the existence of such abnormal Conditions.
- f) Loss, destruction or damage due to oil spillage,

- g) Loss, destruction or damage by flood and/or windstorm or tempest to fences or gates or moveable property in the open; and
- h) Loss, destruction or damage by bursting or over-flowing of water tanks apparatus and pipes, rain water, drainage Pipes or gutters in or on the farm. Experimental or demonstration farms:
  - i) Loss by theft;
  - j) Loss or damage to property occasioned by its own fermentation natural heating or spontaneous combustion or by its undergoing heating or drying process.
- k) Compensation under the National Disaster Relief Agency/Assistance. The Operator will only pay any approved excess above the compensation paid as relief to the participant;
- l) This takaful shall not include losses occurring as a result of epidemics and diseases in so far as payment from public funds is made or would have been made except for the existence of this Policy.
- m) Loss or damage occasioned by or through or in consequence of;
  - (1) The burning of property by order of any public authority,
  - (2) Subterranean fire;

In any action, suit or other proceeding where the Operator alleges that by reason of the provisions of this condition any loss or damage is not covered by this takaful, the burden of proving that such loss or damage is covered shall be upon the Participant.

#### **CONDITIONS:**

1. **Misrepresentation:** If there be any material mis-description of any part of the farm or property hereby covered or any misrepresentation as to any material fact to be known for estimating the risk, or any omission to state such fact, the operator shall not be liable upon this Plan so far as it relates to the farm affected by any such mis-description, misrepresentation or omission.
2. **Contributions:** No payment in respect of any contribution shall be deemed to be paid to the Operator unless a printed form or receipt for the same is signed by an official or duly appointed agent of the Operator shall have been given to the Participant.
3. **Notice of other Takaful Operator/Insurance Company:** The Participant shall give notice to the Operator of any takaful or takaful(s) already effected, or which may subsequently be effected, covering any of the farm hereby covered and unless such notice be given and the particulars of such takaful or takaful(s) be stated in or endorsed on this Plan by or on behalf of the operator before the occurrence of any loss or damage, all benefits under this Plan shall be forfeited.
4. **Assignment:** This takaful ceases to attach as regards the farm affected unless the participant, before the occurrence of any loss or damage, obtains the sanction of the Operator(s) signified by endorsement upon the Plan, by or on behalf of the Operator if the interest in the farm covered passes from the participant otherwise than by will or operation of law.

5. **Cancellation of Plan:** This takaful may be terminated at any time at the request of the Participant, in which case the operator will retain the customary short period rate for the time the Plan has been in force. This takaful may also at any time be terminated at the option of the Operator(s), on notice to that effect being given to the participant, in which case the Operator(s) shall be liable to repay a rateable proportion of the contribution for the unexpired term from the date of the cancellation.
6. **Notification of Claim:** On the happening of any loss or damage the Participant shall forthwith give notice therefore to the Operator(s), and shall within fifteen days after the loss or damage, or such further time as the operator(s) may in writing allow in that behalf, deliver to the operator(s).
  - a) A claim in writing for loss and damage containing as particular an account as may be reasonably practicable of the extent of damage or destruction of property, and of amount loss or damage to respectively, having regard to their value at the time of loss or damage, not including profit of any kind particulars of all other takaful if any.

The Participant shall also at all times at his own expense produce, procure and give to the Operator(s) all such further particulars, plans, specifications, books, vouchers, invoices, duplicates, or copies thereof of documents. Proofs and information with respect to the claim and the circumstances under which the loss or damage occurred, and any matter touching the liability or the **amount of the liability** as may be reasonably required by or on behalf of the operator(s) together with a declaration on oath or in other legal form of the truth of the claim and of any matter connected therewith.

No claim under this Plan shall be payable unless the terms of the condition have been complied with.

7. **Payment of Claim:** On the occurrence of any loss or damage, the amount of compensation payable by the operator to the participant shall enable him commence his farming operations again. The assessment of damage to the arable crops shall be divided into three stages as follows:
  - (i) **First Stage Damage**  
This includes occurrence of a damage at the Planting stage. The first stage damage indemnity shall consist of the cost of land preparation, seeds, planting and, if applicable, herbicide (pre-emergence) and fertilizer. It shall not include clearing and stumping and other expenses which will not be carried out during subsequent re-planting operation;
  - (ii) **Second Stage Damage**  
During this stage, damage occurs before or during flowering. It is assumed that nothing can be salvaged but that the farmer has lost most or all his crops. No re-planting can be carried out any more. In this case, the insured shall receive his total cost of production to the point the damage occurred;
  - (iii) **Third Stage Damage**  
This is the stage when damage or hazard occurs when the crop has matured but has not been harvested. Whatever it is left on the field shall be harvested and the quantity recorded and used to compute the amount of claim to be paid. The

indemnity at this stage shall depend on the quantity salvaged. However, the takaful cover terminates at physiological maturity of the crops covered.

8. **Right of Access to the Farm:** On the happening of any loss or damage to any part of the farm or any other property covered by this Plan, the Operator may:  
Enter and take and keep possession of the farm, where the loss or damage has happened;  
Take possession of or require to be delivered to them any farm produce or other property on the farm at the time of the loss/ Damage;  
Keep possession of any such property and examine, sort, arrange, remove, or otherwise deal with the same;  
Sell any such property or dispose of the same on account of whom it may concern.

The powers conferred by this condition shall be exercisable by the operator at any time until notice in writing is given by the participant that he/she makes no claim under the Plan or, if any claim is made, until such claim is finally determined or withdrawn, and the operator(s) shall not by any act done in the exercise or purported exercise of their powers hereunder, incur any liability to the participant or diminish their right to reply upon any of the conditions of this Plan in answer to any claim.

If the Participant or any person on his behalf shall not comply with the requirements of the operator or shall hinder or obstruct the Operator in the exercise of their powers hereunder, all benefits under this Plan shall be forfeited.

The Participant shall not in any case be entitled to abandon any farm to the Operator whether taken possession of by the Operator or not.

9. **Fraudulent Declaration:** If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Participant or anyone acting on his behalf to obtain any benefit under this Plan; or if the loss or damage be occasioned by the willful act or with the connivance of the Participant or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection, or within three months after the arbitration or umpire shall have made their award, all benefits under this Plan shall be forfeited.
10. **Subrogation:** The Participant shall, at the expense of the Operator do, and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Operator for the purpose of enforcing any right and remedies, or of obtaining relief or indemnity from other parties to which the Operator shall be or would become entitled or surrogated, upon their paying for or making good any loss or damage under this Plan, whether such acts and things shall be or become necessary or required before or after his indemnification by the Operator.
11. **Pro-Rata Basis of Settlement:** **If at the time of any loss or damage happening to the participant's farm and the Participant has more than one takaful operators covering the farm,** whether effected by the participant or by another person having interest in the same farm, the Operators shall not pay or contribute more than their rateable proportion of such loss or damage.

12. **Average:** If the farm hereby covered shall, at the breaking out of any loss, or damage be collectively of greater value than the participant's claim thereon, then the participant shall be considered as being his own participant for the difference, and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the Plan shall be separately subject to this condition.

13. **Arbitration:** If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of an arbitrator knowledgeable in Takaful practices to be appointed to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and

arbitration shall be conducted under and in accordance with the provisions of the [Arbitration and Conciliation Act - CAP. A18 L.F.N, 2004](#).

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if **The Takaful Operator** has disputed or not **satisfy with the claim** under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

Every notice and other communication to **The Takaful Operator** required by these conditions must be written or printed.

14. **Time Frame for Claims' Notification:** In no case whatever shall the Operator be liable for any loss or damage after the expiration of three months the happening of the loss or damage unless claim is the subject of pending action or arbitration.

15. **Notice:** Every notice and other communication to the Operator by these conditions must be written or printed.

16. **Quality of the Crop:** This takaful is granted upon condition that the quality of each crop herein enumerated forms the entire hectareage of that particular description grown by the participant unless the contrary is expresses in this Plan.

17. **Excess Clause:** In the event of any claim for which the Operator is liable, the Participant shall be responsible for 10% of each and every claim approved for settlement.

18. **The minimum farm size** for cover either sole cropping or intercropping is 0.4 hectare.

19. **No Contribution No Cover Clause:** Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that the cover granted under this Plan is subject to the payment of Total Contribution specified in the schedule, otherwise the Plan is not effective.

20. **Sharia Compliance Clause:** It is hereby declared and agreed that this Plan excludes the under listed risks and are prohibited business activities which the Takaful Operator

would not grant any kind of cover for input to a participant involved in such business or activity

- a) Risks involving riba;
- b) Risks involving gambling;
- c) Risks involving liquor ;
- d) Risks involving element of shirk;
- e) Risks on producing impermissible things or bringing harmful effects to the community;
- f) Risks on non-permissible activities like entertainments activities which contradict with the Shari'ah, working in liquor factories, entertainment centers, discos;
- g) Risks relating to tobacco goods;

#### **21. Takaful Clause**

- a) The participant has paid the contribution based on the principle of Al-Tabarru (gratuitous Contribution).
- b) The Operator shall deduct 30% of the Takaful contribution stated in the Schedule that the Participant has paid based on the principle of Al-Wakalah (Agency) and the balance thereof shall be credited into the General Takaful Fund (Participants A/C) managed by the Operator.
- c) The Operator is to manage the Fund including its investment, in a manner deemed fit by the Operator and **in line with the Shari'ah Guidelines approved by the Operator's ACE.**
- d) In accordance with the principle of Al-Mudharabah, 50% of the return on investing the funds will be for the Operator and the balance shall be credited to the Participants pool (Participants Account).
- e) After paying Re-Takaful, claims, commissions and reserves from the Participants Account any remaining surplus shall be distributed to Participants proportionally **after the endorsement of ACE and approval of the Commission.**
- f) The distributable surplus shall be distributed to the Participants provided always that the Participant has not incurred any claim or received any Takaful benefits under the Certificate whilst it is in force.

### SCHEDULE

Policy Number	FC01CRY100001	
Participant Name	ABC FARMS	
Participant's Address	KM 4, BIRNIN	
Date of Commencement		
Date of maturity		
<b>ITEM NO.</b>	<b>DESCRIPTION OF PROPERTY INSURED</b>	<b>SUM INSURED</b>
	<p>On 8 hectare of cassava crop farm belonging to the Participant. whilst situate as per list attached.</p> <p style="text-align: center;"><b>MEMO ATTACHED</b></p> <ol style="list-style-type: none"> <li>1. Identification of farmland/premises and items covered clause</li> <li>2. Compliance with risk improvement clause</li> <li>3. Pesticide clause</li> <li>4. Drought/Flood Excess clause</li> <li>5. Lien Clause</li> <li>6. Collapse of Dams Clause</li> </ol>	<b><del>N</del>500,000.00</b>
	<b>TOTAL SUM INSURED</b>	<b><del>N</del>500,000.00</b>

In Witness whereof, signed in Abuja on behalf of Jaiz Takaful Insurance Plc.

This.....10<sup>TH</sup> ..... Day of .....July..... 2019.

Examined.....

Managing Director.....



## **MEMO ATTACHING TO AND FORMING PART OF THE POLICY.**

### **Memo 1 Identification of farmland & Items insured Clause**

The property/farm insured is declared to be the only property of such description so situate and belonging to the participant.

### **Memo 2 Compliance with risk improvement recommendation clause**

It is a condition of this policy that the under noted additional risk improvement measures shall be effected and maintained during the currency of this policy:

- a) Appropriate bird scaring method should be engaged early enough from the flowering stage of the crop to the harvesting period.
- b) Fire traces of at least 3 metres wide should be constructed all-round the farm especially during the dry season to avoid fire spread from adjoining farms.

### **Memo 3 Pesticide Clause**

Notwithstanding anything contained herein to the contrary, it is hereby a condition precedent to liability under the above policy that appropriate pesticide should be applied to control the menace of PESTS in the farm during the period of insurance.

### **Memo 4 Drought/Flood Excess Clause**

It is hereby declared and agreed that in addition to the general provision in condition 21 of the crop policy, the insurance by this policy shall be subject to an additional special excess of 10% in respect of each and every claim resulting from the perils of Drought/Flood only.

### **Memo 5 Lien Clause**

It is hereby declared and agreed that the interest of ..... apply to the farm and item covered by this policy and loss, payable under this policy shall be made to the ..... to the extent of their interest.

### **Memo 6 Collapse of Dams Exclusion Clause**

This takaful does not cover any loss and/or damage occasioned by or through or in consequence, directly or indirectly by collapse, over flowing and bursting of dams whether natural or artificial owned by the public or private.

**LODGING OF COMPLAINTS**

If the Participant have made a claim against the Takaful Operator, which may either be rejected or being offered for settlement in which the Participant is not satisfied the Participant may appeal to the senior management of the Takaful Operator at:

**Customer Service Unit**

JAIZ Takaful Insurance Plc

Address: Plot 1054, O.P Fingesi Street, off Obafemi Awolowo Way, Cadestral  
Zone B05, Utako District, Abuja

Telephone: 09-4605116, 094605229

Email : info@jaiztakafulinsurance.com

Subject otherwise to the terms, conditions and limitations of this Certificate.

In witness whereof this Certificate has been signed on behalf of the **Jaiz Takaful Insurance Plc**  
this.....day of.....20.....

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**For: Managing Director**