

Z-Miles Takaful

Product Disclosure Sheet

Please read this Product Disclosure Sheet before you decide to participate in the Z-Miles Private Car Comprehensive Takaful. Be sure to also read the general terms and conditions.

1. What is this product about?

This product is a private car takaful plan where your contribution is determined based on the mileage you drive. It is targeted at drivers who travel less frequently or clock up low annual mileage below 15,000 km.

At the start of your certificate, you make an upfront contribution to cover (a) loss or own damage to your car due to accident, fire or theft; (b) liability to third parties for injury or death; and (c) damage to third parties' property. The upfront contribution includes a prepaid mileage of 2,000 km. After each car journey, the journey's mileage gets deducted from the prepaid mileage.

Your mileage balance will be automatically topped up at end of every month, or when it is less than 400 km during the month to increase your mileage balance to 2,000 km. This ensures your car always have comprehensive coverage and we will inform you in advance when this happens. Any unused mileage at end of certificate coverage will be returned to you. **Effectively, you only make contribution for the mileage you have driven.**

When you first participate in this takaful, we will send you a tracking device, called Z-Miles Device, that you plug into your car yourself. Z-Miles Device enables us to charge the correct amount of contribution based on the mileage you drove.

2. What are the applicable Shariah concepts?

Takaful is an arrangement based on mutual assistance under which takaful participants agree to contribute to a common fund providing for mutual financial benefits payable to the takaful participants or their beneficiaries on the occurrence of pre-agreed events.

Tabarru means donation for charitable purposes. Under this takaful, tabarru refers to the contribution from the participant to the General Takaful Fund (GTF) to help other participants. Participants agree to relinquish all or a portion of their contribution to pay for the takaful benefits based on the pre-agreed events.

Wakalah is an agency contract where the participant appoints the takaful operator to manage the takaful contributions with or without imposition of a fee. Under this takaful, we are appointed as the takaful operator and in return, we will receive a Wakalah Fee for the services that we render in managing the GTF.

Hibah: Under this takaful, Hibah refers to the following:

- If a surplus arising from GTF is declared, 50% of the surplus will be shared with eligible participants based on the Hibah (gift) contract.
- Upon cancellation or expiry of the certificate, contribution corresponding to unexpired period of takaful will be returned to participants. This will include return of unused mileage.

Ju'alah refers to a contract where a party offers a specified reward to another party for achieving a determined result. Under this takaful, the participant allows us to receive 50% of the distributable surplus arising from the GTF as an incentive for managing the GTF to achieve the surplus.

Qard refers to an interest free loan by us to GTF if the GTF is in deficit.

3. What are the covers and benefits provided?

As long as your mileage balance is positive and you abide by the conditions set out in the certificate wording, you will receive the cover outlined in your certificate schedule. Referring to the table below, your certificate will remain on Comprehensive coverage if your mileage balance is positive. Coverage will be reduced to Third Party Only if your mileage balance is zero.

Basic Benefit	Coverage	
	Comprehensive (if you have positive mileage balance)	Third Party Only (if your mileage balance is zero)
Your liability or your authorised drivers' liability to third party for bodily injury or death; or property loss or damage	√	√
Loss or damage to your car due to accident	√	x
Loss or damage to your car due to fire or theft	√	x
Damage arising from flood and landslide (Special Perils)	√	x

You can include the following optional add-ons by making additional contribution when you participate in this takaful:

Optional Add-On / Endorsement	Coverage (if optional add-on has been included)	
	If you have positive mileage balance	If your mileage balance is zero
Legal liability to passengers**	✓	✓
Legal liability of passengers	✓	✓
Windscreens, windows and sunroof cover including windscreen repairs without reinstatement	✓	x
Damage arising from strike, riot and civil commotion	✓	x
Waiver of betterment	✓	x
Compensation of assessed repair time (CART)	✓	x

Notes:

- It is an offence under the laws of the Republic of Singapore to enter the country without extending legal liability to passenger cover (**) to your certificate.
- If your mileage balance becomes zero during the certificate term, some optional add-ons which you have subscribed to will not be covered.
- As Z-Miles Takaful is targeted at low mileage drivers, you cannot subscribe to e-hailing (add-on) under this certificate.
- The optional add-on list above is non-exhaustive. Please refer to the certificate wording for the full list of optional add-ons under this certificate.
- The benefit(s) payable under this product is (are) protected by PIDM up to limits. For more information, please refer to PIDM's Takaful and Insurance Benefits Protection System brochure on our website www.zurich.com.my or on PIDM's website www.pidm.gov.my.

4. What is the period of cover and renewal option?

The duration of cover is for one (1) year. You need to renew the certificate annually.

5. How Z-Miles Takaful works?

It all starts with your contributions:

a. Working out your contributions

When you participate in this takaful, your contribution has two parts:

- A **Base Contribution** that you contribute upfront at the start of the certificate.
- An upfront **Mileage Contribution**, which is your **Per-Kilometre Rate** multiplied by a prepaid mileage of 2,000 km.

During the period of takaful, the mileage you have driven is deducted from the prepaid mileage – the remaining prepaid mileage is called mileage balance.

You will contribute a monthly **Mileage Contribution** which is your **Per-Kilometre Rate** multiplied by the mileage driven in the month – this will top up your mileage balance to 2,000 km. If your mileage balance is less than 400 km at any point of time, you will contribute a **Mileage Contribution** to top up your mileage balance to 2,000 km.

At the end of the period of takaful, unused mileage balance will be returned to you based on the same **Per-Kilometre Rate** used to determine the **Mileage Contribution**.

As the amount you contribute each month will change according to how much you drive, you might want to keep track of your usage. You can see how much your coverage costs you using Zurich App and Web Dashboard.

The **Base Contribution** and **Per-Kilometre Rate** are fixed until the expiry of your certificate. However, these may change due to any changes made to your certificate. See [How much contribution do I have to make?](#) for more information on contribution computation.

b. Making contribution for your cover

We will automatically deduct your **Mileage Contribution** directly from your nominated bank account or card – so you do not need to do anything. We will let you know when payments are due in Zurich App and Web Dashboard, and we will also email you a statement for reference.

c. Capping your Mileage Contribution

We will not charge you for more than 400 km per day. This means if you drive 500 km in one day, you will pay for the first 400 km only. In addition, we also cap the mileage charged to you at 15,000 km per year to protect you from paying much more than you have planned. Your car will continue to receive comprehensive coverage if you drive more than the mileage cap within the time period stated above.

6. Activating your certificate and counting your mileage

Once you participate in this takaful, you need to activate your certificate.

If you have an eligible Connected Car

When you participate in this takaful, you will need to give us permission to connect to your car to access relevant parts of your vehicle data. We will email you instructions on how to do this. Once you have activated your certificate, your daily mileage will start to show up in Zurich App.

If we are connecting directly to your car, your certificate must be activated within 48 hours of obtaining your certificate or we will need to start estimating your mileage from your certificate start date. (See [What happens if my certificate is not activated?](#))

If you have opted for a Z-Miles Device

We will send you a device called Z-Miles Device by post – along with instructions in Zurich App and our website on how to plug the device into your car and activate it. The device is about the size of a small matchbox, and you will be able to easily plug it into your car yourself.

Once the Z-Miles Device has been plugged in and has power and a mobile phone signal, it will send us a message to inform us. You will see your certificate activate in Zurich App, and your mileage driven will start to show up automatically after each journey.

If you do not activate your certificate within 7 days of your certificate start date or 3 days upon receiving the Z-Miles Device, whichever later, we reserve the right to estimate the mileage you have driven each day after this grace period ends. (See [What happens if my certificate is not activated?](#))

The installation of Z-Miles Device will not affect your car warranty.

7. Why does my certificate need to be activated?

We need to collect certain relevant vehicle data (for e.g., the mileage driven per journey) to determine your contributions. It is important that we are connected to your car, and that your certificate is activated when your car is driven.

Do not worry if you activate your certificate and we start measuring your mileage before your certificate start date – we will not charge you for any mileage until your certificate has started.

If the Z-Miles Device is not plugged in and powered on, then your certificate will not be activated.

8. What happens if my certificate is not activated?

If your certificate is not activated, you will still be covered, but your certificate will not work the way it is supposed to.

If you do not activate your certificate within seven (7) days of your certificate start date or three (3) days upon receiving the Z-Miles Device, whichever later, we reserve the right to estimate the mileage you have driven each day at 400 km a day after this grace period ends, charged at your **Per-Kilometre Rate**, until your certificate is activated, or your mileage balance is zero.

If we do not have access to your vehicle data at the time of an incident, an **Inactivated Certificate Excess** will apply. This excess will be printed in your certificate schedule.

You must not tamper with the Z-Miles Device or attempt to access the software on it. If you notice the Z-Miles Device is not working as it should be, let us know as soon as possible and we will send a new one out to you. Of course, we will notify you if we spot anything wrong with it at our end. If after looking at all the facts we find that you are responsible for damaging the Z-Miles Device, you will be charged the Z-Miles Device fee shown in your certificate schedule to replace it, otherwise we will replace it free of charge (including the postage).

9. What happens if my mileage balance is zero?

If your mileage balance is zero, we will not pay for loss or damage to your car. In addition, some optional add-ons which you have opted for will not be covered.

You can reinstate your certificate coverage to comprehensive by contributing a top-up to increase your mileage balance.

It is important to ensure you have a positive mileage balance during your certificate duration to receive coverage outlined in your certificate schedule. Your certificate coverage will reduce to Third-Party Only when mileage balance becomes zero. This can lead to financial burden, for example:

- You will not receive a payout from us following a damage or theft claim. If you have opted for the optional Special Perils add-on, we will not bear the loss or damage to your car due to flood. You will thus need to bear the cost on your own.
- You will be required to bear the full outstanding loan amount if your car is still under a Hire Purchase.

10. What data do we collect from Z-Miles Device?

Once your certificate is activated and up and running, we will get information that helps us manage your certificate and better understand how and when accidents occur, so that we can make our product better and the roads safer. To do this, we may collect information about your car and your trips, including but not limited to distance driven and time used to drive that distance, location information, speed and acceleration and date and time of day driven.

11. How much contribution do I have to make?

When you get a new quote or a renewal quote, you will see two parts to the cost: an annual **Base Contribution** payable upfront and **Per-Kilometre Rate**, which will be applied on number of kilometres driven.

Both **Base Contribution** and **Per-Kilometre Rate** are tailored to you according to your current details, such as your No-claim-discount (NCD) entitlement, add-on benefits selected and certificate details such as vehicle sum covered, vehicle's age and your age.

As an example, for a car with sum covered of RM200,000, engine capacity of 2,000cc and NCD of 55%:

- a. The **Base Contribution** is computed as follow:

Basic Contribution	:	RM	1,747.18
NCD Entitlement - 55%	:	(RM	960.95)
Add-on contribution- Legal Liability of Passenger	:	RM	7.50
Subtotal	:	RM	793.73
Rebate – 10%	:	(RM	79.37)
Base Gross Contribution	:	RM	714.36
Service tax - 8%	:	RM	57.15
Stamp duty	:	RM	10.00
Base Contribution after Tax	:	RM	781.51

- b. The monthly **Mileage Contribution** depends on the mileage driven in the previous month. For the above example, the **Per-Kilometre Rate** after tax is RM0.05 per kilometre. If the driver in the example drove 1,000 km that is chargeable in the previous month, the monthly **Mileage Contribution** at the end of the month would be $RM0.05 \times 1,000 \text{ km} = RM50$.

- c. The total contribution that you would make the course of the year would be the sum of **Base Contribution** and **Mileage Contributions** that you have made, less any unused mileage balance. If the driver in the example drove 3,800 km in the year that is chargeable and has a mileage balance of 200 km, the total contribution is RM961.51; computed as follow:

$$RM\ 781.51 + [RM\ 0.05 \times (3,800 - 200)] = RM\ 961.51$$

<i>Base Contribution</i>	+	[<i>Per-Kilometre Rate</i>	x	(<i>Chargeable Mileage in the year (km)</i>	-	<i>Unused Mileage Balance (km, if any)</i>)	=	<i>Total Contribution</i>
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At the end of the period of takaful, the driver will get a return of contribution of RM10 for the unused mileage balance of 200 km.

12. How does my annual mileage affect my total Z-Miles Takaful contribution?

As mentioned in section 11, your Z-Miles Takaful contribution is determined based your car's driven mileage, your NCD entitlement, add-on benefits selected and our rating factors such as vehicle sum covered, vehicle's age, vehicle make and model, your age, etc.

The table below illustrates examples of annualised Z-Miles Takaful gross contribution (before SST and Stamp Duty) that a participant aged 35 years old with 55% NCD entitlement, driving a 3-year-old car and living in Selangor has to make based on chargeable annual mileage driven, and these contributions are compared against Zurich's annual private car comprehensive takaful, i.e. Z-Driver Takaful Comprehensive.

Vehicle Model	Chargeable Annual Mileage with Z-Miles Takaful			Z-Driver Takaful Comprehensive
	3,000 km	6,000 km	15,000 km	
Proton X70	RM 550	RM 704	RM 1,012	RM 1,133
Honda Civic	RM 582	RM 766	RM 1,135	RM 1,135
Toyota Alphard	RM 1,537	RM 1,870	RM 2,535	RM 3,011
BMW X5	RM 1,1579	RM 1,921	RM 2,604	RM 3,093
Mercedes-Benz C-Class	RM 1,354	RM 1,690	RM 2,364	RM 2,543

Z-Miles Takaful's total annual contribution would be higher than Z-Driver Takaful Comprehensive contribution if you drive above certain annual mileage. This annual mileage threshold would vary depending on your risk profile and normally ranges between 15,000 km and 16,000 km per year. To protect you from making higher contribution than you have planned, Z-Miles Takaful caps the mileage charged to you at 15,000 km per year.

13. What are the fees and charges that I have to pay?

What you have to pay in addition to the contribution	Amount
Stamp Duty	RM10.00
Service Tax	8% of Gross Contribution <i>Example: Gross Contribution RM714.36 x 8% = RM57.15</i>
What is already included in the contribution	Amount
Wakalah Fee	29.5% of Gross Contribution (before Rebate) which is comprised of: <ul style="list-style-type: none"> • Commission (if any) – 10.0% <i>Example: Gross Contribution before Rebate RM793.73 x 10.0% = RM79.37</i> • Management expenses – 19.5% <i>Example: Gross Contribution before Rebate RM793.73 x 19.5% = RM154.78</i>
Other applicable fees	Amount
Z-Miles Device replacement fee	RM300.00 (inclusive of SST and postage fee)

You are required to pay any applicable taxes and levies (which include but not limited to stamp duty and service tax) imposed by Malaysia tax authorities.

14. What are some of the key terms and conditions that I should be aware of?

a. Duty of Disclosure

Consumer Takaful Contract - Pursuant to Paragraph 5 of Schedule 9 of the Islamic Financial Services Act 2013, if you are applying for this takaful wholly for purposes unrelated to your trade, business or profession, you have a duty to take reasonable care not to make a misrepresentation in answering all the questions required by the Company fully and accurately and disclose any other matter that you know to be relevant to our decision in accepting the risks and determining the rates and terms to be applied, otherwise it may result in avoidance of contract, claim denied or reduced, terms changed or varied, or contract terminated.

Non-Consumer Takaful Contract - Pursuant to Paragraph 4(1) of Schedule 9 of the Islamic Financial Services Act 2013, if you are applying for this takaful for purposes related to your trade, business or profession, you have a duty to disclose any matter that you know to be relevant to our decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant, otherwise it may result in avoidance of contract, claim denied or reduced, terms changed or varied, or contract terminated.

This duty of disclosure for Consumer and Non-Consumer Takaful Contract shall continue until the time the contract is entered into, varied, or renewed. If you failed to do so, examples of the actions that may be taken by us against you include the following:

- declare your certificate void from inception (which means treating it as invalid), and we may not return any contribution;
 - cancel this certificate and return any contribution less our cancellation charge or recover any unpaid contribution;
 - remove one or more named drivers from your certificate and adjust your contribution accordingly;
 - recover any shortfall in contribution;
 - not pay any claim that has been or will be made under the certificate; or
 - be entitled to recover from you the total amount of any claim already paid under the certificate or any claim we have to pay because of any relevant road traffic legislation, plus any recovery cost.
- b. Importance of receipt keeping** - It is important that you receive a copy of receipt from us and please keep our receipt as proof of contribution made.
- c. Cash before cover** - The contribution due must be paid and received by us before cover commences. This takaful cover is automatically null and void if this condition is not complied with.
- d. Betterment** will apply in the course of repairing an accident-damaged car that is aged five years and above, and the old part is replaced with a new franchise part. You will have to bear the difference in cost (depending on the age of your car) as your repaired car is in a better condition than it was before the accident.
Betterment will not apply if you opted for Waiver of Betterment add-on by making additional contribution.
- e. Failure to activate your certificate when you drive** - If we do not have access to your vehicle data at time of an incident, an excess called Inactivated Certificate Excess will apply to your claim.
- f. Excess** - This is the amount of loss you have to bear in event of a claim. There can be more than one (1) type of excess that may be applicable to your certificate, and these will be printed on your schedule. Examples of excess are listed below.
- **Voluntary Excess:** The amount you choose to bear in return for a lower contribution.
 - **All Claims Excess:** The amount you have to bear determined by us based on our underwriting considerations.
 - **Compulsory Excess:** The amount you have to bear if your car is driven by any of the following person: not a named driver under your certificate; have a learner or provisional licence; or under 21 years of age.

- **Inactivated Certificate Excess:** The amount you have to bear if we do not have access to your vehicle data at time of an incident.
- g. **Treatment of Small Amount** – Small Amount refers to any amount below Ringgit Malaysia Ten (RM10) arises from maturity, contribution excess, surrender, surplus distribution or claims that are to be made other than by way of electronic payment. The Small Amount shall be channelled to donation. However, if you decide otherwise, you are required to submit a formal request to us. We may review the applicability of the above stated small amount and any change to the amount will be subjected to our Shariah Committee approval.
- h. For other common terms and conditions, you may refer to www.zurich.com.my/en/services/corporate/key-terms-and-conditions.

Note: This list is non-exhaustive. Please refer to the certificate wording for the terms and conditions under this certificate.

15. How much should my car's sum covered be?

You must ensure that your car is covered at the appropriate amount that is the market value when you participate in this takaful as this amount will affect the amount you can claim. In the event of claim, you will only be paid up to the market value of your car at time of loss. The market value of your car at the time of loss would be determined according to the terms of the option that you had chosen at the time you obtained this takaful.

The following are two sum covered values you should consider when you participate in this takaful:

Recommended Market Value

We refer to the Motor Vehicle Market Valuation System provided by Insurance Services Malaysia Berhad's Automotive Business Intelligence System (ISM-ABI) to determine the sum covered of your car at the time you participate in this takaful, as well as the market value at the time of loss. When a claim is made, the market value of your car be determined by ISM and this value would be accepted as the cost of purchasing a replacement car of the same make, model and age as your car at the time of loss. Endorsement number 113 will be printed in your schedule when you opt for Recommended Market Value.

You can check the ISM Market Value of your car at www.mycarinfo.com.my.

Agreed Value

This value is the maximum amount paid for your car, based on your car's model and year if your car is stolen or declared total loss. This value will be agreed at the commencement of your certificate and will be used as the basis of settlement. In the event of a claim due to theft or total loss, this value will be the amount we will pay you. Endorsement number 87 will be printed in your schedule when you opt for Agreed Value.

If your car is under-covered, this will result in a penalty where you must bear a portion of loss in proportion to the Under-Coverage clause of this certificate. This is not applicable to Recommended Market Value and Agreed Value certificates.

16. What are the major exclusions under this certificate?

This certificate does not cover losses, such as:

- a. Your own death or bodily injury due to a motor accident
- b. Any incident, loss, damage or liability caused, sustained or incurred whilst your car, in respect of which indemnity is provided under this plan, is being driven by any person other than your authorised driver.
- c. Consequential loss, depreciation, wear and tear, mechanical or electrical breakdown, failures or breakages.
- d. Loss, damage or liability arising from using the car for hire or reward.

Note: This list is non-exhaustive. Please refer to the certificate wording for the terms and conditions under this certificate.

17. Can I cancel my certificate?

You may cancel your certificate at any time by giving us a written notice. Upon cancellation, you are entitled to a partial return of **Base Contribution** and unused mileage balance, provided you have not made any claim. There is no return of **Mileage Contribution** for the mileage that you have driven during the certificate period.

18. What do I need to do if there are changes to my contact details?

You can update your contact details in the Zurich Customer Portal at myzurichlife.com.my or inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

We try to be as paperless as possible, so use electronic means to communicate. This means it is essential that you keep us up to date with your correct email address and mobile phone number. You can check the contacts details we have for you in your certificate schedule.

19. How can I raise a mileage dispute?

Your prepaid mileage balance will only be deducted for the trips that appear in your Zurich app. If you have any concerns on the accuracy of the mileage charged, please contact Customer Care at the number listed below. We will investigate the dispute and endeavour to resolve the dispute within seven working days of the dispute raised. If any money is owed to you or your prepaid mileage balance had been wrongly deducted, these will be credited to your bank account or certificate after the dispute is settled. If any money is owed to us, the amount will be invoiced to you after the dispute is settled.

20. What should I do when I make a claim?

- a. Report to the police within 24 hours from the occurrence of the accident and immediately notify us in writing with full details.
- b. If you are making an own damage claim against your own certificate, you must send your car to any of our Approved Repairers. We will inspect your car before we give approval to proceed with repairs. We can refuse to pay any claim under the certificate if you breach this condition.
- c. If you are not at fault in the accident, you are encouraged to submit the claim to us for speedy claims processing without losing your NCD entitlement. However, you also can submit the claim directly to the insurance company or takaful operator of the party at fault.
- d. You will lose your entire NCD entitlement once an own damage or a third-party claim is made against your certificate.

A list of our Approved Repairers can be obtained from our website: www.zurich.com.my.

21. Where can I get further information?

Should you require additional information about the product, please contact us or our agents. You can contact us at:

Customer Care

Zurich General Takaful Malaysia Berhad

Level 23A, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur

Call Centre: 1-300-888-622 Tel: 03 – 2109 6000 E-mail: callcentre@zurich.com.my

22. Other types of similar cover available

Please refer to our website at www.zurich.com.my.

IMPORTANT NOTE

You must ensure that your car is covered at the appropriate amount as it will affect the amount you can claim. You should read and understand the certificate wording and contact us directly for more information.

Zurich General Takaful Malaysia Berhad is licensed under the Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia.

The information provided in this disclosure sheet is valid as at 1st September 2024 until next revision is issued.

In the event of discrepancy, ambiguity and conflict in interpreting any term or condition, the English version shall prevail and supersede the Bahasa Malaysia version.

Zurich General Takaful Malaysia Berhad

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