



The **UNITED INSURANCE
COMPANY OF PAKISTAN LIMITED
WINDOW TAKAFUL OPERATIONS**
(A Member Company of United International Group)



**UNITED
WINDOW TAKAFUL
OPERATOR**

THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED WINDOW TAKAFUL OPERATIONS SURPLUS DISTRIBUTION GUIDELINES

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INTRODUCTION:

These guidelines should help in the operations of the company as well as provide the company with a framework that will make it Shariah Compliant regarding Surplus Distribution

Following is the guidelines to be observed while distributing any surplus among the participants of the Waqf Pool which is called "Participant Takaful Fund" (PTF):

1. It is permissible for the company to create various sub funds under the main Waqf Fund for different operational areas, the result of each sub fund may be determined separately at the end of the period.
2. In case there is a deficit in any PTF, the Operator shall offer an interest-free loan to be called Qard-e-Hasan to make good the shortfall in that Fund. The loan shall be repaid from the future surpluses generated in the PTF without any excess on the actual amount given to the PTF.
3. The Operator may recover the Qard-e-Hasna from the surplus generated in the PTF or any sub-fund of PTF, if required, before the distribution of the Surplus. Moreover, the Operator may also maintain separate accounting for each of the sub-funds in the PTF.
4. The surplus determined after risk margin is termed as Surplus available for distribution.
5. The surplus recommended for distribution might be lower than the above on the premise that the surplus distributed will be sustainable.
6. The distributable surplus is expressed as a ratio being computed as the total Surplus Recommended for Distribution generated in each of the Takaful Sub Funds during the period per unit total net contribution received.
7. The Surplus, on the basis of single rate calculated as above, would be distributed amongst the Participants in a defined manner in relation to the cumulative net Contribution received in IFTPF.
8. The surplus ratio may be declared for each sub-funds in the PTF separately.
9. The actual distribution of surplus may be done only to those Participants leaving the pool during the year by way of withdrawal, death or maturity of the membership.
10. The cumulative surplus position at the last valuation date and the cumulative Contribution to the Fund would be used. The undistributed part of the surplus would be carried within the Takaful Fund. The surplus ratio declared in the last valuation will be used for this purpose.
11. No surplus shall be distributed if any claim(s) has been lodged by the participant during the period of Takaful coverage and the Operator has entertained that claim.
12. The losses/claims on any scheme shall not be carried forward to the subsequent year.



13. The distributable surplus for each Participant would be calculated at the Scheme anniversary by multiplying the ratio declared in the last valuation to the net contribution paid.
14. The Takaful Operator may distribute surplus either in cash or adjust against future Contributions. Where any member does not want to continue his scheme, the surplus shall necessary be paid in cash.
15. At least 1% of Surplus would be made for the charity purpose.

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Approved by:
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09-09-2015

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