

# Glossary

## A

**Agent** A person representing a Takaful operator/insurance company, who sells and services plans/policies.

## B

**Bancassurance** The selling, marketing and distribution of insurance products by a bank on behalf of an insurance company under an agreement.

**BancaTakaful** The selling, marketing and distribution of Takaful plans by a bank on behalf of a Takaful operator under an agreement.

**Beneficiary** A person or entity nominated by the policyholder as entitled to receive the benefit.

## C

**Cash value** Money the policyholder is entitled to receive from the insurance company upon surrendering a life insurance policy.

**Commencement date** The date at which insurance protection begins.

**Contributions** The fee that you pay to participate in a Takaful plan, which can be made in periodic instalments

(monthly, quarterly, semi-annually, annually) or one-off single payment.

## D

**Dependent** Dependent is a person who relies on another for economic support. E.g. the insured's wife or husband, any unmarried children younger than a specified age who are dependent upon the insured for support.

## F

**Free-look period** A certain period of time provided by the insurance companies to an insurer in order to examine the insurance policy and if not satisfied, to return it to the company for a full refund.

## G

**Grant of Probate** The process of proving and registering in the Supreme Court that authorises an individual to settle the estate of a deceased person.

**Grace Period** Usually a 30 day-period from the due date to pay Takaful/insurance instalment.

## I

**Indemnity** Payment for loss or damages.

**Insurability** Circumstance in which an insurance company can issue life or health insurance to an applicant based on standards set by the company.

## **L**

### **Lapsed**

Termination of a certificate/policy due to failure to pay renewal premium.

## **M**

### **Maturity benefit**

Specified amount received by an insured at the end of an endowment period.

### **Maturity date**

The date that the Takaful plan/ life policy becomes payable at the end of the plan/policy term.

## **N**

### **Nominee**

A person who is named in an insurance policy by the policy owner to either receive and/or administer the policy moneys upon the death of the policy owner.

## **P**

### **Policy**

Written agreement between the insurance company and the policyholder that puts insurance coverage into effect.

### **Premiums**

Premium is the fee that you pay for your insurance policy, which can be made in periodic instalments (monthly, quarterly, semi-annually, annually) or one-off single payment.

## R

### **Reinstatement**

Restoration of a policy that has lapsed because of non-payment of premiums after the grace period has expired. In life insurance, the reinstatement time period is three years from the premium due date.

## S

### **Syariah advisory board**

A board of syariah scholars established within an Islamic financial institution to provide advice on matters pertaining to syariah matters including the approving of the syariah concept of an Islamic financial product.

### **Syariah Financial Supervisory Board**

The national syariah board chaired by the Ministry of Finance and established under the Syariah Financial Supervisory Board Order, 2006.

## T

### **Termination**

Cancellation of a policy.

### **Total Permanent Disability**

A state in which a person is unable to work or perform in normal capacity caused by a serious illness or injury.