

- S** 3.2.8 A FSP shall also disclose the following information to financial consumers, including-
- a. availability of a surrender/cash value with the caution that the financial consumers will only receive an amount which is less than the premiums/takaful contributions paid if the policy/takaful certificate is surrendered, and the surrender charges, if applicable;
 - b. in the case of premium/takaful contribution holidays, a FSP shall advise financial consumers on the consequences of taking a premium/takaful contribution holiday, including the possibility of the policy/takaful certificate lapsing when the required charges, including rider charges exceed the value of IL fund units available;
 - c. provisions for nomination and assignment, including the importance of making a nomination and its implications. A FSP shall advise financial consumers to nominate a nominee and ensure that the nominee is aware of the policy/takaful certificate that the consumers have purchased;
 - d. where the fund is a guaranteed or capital-guaranteed (by a third-party) and the guarantee is only valid at a certain point in time, it must be disclosed that the guarantee is not valid on premature withdrawal;
 - e. availability of options to vary the level of death benefits and premiums/takaful contributions, and switch IL fund; and
 - f. availability of top-up facility on the financial consumers' existing IL policy/takaful certificate at any time to enhance the investment portion of both single and regular premium/takaful contribution policy/takaful certificate, with or without any change in the insurance/takaful coverage.
- S** 3.2.9 For family takaful products, a FSP shall highlight the contents of the proposal form, including-
- a. *aqad* (contract) that binds the takaful participants;
 - b. *aqad* that binds takaful participants and the licensed takaful operator; and
 - c. method of distribution of investment profits and surplus, particularly the sharing ratio.

3.3 During the term of the contract

- S** 3.3.1 In the event a FSP's agent ceases to operate or ceases to continue to arrange its IL product, the FSP shall inform the affected financial consumers (either by written notice or via electronic means) of the following-
- a. that the insurance/takaful agent has ceased to operate or has ceased to continue to arrange its IL product;
 - b. new point of contact for policy/takaful certificate servicing; and
 - c. how future premiums/takaful contributions can be transmitted to the FSP, if applicable.
- S** 3.3.2 For IL takaful products, a FSP shall include in the annual statement to financial consumers sufficient warning of potential shortfall of the PIF to meet *tabarru'*, the consequences of the PIF shortfall and remedial actions to rectify the shortfall.
- S** 3.3.3 A FSP shall regularly inform financial consumers on the importance of notifying the FSP of any change in contact details, including address of the financial consumers, the nominee and/or trustee and the notification method.