

- d. For insurance/takaful products with guaranteed survival benefits during the policy/takaful certificate term and/or guaranteed maturity benefits, a FSP shall prominently disclose the annualised returns<sup>33</sup> with the disclosure of the guaranteed feature under the policy/takaful certificates in all marketing materials<sup>34</sup> (including sales illustration and brochures) that contain any illustration of returns. Where guaranteed cash pay-outs are offered as part of an insurance/takaful product, a FSP shall not express or illustrate in absolute value or as a percentage, the total or cumulative amount of the guaranteed cash pay-out to policyholder/takaful participant; and
- e. The details of the riders attached to the main policy/takaful certificate, if any.

- S 2.1.4** For family takaful products, a FSP shall also provide the following information to financial consumers-
- a. Applicable Shariah concepts-
    - i. between takaful participants of the takaful fund for mutual financial assistance; and
    - ii. between the licensed takaful operator and takaful participants in managing the takaful funds;
  - b. The types of funds available under the family takaful certificate, for example, the Participants' Investment Fund (PIF) and Participants' Risk Fund (PRF)-
    - i. the PIF refers to the fund which is a portion of the takaful contributions paid by takaful participants for a takaful product is allocated for the purpose of savings and/or investment; and
    - ii. the PRF refers to the fund used to pool the portion of takaful contribution paid by the takaful participants on the basis of *tabarru'* (donation) for the purpose of meeting claims on events/risks covered under the takaful contracts;
  - c. In the case of PIF, a FSP shall disclose the following information-
    - i. the investment strategy, types of assets invested to meet the illustrated takaful benefits, future *tabarru'* payments and other liabilities of the takaful fund; and
    - ii. the potential shortfall of the PIF to meet *tabarru'*, its consequences as well as remedial options available to the participant, e.g. top-up by the participant; and
  - d. For products with savings or investment elements, where participants bear the investment risks, information disclosed must be sufficient to enable understanding of market movements and implications on the takaful funds, including potential shortfall of the PIF and possibility of certificate lapsation.

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<sup>33</sup> Refers to the estimated average annual return on the survival/savings benefits that a policyholder/takaful participant will receive over the period of the policy/ takaful certificate until its maturity with respect to the premium/ takaful contribution that the policyholder/takaful participant had paid.

<sup>34</sup> For the avoidance of doubt, the disclosure of annualised returns must be clearly visible and legible in the relevant marketing materials and shall not be disclosed at the bottom of the page and in an obscure manner e.g. in footnotes or in small fonts.