

For example:

- i. **Motor insurance/takaful:** cash-before-cover requirements. Financial consumers must be advised to pay the premium/takaful contribution directly to the FSP, either by cash, credit card or cheque. Cheque must be made payable only in the FSP's name.
- ii. **Houseowner or householder insurance/takaful:** premium/takaful contribution warranty requirements.

- S 4.1.5** For family takaful products, a FSP shall also provide information on the applicable Shariah concepts-
- a. between takaful participants of takaful fund for mutual financial assistance; and
 - b. between takaful operator and takaful participants in managing the takaful funds.

4.2 At the point of entering into a contract

- S 4.2.1** A FSP shall inform financial consumers of their contractual rights and obligations, including-
- a. Any significant condition, warranty or obligation which financial consumers must meet, failing which the FSP may repudiate liability or cancel the cover;
For example:
Motor insurance/takaful: authorised drivers, limitations of use, and limitation on choice of repairers, if any.
 - b. Duty of financial consumers in relation to disclosure and representations to the FSP for the insurance/takaful contract and the consequences of failure to disclose the relevant information, provision of inaccurate or false information, misrepresentation, etc.;
For example:
 - i. **Motor insurance/takaful:** previous accident and modification to the vehicle.
 - ii. **PA insurance/takaful:** the occupation and personal pursuits of financial consumers which would affect the risk profile of the consumers and the number of PA policies/takaful certificates that the consumers have purchased from other FSPs.
 - c. The importance for financial consumers to ensure that the proposal form is completed accurately as it forms the basis of the insurance/takaful contract;
For example:
Motor insurance/takaful: financial consumers must be advised to indicate the usage of the vehicle (i.e. whether for private or business use or for hire).
 - d. Importance of insuring/covering the vehicle/property at an appropriate market value and the effect of over-insurance/coverage and under-insurance/coverage when a claim is made (not applicable to PA insurance/takaful)-
 - i. **Motor insurance/takaful:** a FSP must inform financial consumers-
 - 1. to insure/cover the vehicle at the vehicle's current market value;
 - 2. on the current market value of the vehicle as provided in the vehicle valuation database (VVD) used by the FSP at the point of purchase or renewal;