

Questions and Answers

1. What is happening?

The Saudi Arabian Monetary Agency (SAMA) is requiring all companies to convert their existing products to adhere to the Cooperative insurance model. In order to comply with SAMA's requirement, AlAhli Takaful has made minor amendments to its existing Takaful products to bring them in line with the Cooperative insurance model.

2. How will this happen?

Any new policies issued by AlAhli Takaful Company will be based on the Cooperative insurance model and will be governed by the General Terms & Conditions approved by the regulator. All currently existing policies will be converted to conform to the Cooperative insurance model by adopting the approved General Terms & Conditions.

3. When is this happening?

In accordance with regulatory approval from the Saudi Arabian Monetary Agency (SAMA), the conversion of existing products is expected to become effective on January 21st 2012.

4. How does this affect you?

Your existing policy with AlAhli Takaful Company will be converted to adopt the new General Terms & Conditions approved by SAMA. The adoption of the new General Terms & Conditions means that certain terminology associated with the Cooperative insurance model will be used in place of terminology specific to the Takaful model. AlAhli Takaful Company will also no longer distribute a surplus from the claims pool, unless there is a net Company surplus generated.

The conversion to the Cooperative model will not influence or affect your protection benefits, fees and charges or your present cash value and your policy will continue to be serviced by AlAhli Takaful Company.

5. Are there any advantages for you?

Yes, the policyholder is entitled to take advantage of several new benefits. The Cooperative insurance model entitles the participant to share in the net surplus of the Company rather than only receiving the surplus from the claims pool. If the Company achieves a net surplus at the end of the year, a pro-rata share of 10% of that net surplus will be distributed to the Participant in the manner laid out in the General Terms & Conditions.

In addition, the Participant will have the flexibility to designate up to 8 beneficiaries under a single policy as well as the option to add or delete a beneficiary at anytime.

6. Why are you receiving this letter?

AlAhli Takaful Company wants to ensure that you as a policyholder are properly informed about the regulatory changes in the structure of the insurance products presently administered by AlAhli Takaful Company.

7. Do I need to do anything?

No. This information package is sent to you in order to inform you about the regulatory changes to the product and any impact on your policy.

8. What is the procedure of transferring your policy to the Cooperative insurance model?

AlAhli Takaful Company will automatically transfer your existing policy to the Cooperative insurance mode by adopting the revised General Terms & Conditions that have been approved by SAMA. A copy of the amended General Terms & Conditions is available for access on our website at www.alahlitakaful.com. AlAhli Takaful Company will work together with The National Commercial Bank to ensure that the conversion is appropriately managed and that there is no disruption to your existing policy.



9. Will you need to enter into a new insurance contract with AlAhli Takaful Company?

No, your existing policy will be automatically converted to the new Cooperative insurance model and continue to be administered by AlAhli Takaful Company. You will not lose your policy history or continuity of cover. There will be no change in the way your Contributions are collected and you are not required to take any further action.

10. Is the Cooperative Insurance model and the amended General Terms & Conditions Sharia Compliant?

Yes. AlAhli Takaful Company's Sharia Board has reviewed and approved the amended General Terms & Conditions and issued a religious decree ("fatwa") ensuring the products are fully compliant with Islamic principles.

11. Who should be contacted if we need to make a claim during the Transfer?

There is no change to the current claim process. Therefore, you may still visit any NCB branch or contact our Call Center to file any claim.

12. Who should I contact if I have any specific queries regarding the conversion process?

For general or specific inquiries, please contact our Call Center on **920011282**.

Item	Existing Contract	New contract	Definition
Coverage	Takaful Benefits	Protection Benefits	The phrase “Takaful Benefits” is now replaced by “Protection Benefits”. Protection Benefits means: the amount payable to Beneficiary (ies) in the event of death before maturity of the Participant.
Takaful Pool	Takaful Solidarity Fund	Mortality Pool	Takaful Pool: the phrase “Takaful Solidarity Fund” will be replaced by “Mortality Pool”. The Mortality Pool is made up from the accumulation of all Mortality Charges collected from the customers (Mortality Charges is the Charge or cost of providing the Protection Benefits).
Beneficiaries	Irrevocable Beneficiary(ies)	Revocable Beneficiary(ies)	Beneficiary (ies): the Participant can now appoint up to 8 beneficiaries and these can now be changed anytime upon a written request from the Participant. Beneficiary (ies) means the nominated person(s) who will receive payment of the Protection Benefits in the event of death of the Participant before the policy maturity date.