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FAQ for YE2008 & 2009 Family Takaful Surplus Distribution

Purpose

1) What is surplus amount? Can you please explain it to me?

We declare the surplus amount at the end of each financial year and if the Fund exceeds reserves after paying for all claims and relevant cost, you will be entitled for surplus subject to there is no claims arising from your policy. The allocated amount will be posted into your Participant Fund. If the surplus payable is less or equal to RM10.00, it will be donated to a selected charitable organization approved by HSBC Amanah Takaful's Shariah Committee.

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Payment

2) When will I get my surplus?

Once we declared the surplus amount, the surplus portion will be distributed subject to there is no claims and the surplus portion amount is more than RM10.

For TMP, TMP Plus, TTP, TTP Plus, TAP and TAP Ex,

We will pay this portion upon maturity given that the contribution is up-to-date.

For Lifestyle Series and Keyman Series,

We will credit this portion into your participant fund given that the contribution is up-to-date.

For Single and Regular Contribution Investment Plan,

We will credit this portion into your investment fund given that the contribution is up-to-date.

If there is outstanding amount, we will use the fund to pay for the Tabarru portion to retain the status of contract as Active.

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FAQ for YE2008 & 2009 Family Takaful Surplus Distribution

Calculation									
3) How is the surplus sharing calculated?	<p>To calculate your share of the surplus, we will do the following:</p> <ul style="list-style-type: none">(a) If you did not make any claims during the Takaful period, then;(b) We will deduct the relevant Wakalah fees from your annual contribution, to obtain your annual tabarru’;(c) The annual tabarru’ amount will then be pro-rated for the relevant period your certificate has been in force for surplus distribution;(d) Your share of the surplus will then be calculated in the ratio of your pro-rata tabarru’ after the relevant cost to the total pro-rata tabarru’ for all the eligible certificates.								
4) When am I not entitled to for surplus?	<p>You may not entitle to the surplus for a number of reasons which include:</p> <ul style="list-style-type: none">a) Surplus payable is less than the RM 10 threshold required for actual payment to certificate holders;c) No surplus arising in respect of the particular risks for which the certificate is covering;d) No surplus arising in respect of the fund performance.								
5) What is the ratio of surplus sharing for the product that I purchased?	<p>The surplus sharing ratio that is attributable to a particular product mentioned in the takaful certificate. Please refer to below table for preliminary idea. For further details, please kindly refer to your certificate.</p> <table border="1"><thead><tr><th>Product</th><th>Participant</th></tr></thead><tbody><tr><td>TMP, TMP Plus, TTP, TTP Plus, TAP and TAP Ex</td><td>20%</td></tr><tr><td>Lifestyle and Keyman Series</td><td>50%</td></tr><tr><td>Single and Regular Investment Linked Plan</td><td>50%</td></tr></tbody></table>	Product	Participant	TMP, TMP Plus, TTP, TTP Plus, TAP and TAP Ex	20%	Lifestyle and Keyman Series	50%	Single and Regular Investment Linked Plan	50%
Product	Participant								
TMP, TMP Plus, TTP, TTP Plus, TAP and TAP Ex	20%								
Lifestyle and Keyman Series	50%								
Single and Regular Investment Linked Plan	50%								
6) Where can I view the deduction of operating cost before surplus sharing?	<p>The total surplus distributable each year to all eligible certificates is fully disclosed in the financial statements at each financial year-end. This surplus is then divided amongst eligible participants according to their proportionate share of such surplus.</p>								
7) I used to enjoy a very high surplus (mudharabah) with a previous insurer but the surplus sharing given by HSBC Amanah Takaful is quite low. Why is that so?	<p>Making a comparison on the surplus arising from different takaful models (e.g. mudharabah vs wakalah) is like comparing apples and oranges as the operational basis for the different models are very different.</p>								

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FAQ for YE2008 & 2009 Family Takaful Surplus Distribution

Usage
8) What happens to all the surpluses that are RM10 or less? If the surplus payable is less than or equal to RM10.00, it will be donated to a selected charitable organization approved by HSBC Amanah Takaful's Shariah Committee.
9) Which charitable organizations are we donating the surplus to? The charitable organizations eligible to receive donations of participants' surplus shall be those which have been approved by the Shariah Committee of HSBC Amanah Takaful.

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Claims and Surplus
10) If I make a claim, will I still be entitled to the surplus distribution? Once the claims arise, you may not eligible for surplus distribution.

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Tax and Surplus
11) Is there any tax on the surplus paid to me? A withholding tax of 8% is levied on the investment income portion of the surplus distributed and this is deducted from the surplus payable to an individual participant. If the participant is a non-resident company, the withholding tax rate is 26%.

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FAQ for YE2008 & 2009 Family Takaful Surplus Distribution

Methodology	
12) If I surrender my certificate for any reason, will I still be entitled to surplus distribution?	Yes, you are entitled to surplus distribution. However, it will reflect only the period before the expiry of your Takaful contract.
13) If my certificate is cancelled, will I be entitled to surplus distribution?	Yes, you are entitled to surplus distribution. However, it will reflect only the period before the expiry of your Takaful contract.
14) I have made an endorsement, which resulted in an additional contribution paid, will this be considered for surplus distribution?	Your additional contribution collected arising from an endorsement will be part of the annual contribution used to determine the tabarru' in the surplus sharing calculation.
15) I have made an endorsement and this has resulted in the refund of some contribution paid, how would this affect my surplus?	The reduction of contribution arising from an endorsement will reduce the annual contribution used to determine the tabarru' in the surplus sharing calculation.

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Investment	
16) Which investment vehicle was used to generate the surplus for my product?	The surplus at any financial year-end is derived largely from claims charged on the Fund being less than the tabarru' collected in respect of the contracts registered in the Fund. The monies in the Fund may be temporarily placed in shariah compliant investment vehicles such as mudharabah investment accounts, government securities and sukuk. Hence, the investment income earned from the placement of the Fund with several investment vehicles also contributes to the surplus for your product.

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Notification	
17) Will there be any notification to participants on the surplus declared?	We will notify participants who are entitled for the surplus.

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