

SUMMARY OF THE ACTIVITIES OF ACCIDENT COMMITTEE



**Mr. Hasan Mustafa
(Chairman)**



**Mr. Kashif Qayyum
(Vice-Chairman)**



Mr. Abdul Rehman



Mr. Imran Ahmed



Mr. M. Waqaruddin Rauf



Syed Haider Hassan



Mr. Tariq Mushtaq



**Mr. M. Junaid Moti
(EC Observer)**



**Mr. N.A. Usmani
(Secretary General)**



**Mr. Nabeel W. Sabir
(Deputy Secretary General)**

- Periodical reports generated by the IAP online claims management system, graphical presentations of the claim reports (make wise, make & sub make wise and city wise) highlighting the top-5 claims for the period January to December 2019 were shared with members.
- Summary of Snatched/Stolen Vehicles with Tracking Devices summarized data of snatched/stolen vehicles fitted with tracking devices for the last five years (2015 to 2019) was reviewed and finalized by the Committee and circulated to member companies for information.
- Summary of Motor Insurance business extracted/compiled from member companies' annual reports was reviewed and finalized by the Committee and posted on IAP website.
- The Committee considering the challenge that with multiple motor car price hikes in the last 18 months (on account of PKR depreciation & FED imposition) for both locally assembled and imported cars, it has been noticed that most of the motor policies have not been revised by insured for the new enhanced "sum insured" to account for the prevalent market prices. In the event of a claim (theft, total loss, snatch) the insured's cover is limited to the sum insured / market value (whichever is lower).

For individual policies, companies have (at renewal or otherwise) intimated customers to revise their policy sums insured and make additional premium payments as required to cover price hikes. However for bank leased motor policies it was decided to write to SBP/banks, informing them of the issue that customers may face at the time of claim if their cover has not been adjusted for increased motor prices. In the interest of customers (motor leasee) the bank must inform the customer to revise their policy sum insured (conventional or takaful) to be fully covered against any unfortunate loss.

The Bank should also inform its customers that for partial claims the insurer has the right to use "market value clause", that in cases where the

insured has under-insured his/ her vehicle the claim cover would be limited in the same proportion (i.e. cover = sum insured/ actual price).

The Committee therefore addressed a letter to SBP on 20th February 2020, the SBP in response advised insurance companies to directly discuss this matter with banks at the time of renewing contracts.

- The Committee in November 2019 added Takaful and Window Takaful Operator fields in IAP Claims Management System to record all future data uniquely under applicable policy type/ distinguish conventional claims data from Takaful/ WTO data.