

## SUMMARY OF THE ACTIVITIES OF ACCIDENT COMMITTEE



**Mr. Zahid Mehmood**  
Chairman



**Mr. Atif Saleem Ghazi**  
Vice Chairman



**Mr. Imran Ahmed**  
Member



**Mr. Muhammad Farooq**  
Member



**Mr. Nasir M. Iqbal**  
Member



**Syed Haider Hassan**  
Member



**Mr. Tariq Mushtaq**  
Member



**Mr. Babar Mahmood Mirza**  
EC Observer



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



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

- To update the member companies on the important 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 2020 were shared with members.
- Summarized data of snatched/stolen vehicles fitted with tracking devices for the last five years (2016 to 2020) 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 Accident Committee met the CPLC team online on 23rd June 2021 and discussed the need for data sharing between IAP and CPLC on reported stolen/ snatched and recovered vehicles, a directory on CPLC's website which is accessible by general public will help identify all vehicles that have been reported stolen or have been recovered. Currently there is no mechanism for the insurance companies to be updated on the vehicle recovery status in real time and several vehicles which could have been auctioned off by insurance companies are standing unclaimed

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Owners of stolen vehicles (leasing companies, individuals, corporates etc.) which were insured are paid the claim amounts after the needed documentation and the ownership of the vehicle is passed on to the insurance company. Data sharing between IAP and CPLC of all stolen vehicles reported in IAP Claims Management System and recovered vehicles reported to CPLC will help identify insurance company's vehicle ownership and timely recovery intimation will also help reduce insurance underwriting expenses.

Further meetings are expected next year to deliberate and finalize a data sharing mechanism between IAP and CPLC, and improved availability of information.

- The Accident Committee collected data for Motor losses reported during Karachi rains of July-August 2020 incurred within the Karachi city limits, as availability of this data may provide Members better underwriting information on rain related motor risks in Karachi city.

As of 3rd June 2021, the data collected from 26 member companies was 2039 number of motor claims were intimated with a value of Rs. 500,346,818. The Committee has been deliberating on suggestions on how these intimated claims can be mitigated in the expected rains in Karachi this year (with met office's forecast of above average rains this year). The matter remains under the Committee's discussion and further developments are expected next year.

- To avoid unauthorized access IAP Claims Management System (CMS), the Committee suggested that the members should keep their

login details safe and frequently change their passwords for enhanced security. The Committee discussed the matter with the IAP software developer who was requested to incorporate a feature in IAP CMS to enable members to change their login passwords themselves whenever needed. Historically members had to request IAP when they needed to change their passwords.

Subsequently through an IAP Circular members were informed that the "password change" feature has been added to IAP Claims Management System (CMS) [www.iapcms.com.pk](http://www.iapcms.com.pk) for Motor Claims as well as IAP Reinsurance Market Slips Portal (RMS) [www.rms.iap.net.pk](http://www.rms.iap.net.pk) for electronic circulation of facultative reinsurance slips.

- The Committee noted the challenges faced by companies during Covid and requested the Association's lawyer for guidance on stamp duty which is required to be affixed through stamps on all insurance policies. The provincial Stamp Acts define the applicable amount of stamp duty based on the type of policy e.g. all motor policies carry a fixed stamp duty of Rs.50 irrespective of the sum insured or premium whereas for other policies the stamp duty is a percentage of sum insured.

With the COVID-19 lockdown most of the insurance policies were issued electronically/ digitally and in fact the SECP encouraged insurers to facilitate services with minimum contact, with online premium collection and issuance of electronic/ digital policies. Regarding affixing applicable stamps on these electronically issued policies most of the insurers have been purchasing physical stamps (actual stamps or franking machine stamps) but since these cannot be affixed, they are defaced and filed/ stored with their corresponding policy numbers as

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record. If at a later stage these policies are physically issued, the stamps (already purchased and recorded for them) can be affixed otherwise these stamps will remain with insurers for record. In the absence of any clarification from authorities on this issue the Committee requested the lawyer's guidance which is reproduced below.

*"Section 10 of Electronic Transactions Ordinance 2002 states that stamp duty shall not be payable in respect of any instrument executed in electronic form till the time the Provincial Governments devise and implement appropriate measures for payment and recovery of stamp duty through electronic means. Earlier this year, the stamp Act was amended in its application to the province of Sindh, and very recently Sindh e-Stamp Rules, 2020 have been enacted. In terms*

*of Rule 5, the payment for purchase of e-stamp is to be made through system generated challan in the ex-officio vendor by use of payment methods generally accepted by the bank or online payment through PS id, as the case may be. The competent authority may require submission of information and the manner of its submission in relation to the facts and circumstances affecting the chargeability of an instrument to the duty payable through e-stamp, and the submission of such information may be made a condition-precedent for generation of challan from the system. Per Rule 6, the ex-officio vendor shall issue e-stamp immediately upon submission of original receipted copy of the challan or PS id, as the case may be, after verification of its genuineness from the system."*