

SUMMARY OF THE ACTIVITIES OF MISCELLANEOUS COMMITTEE



Mr. Khurram Nasim Ghuman
Chairman



Mr. Nadeem Irshad
Vice Chairman



Mr. Asif Ahmed
Member



Ms. Asifa Ikram
Member



Mr. Khizr Hasan
Member



Mr. Muhammad Raza
Member



Mr. Zahid Mehmood
Member



Mr. Ali Haider
EC Observer



Mr. N. A. Usmani
Secretary General



Mr. Nabeel W. Sabir
Deputy Secretary General

1. Statistics

The Committee decided to collect the following statistics from member companies:

- **Health Insurance Business**

Data from life and non-life members for health insurance business was collected and the summary made available to the members for the year ended 31st December 2021. The summary presents findings classified into inpatient and outpatient coverage by life and non-life insurance companies against the lives covered, gross premium and their claims data.

- **Micro-Health Insurance Business**

Data from life and non-life members for micro-

health insurance business was collected and the summary made available to the members for the year ended 31st December 2021.

- **Crop and Livestock Loan Insurance Business**

Data collected from members was reviewed by the Committee and circulated to member companies for information and posted on IAP website.

- **Bond/ Guarantee Business**

The combined data pertaining to all bond business i.e. bid bonds, performance bonds, mobilization advance bond or any other bond/ guarantee business was requested from members and the summary made available to the members for the year ended 31st December 2021.

- **Travel Insurance Business**

The Committee this year introduced data collection of travel insurance for both domestic and international travel with details carrying number of policies, passengers covered, premium/ contribution, number of claims and amount of medical & non-medical claims.

2. Revised format for crop insurance data collection

The Committee observed that current IAP data collection only requests members to provide statistics of State Bank of Pakistan's Crop Loan Insurance Scheme (CLIS), underwritten for banks to cover their agri-loans extended to farmers. To gather statistical insights into crop insurance products underwritten by members the committee enhanced the existing IAP data collection into three areas:

- a. CLIS underwritten for commercial and microfinance banks under the SBP agricultural loans instructions
- b. Crop Insurance underwritten for programs such as the Punjab Area Yield Index
- c. Other Crop Insurance products including parametric insurance

It was noted that increased complexity of data requested from members directly impacts data collection, and members may choose to not respond if the format is too difficult. The Committee approved the suggested classification that would serve the intended purpose of separation between Area Yield Index crop insurance data, Crop Loan Insurance Scheme and other parametric products while hopefully not posing any difficulty for members to submit information to IAP.

3. Health Insurance Matters

The Committee in 2020 had decided to form a subcommittee of the Miscellaneous Committee to discuss specific challenges of the health business which has a substantial contribution and faces growing needs. Nominations from leading underwriters of the health product were requested and the IAP Health Subcommittee was constituted with the following representatives this year.

Mr. Muhammed Amir, Jubilee Life Insurance (Chairman)
Mr. Nadeem Irshad, Jubilee General
Dr. Aliya Zia, Adamjee Insurance
Dr. Fawad Sarwar, IGI Life Insurance Limited
Mr. Imran Lakhani, Pak Qatar Family Takaful
Mr. Kumail Mushtaq Ali, TPL Insurance
Mr. Raheel Shaikh, Salaam Takaful
Mr. Sohail Adam Baloch, Allianz EFU Health Insurance Limited
Mr. Riaz Ahmad Minhas, Alfalah Insurance Company Ltd.

Between October 2021 and June 2022 six meetings of the IAP Health Subcommittee were held where the following matters were discussed.

Coverage of Speech Therapy and Claims of Sports Injuries/ Refractive Error/ Congenital Diseases/ Hepatitis

The Committee discussed coverage of speech therapy in health policies, if it is being provided as a standard cover in policies and how it is classified OPD/ In-patient.

The Committee opined that speech therapy is generally not covered but under certain policies and considering client requests it can be included. It is not a medical necessity and therefore not part of standard policy benefits list. When treated it is

classified under OPD and if pricing/ premium allows there is no harm in adding the cover of speech therapy in policies. Instances are low and for special cases the benefit can be extended to valued customers.

Discussing other similar cases of sports injuries, the Committee commented that normal sports injuries are generally covered however dangerous sports are a standard exclusion. The matter is slightly complicated in ascertaining what constitutes as a normal or a hazardous/ dangerous sports injury, doctor opinions largely vary and the assessment is usually dealt on a case to case basis.

A similar view was maintained for eye refractive error/ congenital diseases/ hepatitis which are not covered by default but if adequate pricing is being charged then the customers should get the benefit.

Sehat Sahulat Program

A private sector consortium (comprising of Jubilee Life, Jubilee General, Pak Qatar Family, TPL Insurance & Askari Insurance) challenged the award of Prime Minister's Sehat Sahulat Program/Sehat Insaaf Card scheme (SSP) to State Life Insurance in the Hon'able Islamabad High Court. The consortium contested the mechanism through which the program has been solely awarded to SLIC.

The Committee was of the view that by excluding the private sector, its capacity and experience the Government through its hasty unplanned award has made the scheme susceptible to utility and efficacy risks.

As this report is being sent into printing the matter remains under Hon'ble Islamabad High Court's review.

Health Insurance Statistics New Format (with description)

The following descriptive text was added by the health subcommittee this year to the existing IAP data collection format

- **Total Number of Lives Covered:** Lives covered at the quarter end date. For example if the data is being gathered for first quarter, the lives covered as at 31st March, 2022.
- **Amount of Gross Premium:** Gross Premium booked during the quarter.
- **Gross Earned Premium:** Amount of Gross Premium - Change in Unearned Gross Premium reserves
- **Net Earned Premium:** Amount of Net Premium booked during the quarter (net of reinsurance) - Change in Net Unearned Premium reserves
- **Total number of Gross Claims Intimated:** Gross Claims Paid during the quarter + Change in Outstanding Gross Claims
- **Net Incurred Claims:** Net Claims (net of reinsurance) Paid during the quarter + Change in Outstanding Net Claims