# TAP INSURANCE & TAKAFUL DAY

9th February 2022

E S S A G

## IAP EXECUTIVE COMMITTEE'S MESSAGE



Ms. Sadia Khan Commissioner, Insurance, SECP

I am delighted to see the Insurance & Takaful fraternity come together to raise awareness about this significant financial sector product. The insurance sector is an important pillar for the stability of the financial sector and has an important dual role within the economy, both in terms of providing a social safety net as well as developing the

Insurance is the key risk transfer mechanism for individuals, small businesses and corporates. The right insurance and takaful policies can safeguard against unforeseen financial losses. However, with the Insurance and takaful penetration in Pakistan of less than 1 %, there is a wide protection gap that needs to be closed.

SECP remains committed to developing the sector, and has in consultation with the Industry formalized an action plan to help achieve its objectives. This action plan revolves around four components; ensuring the ease of doing business for the industry by reducing the regulatory burden, by focusing on market development to introduce new standardized products, to enhance digitization by encouraging online distribution mechanisms and finally improving governance standards to reduce the risk of malfeasance.

The digital ecosystem in the country is ripe for the enhanced outreach of the insurance industry. Technology, can play a major role by making insurance accessible to those financially excluded. With the advent of end- to-end digitalization in the insurance services, it is possible to cost-effectively deliver insurance to the most remote areas. The availability of innovative technology tools such as artificial intelligence, machine learning and data analytics enable designing tailor-made products suitable to the needs of specific segments. With modern tools, it is also easier to bridge the information gap between insurance providers and the target market, and build public trust by demonstrating value of insurance through timely claims payment. This, along with the curtailing of misselling practices can substantially reduce the trust deficit.

Cognizant of the emerging opportunities in the business ecosystem, the SECP has taken a number of steps to facilitate the insurance industry. The Digital Only and Micro Insurers regulatory framework, ..... on page II

nsurance Week is observed in Pakistan each year to raise the awareness of Insurance at national level. By celebrating Insurance Week, the industry aims to spread the message of insurance among general public highlighting the important role this industry plays in mitigating risks, supporting individuals and businesses in their hour of need and the overall economic

development of the country. This year, IAP celebrates its eighth "Insurance & Takaful Week" from 7th to 11th February 2022 with 9th February 2022 marked as the "Insurance & Takaful Day". The Day will commence with the publication of special supplements on insurance & Takaful in the leading newspapers of the country followed by various events throughout the week. TV and radio shows, a radio ad campaign on leading radio stations for awareness among general public and an Essay Competition are some of the prominent activities. With prevalent COVID-19 risks we have limited our activities this year, events such as IAP's Cricket Tournament, Elocution Contest, Family Carnival, Table Tennis competition etc. will not be held this year.

Insurance & Takaful industry's contribution: Industry's contribution in terms of revenue generation, claim and benefit payments to policyholders, contribution of taxes in Government exchequer and provision of employment for the last five years are as under:

| the last five years are as under                                    |                   |         |         |         |         |        |
|---|-------------------|---------|---------|---------|---------|--------|
|   | 2021<br>estimated | 2020    | 2019    | 2018    | 2017    | 2016   |
| Premium / Takaful written (PKR billion)                             | 438               | 391     | 349     | 315     | 285     | 253    |
| Claims paid (PKR billion)   | 179               | 160     | 138     | 127     | 103     | 91     |
| Tax contributions to<br>government exchequer<br>(PKR billion)       | 24.6              | 22      | 21      | 15.71   | 16.14   | 15.64  |
| Number of employees /<br>agents in Insurance /<br>Takaful companies | 150,000           | 134,031 | 121,600 | 125,615 | 118,918 | 114,74 |

IAP strives to provide and advocates for a nurturing business environment to allow Pakistani insurance sector to grow from its sub 1 percent insurance & takaful penetration to match those of our regional peers. IAP actively engages the

Contribution & Insurance /

Takaful Awareness Programs With low insurance penetration in Pakistan where vast majority of the public is not

awareness among the public about benefits of insurance as a system. Moreover, for future this fee should be withdrawn. aware of insurance as a risk Withdrawal of Sales Tax on mitigating tool, the insurance

**Health Insurance** Health insurance provides a

education and creating

challenge for policyholders and the insurance sector making health insurance unviable. This is even more troublesome in the wake of the devastating effects of Covid-19.

Sales tax on health insurance must immediately be withdrawn

Further, levy of Sindh Sales Tax on reinsurance activity is also against the fundamental principle of value addition tax regime across the globe. Reinsurance is part of the main insurance contract as certain portion of the risk assured in the insurance contract is hedged. Accordingly, premium is passed to the reinsurer on which tax has already been paid. The reinsurance and insurance (being companies retrocessionaires) are effectively partners in sharing risk of the policy holders as per requirements of section 42 of the Insurance Ordinance, 2000. Therefore sales tax on reinsurance must be withdrawn. Withdrawal of Sales Tax on

#### Insurance Agents Commission

From 1st July 2019 the services of agents and brokers in insurance industry have been added in second schedule to the Sindh Sales Tax on Services Act, thereby levying an additional tax of 5% of their sales commission. Punjab has also imposed this sales tax from 1st July 2021.

An important reason for low insurance penetration in Pakistan is lack of developed delivery channels, including limited access to technology. Under these circumstances, about 200,000 insurance agents in the industry play a vital role in increasing the insurance penetration. Most of these agents are lower middle-class individuals supplementing their incomes with meagre insurance commissions. It is worth noting that insurance companies fall under the highly regulated sectors of the economy and all payments of commission made are already subject to income

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### industry itself can only reach EXECUTIVE COMMITTEE FOR THE YEAR 2021-2022



Government, Ministry of

Commerce, FBR, SECP,

provincial tax authorities and

other stakeholders for the

promotion and development of

Insurance and Takaful in the

Some of the factors impeding

Withdrawal of Federal

Takaful

the insurance / takaful industry's

Insurance Fee on Insurance

growth are listed below-

Premium /

Finance, Ministry

country.



Mian Kashif Rashid Mr. Mohammed Ali Ahmed Syed Kazim Hasan

out to major 20 cities whereas a

large portion of people living in

small towns and villages remain

In 1989 a levy was imposed

as Federal Insurance Fee (FIF)

@ 1% on all non-life premium

in order to generate a fund

which could be used for

education and for creation of

awareness in the masses.

Unfortunately, the levy so

collected has not been used for

any awareness efforts.

Conservative estimates indicate

that an amount of Rs10.9 billion

has been collected and retained

As a first step, the

government should release

these funds to Insurance

Association of Pakistan who

can then develop plans for

by the Government.

unprotected.







modicum of social security to

citizens and its penetration as a

percentage of GDP should be

encouraged by all possible

means so that this relief may be

availed by a broad spectrum of

our population. Currently,

health services are not taxed

when availed directly whereas

Health insurance has been

brought in the ambit of sales tax

as the provinces have inserted

health insurance in the schedule

for taxable services in the

provincial tax laws. It has

temporarily been exempted

from application of sales tax for

a fixed period via notifications

and zero rate mechanism

(exempted until 30th June 2022

in Sindh). However, this

temporary exemption may be

withdrawn at any time posing a

Mr. Faisal Khan



Life Insurance should be

permanently exempted from

Life insurance is a vital

savings tool for people across

the globe however the

provincial sales tax levy on life

insurance is discouraging life

insurance policies in Pakistan,

across the country.

the levy of sales tax

Mr. Farhan Akhlar Faridi Mr. Ihtsham Ul Haq Qureshi

making it expensive for policyholders. Life insurance should be permanently exempted from sales tax across

the country.

Withdrawal of Sales Tax on Reinsurance The Government of Sindh has levied Sindh Sales Tax on reinsurance, though reinsurance is neither a service nor a separate activity from the original insurance contract.

tax withholding for individuals

# Celebrating Insurance Day



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# INSURANCE & TAKAFUL DAY

9th February 2022

## The Insurance Association of Pakistan

he Insurance Association of Pakistan (IAP), established in 1948, is a dynamic and vision driven body that represents the insurance industry of Pakistan. IAP has been the voice of the industry, actively engaging Government and all stakeholders of the sector. Representing both life and non-life insurance companies that write PKR 438 billion (approx.) worth of premium annually, IAP members are the prominent insurance companies of the country.

The members of IAP collectively contribute to approximately 95% of life and non-life insurance premium in the private and public sectors. Out of its stronghold of 38 member companies, 27 companies transact non-life insurance business, 7 transact life insurance business, 3 takaful

operators (1 family and 2 general takaful) and the state owned reinsurer (PRCL) in Pakistan.

IAP is driven with the objective to promote, support and protect the status, common interest and welfare of member companies carrying on the business of insurance and takaful in Pakistan. The Association also acts on behalf of its members in any matter affecting their interest.

IAP is unique in as much as it provides a professional platform to guide the members in technical matters related to the industry which is recognized both at national and international level. The Insurance Association of Pakistan is a trade organization registered by the Ministry of Commerce as an All Pakistan Trade Association and is Member of

ONE OF PAKISTAN'S

**FASTEST** 

GROWING

LIFE INSURANCE COMPANIES

the Federation of Pakistan Chambers of Commerce and Industry. The Association corresponds with the National Fire Protection Association (USA), WK Webster (UK), the Association of Average Adjusters (UK), Association of British Insurers & the International Underwriters Association of London. IAP's interaction with these international professional bodies results in sharing of valuable international experiences and receiving regular updates of technical advances being made elsewhere in the world.

Locally, the Association subscribes to Federation of Pakistan Chamber of Commerce & Industry (FPCCI), Pakistan Insurance Institute (PII), Pakistan Institute of Corporate Governance (PICG), SAARC Chamber of Commerce (SAARC CCI) and internationally, National Fire Protection



**N.A. Usmani** Secretary General, IAP

Association (NFPA). The Association also provides Technical Inspection Service to its members. Association's risk reports not only enable the insurers to analyze the risk correctly, but also recommend risk improvements to minimize losses and save valuable national assets.

The affairs of the Association are run by the Executive Committee (EC) elected annually. The Committee following the Ministry of Commerce Trade Organization Rules 2013 elects its own Chairman, Senior Vice Chairman and Vice-Chairman. The Chairman becomes Ex-officio member of the

EC for the subsequent year. The EC is assisted by the following Technical Committees manned by expert professionals:

Regional Committee North Accident Technical Committee Life Technical Committee Marine Technical Committee Property Technical Committee Takaful Technical Committee

Miscellaneous Committee

IAP in the interest of insurance business has developed a web-based portal for its members to share information of motor vehicles thereby, minimizing insurance fraud to a great extent. This portal also acts as the repository of insured stolen and CTL vehicles. The committees are working on two other online portals.

The Association has developed a "No Fault Motor Third Party Liability Insurance" scheme for the benefit of public at large. It is encouraging to note that in line with this Scheme, SECP has recommended amendments in Motor Vehicles Act, 1939 to introduce "No Fault Model".

It is a matter of pride for the IAP that due to the efforts of its Regional Committee

North, the Hailey College, University of Punjab is offering MBA/BBA students of 5th semester to choose their specialization either in Banking, Finance or Insurance & Risk Management.

To strengthen the Pakistan Insurance Institute (PII) and to bring it at par with international insurance institutes like Chartered Insurance Institute (U.K), Malaysian Insurance Institute (MII) and Indian Insurance Institute (III), the General Body of IAP has approved a substantial monthly grant for PII to prepare a

robust program.

The Association has achieved a historic milestone by constructing its own state of the art building "IAP House" in DHA, Karachi. The ground plus four building provides 7500 square feet of space which will become the Association's base of operations and houses a dedicated workshop/ meeting area to host industry seminars and meetings.

IAP offices in Karachi and Lahore have been equipped with video conferencing facility.

For further details / information on IAP activities please visit website: www.iap.net.pk

### M E S S A G E



Adamjee Life is on an unwavering journey of excellence, living by its vision of value creation, respect, trust and transparency.

As one of Pakistan's fastest growing life insurance companies, we uphold our promise of enriching lives by providing best in class products and services to our customers.



any people ask me with awe and amazement the success story of Salaam Takaful Ltd. In a brief sentence it is a combination of Shariah compliance, technology and nontraditional decisions. Moreover, we tried to focus on welfare of the society and have taken unprecedented initiatives to create a better shared future for all. This success, no matter how simple it may look, is a result of a staunch belief which enabled us to overcome many practical hurdles and made it possible for us to be at the leading front.

We believed all along that our fate in FY2021 was not preordained. We exceeded expectations in nearly every measure of performance. We laid strong foundation for our business with innovative and groundbreaking initiatives. I feel extremely grateful to express that we have been featured in the prestigious list developed by Fintech Global, in which they recognize the top 100 insurtech entities from across the globe. The acknowledgment in the esteemed Insurtech100 reflects the strength and untiring efforts of the entire team in our march towards the advancement of the industry and forging new frontiers in promoting technology-enabled Shariah compliant solutions. Yet, it is only one dimension of our achievements, there is much more to tell.

We're making progress on environmental and social impact, on representation in the workplace, and on providing equal career opportunities to people across the nation. And we're constantly improving our governance mechanisms to build upon the trust we've created with stakeholders over the years. Most importantly, as a growth business our ESG journey has been evolving over the past few years. Starting with building a diverse and inclusive culture that rewards behaviors and supports our people to excel, we are now moving to develop a robust board-level ESG strategy and embed ESG risk analysis across all business lines. ESG investing soared to US\$40.5 trillion and represented more than a third of the US\$95 trillion global equity market last year. As institutional investors are making ESG a key aspect of their decision making processes, a strong ESG proposition will create more value for our business. and through understanding the impact of our company's operations on the environment



**Syed Rizwan Hussain**MD/CEO, Salaam Takaful
Limited

we will be working to achieve the UN's Sustainable Development Goals.

Let me tell you some other dimensions too. Alhamdulillah, Salaam Takaful is the largest dedicated general takaful operator in Pakistan. So no wonder we are leading the industry having an impressive portfolio. It is a pleasure to tell that we have achieved a milestone of Rs. 2.2 billion in contributions as of year ended December, 2021. This impressive figure was never touched by any other dedicated general takaful operator in Pakistan. Breaking the industry norms, we decided to distribute the Participant Takaful Fund's surplus amongst more than 10,000 policy holders. The initiative being the first instance of its nature has been quite fervently appreciated by the participants.

Another dimension of our success is technology. Today there is a revolutionary change in business techniques, approach, and presenting solutions with the help of modern technology. We are the first Islamic Insurtech, delivering the broadest set of capabilities of any professional services organization in the market today. We have used new and unorthodox methods of technology to enhance our capabilities and it has been the hallmark of our upward trajectory.

We established a comprehensive Sharia

board consisting of a diversified representation of religious scholars including a female technical member as well.

Of the many achievements in FY21, what I'm most proud of is how we worked together and efforts of all teams have been nothing short of heroic. Considering the persistence shown by the employees and as a reward to them, Salaam Takaful Limited also

proposed ESOS – 'Employee Stock Options Scheme' (subject to all relevant corporate and regulatory approvals) to provide them with the opportunity to participate in the future developments and have a greater sense of ownership for the company.

More of our unprecedented moves include the launch of parametric solutions for agri based products as well as travel takaful, an MTO plan for the Madaris Graduates and Ulema, Salaam Virtual Clinic, launch of Pay-As-You-Drive Takaful and all these are just to name a few and many more, even bigger plans are in the pipeline.

Another dimension is the society we are living in. I believe the profitability of any business is just one side of success. Playing a positive role in uplifting a society is more important and is the foremost achievement. Similarly to address the ignored and suppressed segments of the society is our another obligation. To build and establish institutions in the country is another profitability. We must remember that persons may come and go but institutes are like fortresses which stand for centuries protecting many generations.

The language, art & culture of Pakistan is a precious asset and heritage of Pakistan. Salaam Takaful Limited has been playing its part towards sustainability and revival of our culture, literature, and language by actively participating in events and forums designed to propagate the said cause. We love our writers, poets and artists and joined them in this noble cause of spreading soft image of our country and society. I realized that this prestigious section of our society was not touched on this scale before. Urdu world is beyond the boundaries of our country now so we are planning these efforts in different parts of the

In closing, Salaam Takaful Limited plays an integral role in the fabric of our society, from comprehensive coverage plans to digitally-enabled feasible customer journeys. We are excited by the opportunity we get every day to make an even greater impact in our society, and proud to share our progress as our journey continues. We will continue to accelerate our impact in these areas of sustainability, societal change and community support, as we advance our growth agenda and create value for our stakeholders. May Allah be with us!

.. from page I

## Ms. Sadia Khan

by reducing the barriers to entry is expected to enhance competition and increase the innovative product range. Along with this, the SECP has been testing new innovative products and services through its Sandbox facility, has facilitated the digital aggregation of insurance and takaful products through IT Minds, has been developing the insurance repository with CDC and focusing on enhancing RegTech solubilities.

its own supervisory capabilities.

The recent reforms such as improvement to Unit Linked Products and Fund Rules,

M E S S A G E

framework, and consolidation of regulatory instructions for issuance of unified Master Circular, are taken in pursuance of the same objective. The SECP is also providing guidance to the industry for implementation of new insurance accounting standard IFRS – 17 with the support of technical experts.

With all these initiatives, the expectations from the industry are simple; to provide transparent products, priced according to risks, suitable to customer needs and sold through efficient channels using the highest ethical standards.

The Insurance Association of Pakistan

THE QUEST TO BE

(IAP) has an important role of enhancing public awareness about insurance and should run image building programs on regular basis. The IAP also needs to create self-regulatory role for developing and implementing code of

conduct for industry participants.

It is our hope that with seamless coordination between the industry and the regulators, we will be able to develop a dynamic insurance industry which is financially stable, innovative, and focused on expanding the product range and outreach. This is essential for enhancing the insurance penetration and reducing the protection gap in the country.



Alhumdulillah by the grace of Allah

Salaam Takaful Limited has achieved yet another milestone with a successful contribution of PKR

# 2.2 BILLION

a figure never accomplished before by any dedicated General Takaful Operator in Pakistan:

This achievement represents a growth of

And is a gesture of immeasurable confidence

endowed upon us by all valuable stakeholders. With renewed momentum and vigor, we aim to continue looking for innovative and unprecedented solutions and initiatives in 2022 that create a better shared future for all and further stone our standing as the leading Shariah Compliant Insurtech in Pakistan.





# INSURANCE & TAKAFUL DAY

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## Insurance is the need of time

nsurance, in law and economics, is a form of risk management primarily used to hedge against the risk of a contingent loss. Insurance is defined as the equitable transfer of the risk of a loss from one entity to another in exchange for a premium. An insurer is a company selling the insurance. The insurance rate is a factor used to determine the amount called premium, to be charged for a certain amount of insurance coverage. Risk management, the practice of appraising and controlling risk has evolved as a discrete field of study and practice.

#### Insurance in Pakistan

Pakistan's industry facing number of crises which are increasing day by day such as Inflation Gas water electric shortage and ruins medium size and cottage industry. Other hand Corona series creating havoc. Businesses are gradually switching towards virtual mode.

Insurance is a capital-intensive sector, and insufficient capital has been a challenge facing insurers therefore steps are needed so that they can have enough capital for stoking the growth in line with their expectations.

Insurance Industry is important part of economical hub directly or indirectly linked with industries as a friend in need. For the continuation of business activity industry requires safeguard for disasters need to learn and understand the importance of Conventional Insurance and takaful (shariah Compliant products) requirement as a future safety option. In terms of Gross Premium Written

(GPW), Pakistan's general insurance industry had a total size of PKR~108,322 mln in CY20, (less than ~1% of its GDP), with a growth of ~3.7% from the previous year (CY19: PKR~104,453mln).

• The insurance industry in Pakistan is relatively small compared to its peers in the region. The insurance penetration and density remains very modest as compared to other jurisdictions while the insurance sector remains underdeveloped relative to its potential. Gross premiums written of nonlife insurers in India reached USD~26.5bln in FY21, from USD~26.4bln in FY20.

The insurance industry is undergoing significant change both in terms of its size and products. Takaful companies and Takaful Window operations in Conventional Insurance companies have been established and are gaining market acceptance. Life insurance which was a preserve for Public sector only is now flourishing in private sector and is slowly gaining market share. Insurers have adapted well to a rapidly changing regulatory and business landscape and can now set their sights on growth.

Intense regulatory scrutiny and control will promote transparency and financial

OUTLOOK STABLE

BY PACKA &VIS

time, developments in technology are creating opportunities for insurers to provide their customers with the right services and products at the right time.

A focus on customers remains a priority; products must reflect changing needs and demands. A new generation is entering the marketplace with different perspectives, while existing customers are keen to take advantage of more flexible options.

Insurance is become necessary also beneficial for common individual. Education, Medical treatment marriages cost rising due to taxes and inflation insurance sector provides cost effected peaceful solution for an individual.

SECP is playing vital role in the growth of the Insurance sector in Pakistan, keeping proper check and balance. SECP took initiative and introduced the Insurance Reform Roadmap for the betterment and growth of the Insurance Industry that's a positive step by SECP to promote the Insurance sector and to accommodate market changes and bring the local insurance industry on par with International Standards. Insurance companies have importance both for businesses and individuals as they indemnify the losses and put them in the same positions as they were before the occurrence of the loss. In addition, insurers provide economic and social benefits in the society i.e. prevention of losses, reduction in fear and increasing

The United Insurance of Pakistan Limited (UIC) is one among 6 largest insurance companies of Pakistan and member Company of United International Group (UIG). UIC performance contributes positively towards the growth of the Pakistan's economy as well Insurance

The United Insurance Company of Pakistan Limited (UIC) was incorporated on October 20, 1959, as a Public Limited Company under the erstwhile Companies Act 1913, Companies Ordinance, 1984 and now Companies Act 2017 in force. Its shares are quoted on Pakistan Stock Exchange Limited, UIC provides cost effective risk management solutions to its policy holders/Participants through quality service and significant Products.

The United Insurance has maintained IFS rating (AA) by Credit Rating Agency (PACRA) and IFS Rating Agency VIS (formerly JCR-VIS) also upgraded UIC to AA these ratings proving its stability and sustainability and Alhamdulillah growing in passage of time.

The Principal activity of the company is General Insurance Business and it qualifies as a domestic insurance company under Insurance Ordinance, 2000 and underwrites

workmen's compensation, erection all risk, fidelity guarantee, machinery and equipment, break down policy, employer's liability etc. The Fire and Property Damage segment compensate customers for damage suffered to their properties or for the value of property lost. The Marine, Aviation and Transport segment focuses on the loss or damage of vessels, cargo, terminals, and any transport of property by which cargo is transferred, acquired, or held between the points of origin and final destination. The Motor segment is involved in the protection against losses incurred as a result of theft, traffic accidents, and against third party liability that could be incurred in an accident. The Crop segment deals with financial protection against natural disasters, fire and lightening, and insect or pets attack on standing crop. The Miscellaneous segment covers engineering and livestock, personal accident, worker's compensation, travel guard, products of financial institutions and health insurance. To strengthen backbone of the company, UIC always try to select the world renowned Reinsures / Re-Takaful companies rated AA-/A+ by S&P and AM Best, Swiss Reinsurance Company, Zurich and Hanover are few of them.

UIC is pioneer in Window Takaful Operation through license Number 1 on August 18, 2014 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 a Shariah compliant segment of the insurance business. UIC providing shariah based products on purity basis UIC Window Takaful team develops products as per requirement of the market under strict guide lines of Company's Shariah advisor.

UIC has a wide network of branches, catering for all the major cities of Pakistan. At present the Company has more than 100 branches all over Pakistan and striving hard with promise to extend its coverage to other remote areas of country. The Company added online services which can easily be availed from anywhere at any time.

Corona virus pandemic opened new horizon of ideas to promote digital/online products and new venues of businesses.

UIC is urging and working out to adopt visual business strategies and to promote digital products. UIC aim is to fulfill expectations of its policyholder and participants and stands in market as an innovator.

Company's aim is to provide the best services and become a helping hand at the time of emergency. For the convenience of

### Leading with growth and customer trust – Adamjee Life

triding through the past 12 years, Adamjee Life's commitment to excellence is driven by its core values. The young company feels humbled with its spectrum of innovative and dynamic life insurance offerings and client centric ethos. This vision has led Adamjee Life to become one of Pakistan's fastest growing life insurance businesses in the corporate

The company has been registering exceptional growth in recent years which is a reflection of growing customer trust. Despite being a late entrant in the life insurance space, Adamjee Life's business model has garnered exemplary success and sustainable progress. This is further attributed to its customer centricity, robust business distribution model, technology and innovation as their core areas of focus. 'Driven by our company philosophy, Adamiee Life has focused on creating a culture that is geared towards becoming a trusted partner for all our customer and corporate partners and innovation, providing our clients the financial security and peace of mind through best-in-class products and services." said Jalal Meghani, Deputy Managing Director at Adamjee Life - an industry veteran who has been rated as CEO of the year at the 15th Consumers Choice Award in 2021. He further emphasized upon developing an organization that thrives upon customer's trust through mentoring the end consumers, creating cross-functional synergies and a technology-driven approach.

Adamjee Life recently evolved and realigned its company philosophy to stay more focused to transparent and exemplary sales practices blended with high quality need based products thus benefiting the policyholder and society at large.

The new philosophy and evolved vision is now center fold of all the practices at Adamjee Life in quest to be the most trusted partner and to educate customers in opting for life insurance product through constant education, easy to understand communication and approachable persona. Adamjee Life's new mission also sets the benchmark higher to create an environment that contributes to the economy by providing best in class financial solutions to more segments of the society.

The company has also been active on various CSR fronts by actively participating in betterment of healthcare, education and environmental infrastructure of the country.

Although driven by the uncertainties owing to the pandemic, Adamjee Life resiliently persevered and launched three online products - Covid Cover, Family Sehat and Pure Insurance. This was made possible through its technological infrastructure making attaining policies for customers efficient, via a process that is seamless and hassle free - delivered through an automated underwriting system.

Adamjee Life's expansive and growing business distribution network along with their omni channel support structure is the reason for this steady growth and loyal customer base. "Over the past decade, our business has expanded exponentially in terms of strategic partnerships with multiple preeminent commercial banks for our bancassurance products, online aggregators, and rapid expansion of our direct distribution channels. This has allowed us to

witness to double digit percentage growth consistently." Said Ali Haider who leads these initiatives in the capacity of Director Business Distribution at Adamjee Life.

The company has also understood the significance and rise of Window Takaful Operations - Adamjee Life's Takaful WTO supervised by renowned Shariah advisors and scholars - covers a robust 39% of the company's new business portfolio in a span

As customer centricity lies in the forefront of how they conduct business, Adamjee Life boasts over 90% customer satisfaction rates through their claim settlement ratios and introduction of CS 360 - an integrated customer experience model.

of only 5 years.

Adamjee Life also believes in offering value additions to its customers and has provided them with an exclusive customer loyalty card - Orbis - giving extensive discounts and offers to leverage from and also provides up to 100% reimbursement of admission fees, with many well-reputed educational institutes onboard.

Lastly, but most prudent of factors is the progressive culture and work ethic at Adamjee Life that thrives on empowerment and a participative environment, a trait that is revered about the company and a true embodiment of their core values - value creation, customer focus, respect, trust and transparency.

As one of the leaders in the life insurance arena, the future looks promising for Adamjee Life. With a keen eye for elevating customer trust coupled with their tenacious focus to remain on this strong growth trajectory, they will continue to create value that is par none for their

#### IAP EXECUTIVE COMMITTEE'S MESSAGE

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at 12% for filer and 24% for non-filer& 8% for corporate agents and brokers. Imposition of sales tax on agent commission has made this activity unviable for them.

Stamp Duty in Punjab to be rolled back The insurance Stamp duties in Punjab have been revised upwards through the Punjab Finance Act 2018, the duties have been increased by 230% which are going to be detrimental to the industry. It should be rolled back to the original levels with the basis of computing stamp made easier,

instead of sum insured it should be charged

on premium. Presently, in many instances

stamp duty calculation works out to be more

than the premium charged. Compulsory Motor Third Party

Motor third party insurance is compulsory in every country of the world including Pakistan via Motor Vehicle Act 1939 however its effective implementation is lacking for the past several years. Enforcement of this one type of insurance can alone protect people from on road risks and create an interface between 15-20 million people with the insurance industry. Currently due to lack of implementation there are thousands of uninsured vehicles and in the event of major accidents there is no effective recourse of financial support for the victims and the Government has to finance the compensations. In addition to providing adequate financial support it will create substantial tax income for the Government in the form of taxes on insurance premiums.

#### Compulsory Corporate Health Insurance

The SECP can make it mandatory for companies/employers to purchase health insurance for all their employees reducing the burden on government provided free health services

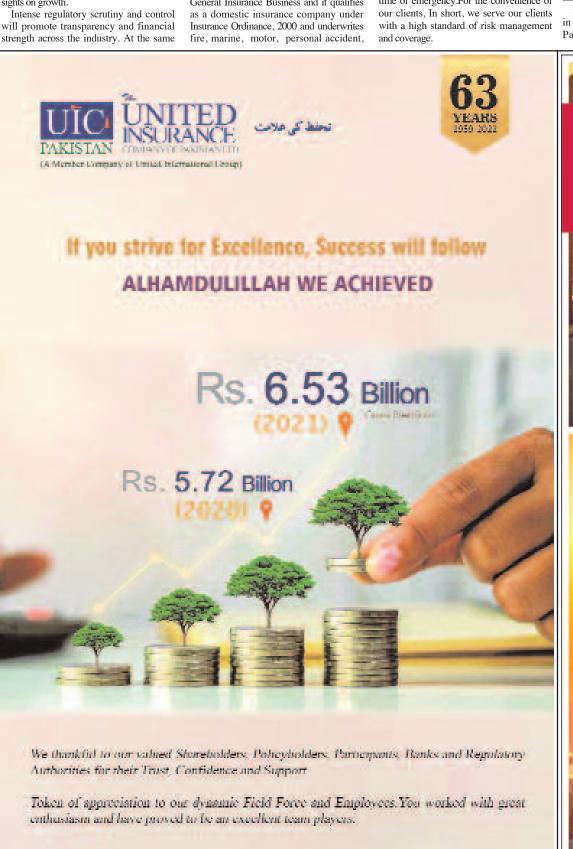
In order to encourage corporate health insurance, the government should also provide attractive incentives such as tax breaks to employers who choose to purchase health insurance for their staff. It will take away the load from state health institutions which can cater to those who cannot afford to purchase health insurance or who do not fall within the social health initiatives of the Government.

#### Compulsory Workmen Compensation/ Employers Liability Insurance

It goes without saying that the Workmen's Compensation Act is hardly adhered to thereby, exposing the vulnerable section of population to industrial injuries/fatalities. Compulsory workmen compensation insurance has the potential to alleviate the difficulties of the industrial and commercial workers.

Education & Capacity Building

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# INSURANCE & TAKAFUL DAY

9th February 2022

Pakistan Insurance Institute - A Premier Institute for the Professional and Personal Development of Insurance Professionals

akistan Insurance Institute (PII) was established in 1951 by the insurance fraternity of Pakistan to promote knowledgesharing and educational activities in the insurance industry. Given the importance of the insurance sector in Pakistan and the huge potential for its expansion and growth, Pakistan Insurance Institute has over the years made continuous and dedicated efforts for the development of qualified and competent insurance professionals in line with its vision of becoming a center of academic excellence in the discipline of Insurance/Takaful in

Pakistan Insurance Institute is also an affiliated member of the Chartered Insurance Institute (CII), UK, which is an international professional body

#### Sumair Siraj Memon CEO, PII

dedicated to building trust in the insurance and financial planning profession. As a CII member, the Pakistan Insurance Institute facilitates Pakistani candidates in registering for CII courses and exams, and also provides assistance to CII in conducting various examinations under the insurance qualifications framework.

Continuing Professional Development (CPD) is another essential area in which PII is working continuously to upgrade the knowledge base and enhance the skills of insurance professionals. The institute arranges insurance-related and

courses, workshops and seminars for insurance professionals on a regular basis. The institute conducts certification courses for insurance agents, surveyors, and Takaful operators, and also offers a one-year post-graduate diploma in insurance in affiliation with the University of

hosted an international conference on insurance every alternate year since 2010, which is a flagship event for the insurance industry. The theme for the last insurance conference, held in April 2019, was 'InsurTech and Microinsurance', which was a relevant topic in terms of creating awareness about technological advancements in the field of insurance and their impact on global financial markets.

Pakistan Insurance Institute has also

# management-related educational IGI LIFE VITALITY –

¬ here is no denying that you have greater peace of mind when you are aware that you and your loved ones are secured and

The insurance sector encourages the virtue of savings amongst individuals and generates a million employment opportunities especially in a country like Pakistan, where savings and employment are essential. This further leads to an element of trust that one always looks for when buying an insurance policy. In this scenario, it is important that your insurance partner is credible and has a sound market repute. IGI Life, being part of one of the most well-respected Business Groups in the country- the Packages Group- enjoys this trust. IGI Life has pioneered in Pakistan an innovative concept of additionally helping their clients enjoy a healthier, happier life. This they have done by launching IGI Life VITALITY, an insurance that inspires you to have an active and healthy lifestyle.

Guided by the single motive of making people healthier, VITALITY is the leader in improving health to unlock outcomes that matter. By blending smart tech, data, incentives,

and behavioral sciences, we inspire healthy changes in individuals and organizations. VITALITY brings a perspective through successful partnerships with the smartest insurers and most forwardthinking employers around the world. More than 20 million people in 30 countries engage in the VITALITY program. IGI LIFE VITALITY incentivizes you to maintain an active lifestyle in the form of weekly, monthly and annual

An Innovation in Insurance Sector

Highlighting the weekly active rewards, you have to reach your weekly physical activity targets and choose an Easy Tickets voucher to watch a movie for half the price OR a foodpanda voucher worth PKR 500. Both the vouchers are delivered on the IGI LIFE VITALITY App. Not only this, you can avail of up to 100% cashback on the Samsung smartwatch as your monthly active reward. Based on your VITALITY status, you qualify for the Integrated benefit on every policy anniversary. This benefit accrues annually and is credited into your account value on every 5th policy anniversary

IGI LIFE VITALITY provides you with access to activities and encourages you to improve your health on daily basis. Based on your

current health status, you will receive weekly physical activity targets which will eventually translate into targets based on your past performance.

We have an innovative "Know Your Health" component in the app which educates you on the lifestyle risks you may be exposed to. You can further keep a check on your health with "Vitality Health Check" a set of essential health screening and preventive tests including Body Mass Index (BMI), Blood Glucose, Blood Pressure and Total Cholesterol. There is a unique module of "VITALITY Health Review" that is used to evaluate general health, social and lifestyle

IGI LIFE VITALITY assesses the progress of customers through "VITALITY Nutrition Assessment" in which you are asked questions regarding your daily meals, lifestyle choices & food choices. After completing this questionnaire, you receive feedback and suggestions on how to improve your daily nutritional intake.

Insure yourself and your family today for a protected future with IGI LIFE VITALITY. Not only will you be taken care of in the future, but your today will also be healthy and

# Excellence Since 1932

→ FU is the largest insurer in Pakistan, offering Non-Life, Life and Health Insurances under EFU Group. The company operates through its large branch network across Pakistan.

Since its establishment in 1932, EFU has progressively established itself as a leader in the insurance industry. Offering a full spectrum of solutions to address the needs of our customers. The company is equally dedicated to serve not only large industry but also small and medium enterprises and Individual customers. EFU's legacy over the vears has been built on the confidence of its customers, and till today EFU remains the preferred brand for all Corporates, Commercial as well as individuals. This legacy has been built by total commitment.

EFU underwrites both conventional as well as Takaful line of business. The Takaful Window was launched in 2017.

EFU has a diverse portfolio with business written in all segments in the markets. One of the largest segment is of Textile which is the backbone of Pakistan's exports.

The company underwrites client business on the basis of risk evaluation seek flexibility and innovative approaches, and provide continuity and consistency through being backed by a strong network of nationally and internationally recognized reinsurers. EFU offers the ample capacity.

Through the strong financial position, with a crediting rating of B+ by A.M Best, the company provide the security clients need, especially during times of uncertainty and transition. From standard products to tailor-made coverage across all lines of business, we deploy our capital strength, expertise and innovation power to enable the risk-taking upon which enterprise and progress in society depend.

Pioneers In Power and Energy Projects Insurance in Pakistan

EFU was the first company to insure all

the Independent Power Plants (IPPs) that were set up in Pakistan under the 1994 power policy of the government. EFU has been involved in all major projects funded by the World Bank, International Finance Corporation (IFC), Asian Development Bank (ADB) and the Chinese lenders. The company also provides insurance cover to Chinese interests in Pakistan and is also insuring infrastructure construction risks to various CPEC projects. The range of CPEC projects insured by EFU includes coal power plants, hydro power plants, wind power plants and solar energy plants as well as longest highway development projects spreading over 500 kilometers.

The company is the pioneer of insuring Renewal Energy Projects in Pakistan. EFU has the privilege to insure the first Wind Power and Solar Power Plant in Pakistan set up under Government's Green Energy Initiative.

EFU General leads in providing coverages and solutions to the mainstream industrial sectors such as fertilizer plants, refineries, petrochemical, sugar mills, cement and auto industry.

#### Dedicated Risk Engineering Management Team

The company apply deep knowledge, experience, risk management tools and capital strength to anticipate and manage risk. A dedicated Risk Management Department manned by inspired and technically qualified and experienced engineers specialized in civil, mechanical, metallurgy, petroleum which works closely with the clients to identify various risk exposures by doing risk assessments of facilities, conducting process safety reviews, develop risk improvement measures and then provide specific insurance. This department have strong modelling capabilities and risk management tools to assess, quantify and actively manage EFU's

Claims Management Strategy

Throughout our history we have helped our clients withstand natural and man-made disasters, and economic crises. We've achieved this by living our core values of client centricity, agility, team spirit, passion to perform, and integrity.

EFU strength lies in its client centric approach on Claim Management. The approach to settlement primarily is to facilitate customers in speedy conclusions.

#### Awards and Other Achievements

EFU has been conferred the PSX Top 25 companies awards 2019 by Pakistan Stock Exchange. The Top 25 Companies Award is a tradition at Pakistan Stock Exchange which goes back to 1978. Historically, the best performing listed companies in Pakistan are awarded this distinction. The award testifies that EFU has out-performed others in the spheres of corporate governance, financial performance, and has added to shareholder value, based on specific quantitative criteria, amongst other factors, thus making to the Top 25 Companies List. The award takes into account the excellent performance metrics of EFU and recognizes the able guidance of its Board and qualified and competent management.

In addition, EFU has been securing the FPCCI award for the last eight consecutive years. This prestigious award recognizes EFU's exemplary performances across the industry that has positively contributed to the socio-economic development of the country. Among other awards, EFU has won numerous CSR awards, Fire and Safety awards & Environment excellence awards, hence recognized all over Pakistan for great commitment towards Public Health & Safety, energy conservation and contribution towards protecting the overall environment for greater sustainability, endorsing excellent HSE practices and performance in the field of fire safety and security.

#### IAP EXECUTIVE COMMITTEE'S MESSAGE

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The Government must create Insurance Education Institutes and strengthen the Pakistan Insurance Institute. The industry needs capacity building initiatives to improve skills of the existing workforce and ensure a steady supply of insurance qualified staff for industry expansion.

#### Consistent and Stable Regulatory Environment

With frequent changes in tax policy and regulatory requirements for the insurance industry, the sector is facing uncertainty and allied challenges in attracting investment for

growth and expansion.

For the past several years the industry is unclear on sales tax application on life insurance, health insurance, reinsurance and agent commission in provinces. The industry cannot effectively sell and market these products without their real price determination for customers.

On the regulatory side the Corporate Insurance Agents Regulations 2020 have been notified this year, followed by proposed changes in the existing Unit Linked Framework, ongoing IFRS-17 implementation and AML/CFT requirements. All of which signal that the

regulatory environment is becoming a source of instability and uncertainty that looks to impact both revenue growth and operating margins of the private sector.

The policy makers are not paying enough attention to the broader issue of the burden associated with quick and successive waves of regulatory changes. There is considerable amount of money and resources required to implement any change in regulations. The Regulators should develop a costbenefit analysis with every change of

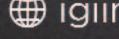








**L** +(92) 111 308 308



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