

# Insurance Matters

IAP IN-HOUSE NEWSLETTER



Issue 19

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2014

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- Insurance Day Celebrations
- Regulator Moots Comprehensive Insurance Reform Roadmap
- Key Financial Data
- Takaful Window Operations
- Cricket Event

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# IAP's ACTIVITIES



## INSURANCE DAY CELEBRATIONS

May 6, 2014

Following last year practice **IAP announced Insurance Day** which was observed on May 06, 2014. The Insurance Day celebrations left an effective message in public, institutions and media about importance of Insurance. This day also provided an opportunity to the insurance companies of Pakistan to show their integrity and identity through IAP jointure. Various programmes which follows were organized on Insurance Day:

### Special Supplements in Newspapers

- Dawn published 6 page special report on Insurance Day.
- Daily Nawi Waqt issued 3 page report with write-ups in Urdu.
- Business Recorder issued 4 page report.
- Crescent Star Insurance got published one page report in Express Tribune.

Member companies contributed write-ups and Ads in the supplements. Messages from the Commissioner Insurance, Executive Committee and articles were the main feature of the supplements.

### Press Briefing

- A press briefing was arranged on May 5th (1.00 to 3.00 p.m) at Karachi Press Club. It was attended by a number of journalists. Mr. Tahir Ahmed, Mr. Atiq A. Mahmudi, Mr. Ayaz Hussain M. Gad, Mr. Naim Anwar and Mr. Muhammad Rashid addressed the print and electronic media followed by Question Answer session.
- Insurance Day activities were covered by 25 dailies including leading newspapers.

### Talk shows on TV/Radio Channels (Business Plus and FM 101)

#### Business Plus

- A talk show was telecasted on May 5th with participation of Mr. Tahir Ahmed, Mr. Mahmood Lotia and Mr. Muhammad Rashid.
- Another talk show was telecasted on May 5th with participation of Mr. Naim Anwar and Mr. Kashif Naim.
- Talk show on May 6th included participation of Mr. Javed Ahmed and Mr. Asif Arif (Commissioner Insurance, SECP.)
- On May 6th an interview was telecasted with Commissioner Insurance, SECP.

#### FM - 101

- Broadcasted 1 hour (6.00 to 7.00 pm) program on 5th May. Panel included Mr. Tahir Ahmed, Captain Azhar Ehtisham Ahmed, Mr. Naim Anwar and Mr. Muhammad Rashid. Mr. Mahmood Lotia and Mr. Farazuddin Amjad were taken through telephone calls. Different insurance professionals were taken up online by the host for their comments.





# IAP's ACTIVITIES

## Panel Discussions at Universities/Institutes

Regarding awareness and career building through insurance, panel discussions were arranged through courtesy of Mr. Tahir Ahmed, Chairman, PII at Karachi University as follows:

**Commerce Department.** Group was led by Mr. Tahir Ahmed, Ms. Zehra Naqvi, Mr. Ayaz Hussain Gad, Mr. Fawad Habib, Mr. M. Vaqaruddin.

**Statistics Department.** Group was led by Capt. Azhar Ehtisham Ahmed, Syed Murtaza Ali Hasan, Dr. Mumtaz Hashmi, Ms. Farzana Siddiq and Mr. Kamran Mazhar.

## Hailey College of Business and Finance, Lahore (HCBF)

A panel discussion was organized by the Regional Committee of IAP and LII at HCBF. It was led by Mr. Nasar us Samad Qureshi, Mr. Mohammad Rahat Sadiq, Mr. Mohammad Ikram, Mr. Mohammad Khursheed (SLIC), Mr. M. Ishaque Khan (LII) and Prof. Farah Naz Naqvi (HCBF).

## Seminar at Al-Hamra Arts Council, Lahore

A Seminar was organized at Lahore by the Regional Committee of IAP and LII. It was presided by the Chairman IAP. The Commissioner Insurance, SECP was the Chief Guest. Mr. Nasar us Samad Qureshi, Mr. M. Rahat Sadiq, Mr. M. Ishaque Khan and Prof. Farah Naz Naqvi addressed the gathering of around 450.

## Walk for a cause

The Walk was arranged by SLIC on May 6th at Sea View, Karachi.

## Essay Competition|Topic 'How to increase Insurance Penetration'

69 entries were received from Adamjee Insurance, Alpha Insurance, Alfalah Insurance, Askari General Insurance, Century Insurance, Crescent Star Insurance, IGI Insurance, Jubilee General Insurance, New Hampshire Insurance, TPL Direct Insurance, UBL Insurers, United Insurance, American Life Insurance, Asia Care Health & Life Insurance, EFU Life Assurance and Jubilee Life Insurance. The following personnel has secured the top three positions:

1. **Mr. Waqar Malik**, 1st Position  
(Jubilee Life Insurance Co. Ltd.
2. **Ms. Huma Mansoor**, 2nd Position  
(Asia Care Health & Life Insurance Company
3. **Mr. M. Naveed Fayyaz** - 3rd Position  
Alfalah Insurance Company Ltd.

Cash prizes would be awarded to the 1st, 2nd and 3rd winners of the competition.



# IAP's ACTIVITIES



## Super Cricket Match

Super final match between the finalists of Lahore and Karachi teams was played at Vital Five Cricket Club Ground at DHA Karachi. The trophies were awarded by Mr. Tahir Ahmed / Mr. Atiq A. Mahmudi to Asia Insurance as Industry's Champion and EFU Life as runner up.

## T-Shirts for the Insurance Day

The IAP and member companies' employees throughout the day wore specially designed T-Shirts.

## Banners display

### ● KARACHI

Through courtesy of EFU General, Jubilee General and PRCL, hoardings and big banners were displayed at: Jubilee House, PRCL Building, Central Hotel Building and Shahrah-e-Faisal.

### ● LAHORE

Around 25 banners were displayed at city's prominent locations.



## IAP Rebrands Its Logo

This astutely designed logo has been created keeping in mind the positive role of the companies that constitute the Insurance Association of Pakistan (IAP). The finely built combination of bright colored boomerangs - that perfectly befits the logo as it's use as the dot of an 'I' signifies the dynamic nature of the companies who have combined on a single platform to ensure that the customers get peace of mind, stability and prosperity in their lives. The inward direction represents the Focused & committed approach to achieve this vital objective. This array of boomerangs also resembles a star that signifies sparkle and glow. The tagline 'Together We Assure' perfectly fits the above description.

The color blue denotes communication, trust and efficiency, which are the hallmark of all established and steadfast organizations belonging to the insurance sector.

## TELEPHONE NUMBER OF IAP REGIONAL OFFICE NORTH CHANGED

The telephone & fax numbers of IAP Regional Office North, Lahore have been changed as follows:

<b>Secretary / Surveyor</b>	042-37423760 042-35960095	<b>Office</b>	042-35040608
<b>Assistant Secretary</b>	042-37423783	<b>Fax Number</b>	042-27422775

## Highlights of ASIA Insurance Review

### **Oman: Takaful law in 'final stage'**

Oman's Islamic insurance laws is in the final stages of completion, according to the executive president of the Capital Market Authority (CMA).

### **India: Insurers propose limited-liability 3rd-party auto policies**

General insurers have proposed to the government to allow them to issue compulsory third-party (CTP) motor cover, with limited liability. For the high-risk commercial vehicle segment, an option for additional liability limit covers is proposed, which will provide a sum over and above the basic motor policy.

### **Global: Swiss Re report highlights 26 new emerging risks**

Swiss Re has released its SONAR report highlighting 26 new emerging risks, so as to provide a first indication of what might lie beyond the horizon so that preparations can be made for future challenges. Many of the risks could have cascading effects across areas and lines of business, said the giant global reinsurer.

### **Myanmar: Opening of insurance market may be delayed**

Myanmar may only allow foreign insurance firms to operate in the country in 2018, three years later than earlier signalled by the government, reported Channel News Asia. Currently, 12 local companies offer six types of basic insurance, including automobile and fire cover.

### **Pakistan: Room for improvement in new crop insurance scheme**

The Pakistani government has allocated PKR2.5 billion (US\$25.3 million) in its 2014-15 fiscal year for a crop insurance scheme - but farmers and experts say that the scheme has numerous loopholes, and they are concerned that it would not help those who need it most.

### **Bangladesh: Insurers lament government inaction in sector**

Bangladesh's insurance industry is seen as a neglected sector by industry players despite its enormous economic potential. This is because the industry does not rank high as a government priority, speakers at a recent seminar said.

Source: [www.asiainsurancereview.com](http://www.asiainsurancereview.com)



## PAKISTAN: REGULATOR MOOTS COMPREHENSIVE INSURANCE REFORM ROADMAP

The Securities and Exchange Commission of Pakistan (SECP), the country's financial regulatory agency, has proposed a comprehensive roadmap for the reform and development of the insurance industry in the country. The potential areas for reform include regulations, operational challenges in the life and non-life insurance sectors, market development, insurance education and awareness, and technology development.

In a statement, SECP said that globally, it has been observed that the business of insurance is experiencing dramatic changes that pose unprecedented challenges both to insurers and regulators. There is a need to seek greater efficiency through organisational and operational restructuring and a stronger focus on core competencies. There is also a need to preclude greater financial risks and uncertainties in the minds of various stakeholders.

Speaking at the unveiling last week of the roadmap, Insurance Commissioner Mohammed Asif Arif said that the pace of development is prompting numerous regulatory and market reforms. There is a compelling need to deliberate on policy and regulatory issues to accommodate market changes and bring the local insurance industry in line with international standards.

According to the SECP report, the operational challenges facing the industry relate to paid-up capital requirements, retention levels, pre-qualifications by various public organisations, cancellation of policy after expiry of risk, and the central bank State Bank of Pakistan's restriction on the issuance of insurance policies denominated in US dollars.

In life insurance, the challenges faced include the professional competency of insurance agents, information sharing among life insurers, regulatory support for automation of processes, investment portfolio transparency, the product approval process, voluntary pension products, rejuvenation of the State Life Insurance Corporation and regulation of postal life insurance.

Describing the country's insurance sector as underdeveloped, the report said that the insurance density in Pakistan was US\$8 in 2012 compared with US\$59 in India and US\$60 in Indonesia. The penetration rate has hovered at around 0.7 percent in Pakistan for the past decade, one of the lowest in the region.

The roadmap was prepared by a committee with diverse representation from the insurance, banking and business segments. There are 50 insurers in Pakistan comprising nine life insurers, 40 non-life insurers and one non-life reinsurer; 10 insurance brokers, of which four are foreign and six are local; and 244 authorised insurance surveying companies.

**Source: AIR eDaily | 03 Mar 2014**



## TAKAFUL WINDOW OPERATIONS

Pakistan introduced new takaful rules in 2012, allowing the use of takaful windows, which enables insurers to offer sharia-compliant and conventional products side by side, provided client money is segregated. However, the takaful companies mounted a legal challenge claiming that the rules gave conventional insurers an unfair advantage, leaving the industry in limbo.

In May 2014 an agreement reached with the country's takaful companies under which conventional insurers will have to allocate PKR50 million (US\$506,100) in capital to their takaful window operations, from no capitalisation requirement in the original rules.

The takaful rules will be applicable after a three-month period and the regulator would also amend them to allow takaful firms to co-insure risks alongside conventional players, which the initial rules had forbidden.

Takaful has been operated by dedicated Islamic insurance players without conventional competitors in Pakistan since the first rules were introduced in 2005, but regulators have been keen to increase insurance penetration. Takaful's share of the total insurance market is estimated at less than 5% and the entry of conventional players would help boost this figure.

Mr. Muhammad Asif Arif, SECP's Commissioner of Insurance, told the Dawn newspaper that due to their resources, capacity and reach, conventional insurance companies could venture into untapped areas and increase insurance penetration which at the moment is a 0.9% of the country's GDP. "With conventional insurers entering into takaful business, the share of the takaful industry in Pakistan can go up to 15% in the next three to four years," he added.

Conventional insurers which have window takaful operations must meet Sharia-compliant requirements including appointing a Shariah Adviser, Sharia Compliance Officer, External Shariah Compliance Auditor and a fit and proper Head of Window Takaful Operations. The funds of takaful would be segregated and separate accounts would have to be maintained under the window takaful operations.

Ref: Asia Insurance Review

## Takaful Session by SECP held at IAP Secretariats - Karachi & Lahore

A Window Takaful session was organised by the SECP Insurance Division both at IAP Offices in Karachi and Lahore, which was chaired by Messrs Muhammad Kashif Siddiquee, Joint Director & Jibran Paracha, Assistant Director sharing new development on Takaful Operations. The session lasted around 45 minutes and were followed by Q&A hours. The photographs below shows the speakers and attendants participating in the Takaful sessions.







# IAP MEMBERS' NEWS

## ADMISSION TO MEMBERSHIP

We feel pleasure in announcing that “**Takaful Pakistan Limited, Karachi**” has been admitted as the member to the Insurance Association of Pakistan. Their admittance as the new member of the association has been hailed and warmly welcomed by the insurance industry. **Dr. Syed Arif Hussain** is holding the slot of Company's Chief Executive Officer.

The address of the company is as follows:

**Registered Office:**

Plot No. 19-1-A, 6th Floor  
Business Centre, Block - 6  
PECHS, Shahrah-e-Faisal,  
Karachi-75400, Pakistan.

Tel : (92-21) 111-875-111  
Fax : (92-21) 34373195-6  
Email : [m.irfan@takaful.com.pk](mailto:m.irfan@takaful.com.pk)  
Web : [www.takaful.com.pk](http://www.takaful.com.pk)

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# IAP CRICKET TOURNAMENT 2014



## Cricket Event at Karachi

IAP's Cricket Coordination committee organised the Cricket Tournament 2014 in March this year at the Cricket ground of Karachi Parsi Institute. Many insurance companies participated in this exciting event. EFU Life and New Hampshire emerged as rivals for the final match. EFU Life won the final and New Hampshire marked as runner up of the tournament.

Participation awards were distributed to the contesting teams at the concluding ceremony. Awards were also distributed to players displaying good bowling, fielding, batting and exhibiting any exceptional action during the play. In the end trophies were given to winning team and runner up.

Various executives of Insurance industry were also present in this exciting match and applauded the teams with their presence.





# IAP CRICKET TOURNAMENT 2014



EFU - The Winning Team receiving trophy from Mr. Atiq A. Mahmudi



New Hampshire - Receiving runner-up trophy from Mr. Tameez-ul-Haq



Group Photograph of Winning Team - EFU



Group Photograph of Runner-up Team - New Hampshire



Mr. Atiq A. Mahmudi giving shield to Mr. Naim Anwar



Mr. Tameez-ul-Haq giving shield to Mr. N. A. Usmani



# IAP CRICKET TOURNAMENT 2014

Guests and executives of Insurance Industry watching the tournament



## "MetLife Alico Pakistan is now IGI Life"

### IGI, Packages Group announce re-entry into Life Insurance

IGI and Packages Group are pleased to announce re-entry into Life Insurance by acquiring majority stakes in MetLife's American Life Insurance Company (Pakistan) Limited (MetLife Alico) on 10th of April 2014. IGI was a prominent player in Life Insurance until 1972, when the entire Industry was nationalized and merged into Public Sector Corporation.

This was stated by Syed Hyder Ali, CEO, IGI Life on Tuesday at a local hotel while he was speaking at brand launching ceremony. On this occasion, a cake cutting ceremony was also held to celebrate the new company brand and logo. M Aminuddin, Dy CEO, Nadeem Malik, CMO, Taseer Vousaf Makhdoom, Agency Director, Departmental Heads, Ali Sher Mahar, regional head and agency managers were also present.

Haider Ali said that International General Insurance which re-branded to IGI in 2007 was incorporated in 1953 as a public limited company, Joint Venture with Alliance Plc, UK under the leadership of Syed Babar Ali as the founder Managing Director. IGI then wrote Life as well as Property & Casualty (General) Insurance business, which was allowed in those days. In a short span of time IGI became a household name in Life Insurance and was one of the leading players when nationalised.

IGI Insurance, flagship organisation of The Packages Group continued its journey as one of the leading General Insurers post 1972 and emerged as No. 1 Insurance Company terms of Market Capitalization in 2013. IGI has also maintained AA rating from PACRA for past 13 years, and its assets exceed PKR 13.5 billion. IGI has history of dealing effectively and efficiently with multinationals as a global network partner of Royal and Sun Alliance plc, UK, and IGI Life too will continue to be Global partner of MetLife as well as member of MAXIS Global Benefits Network to provide multinational solutions to MetLife and Maxis Clients, including pooling and captive arrangements.

The new "IGI Life" brings a unique combination of 60 years of integrity and financial strength of the Packages Group coupled with heritage and expertise of MetLife spanning over 140 years, serving 90 million customers in 45 countries. Packages Group is a prominent player in Industrial & Financial Sectors having Market Cap of PKR 36 billion, while shareholder's equity exceeds 42 billion.

This acquisition accelerates our growth strategy and marks IGI's entry into life-insurance and employee benefits business. This will diversify our product mix, distribution channels and outreach through Banc assurance and Captive Field Force spread across 11 cities and over 25 sales offices. This occasion earmarks a new era of innovation, integrity, professionalism and commitment to excellence.

*Business Recorder : 25-06-2014*

## OBITUARY

### Najib Nasir Syed is no more with us

Having started his career in 1987 after graduating from New York with MBA from the College of Insurance. Mr. Najib Nasir Syed held key managerial positions with Adamjee Insurance Company. He also served as Joint Director in State Bank of Pakistan in the Banking Policy Department. He served as Chief Operating Officer with UBL Insurers.

Mr. Najib Nasir Syed was assassinated on 10th May, 2014 near his residence. The Insurance industry mourn his death with deep sorrow and grief and offered Fatiha and prayed to Almighty Allah that the departed soul may rest in peace. He was paid tribute in recognition of his services to the insurance industry and to IAP as Chairman, Property Committee.



# IAP MEMBERS' NEWS

## APPOINTMENTS / RESIGNATIONS

- **Mr. Sohail Najam Kidwai** has been appointed as new Chief Executive Officer of Shaheen Insurance Company after getting approval from Securities & Exchange Commission of Pakistan.
- The Board of Directors has appointed **Ch. Mazhar Zahoor** as "Company Secretary" of The Pakistan General Insurance Co. Ltd. w.e.f. 18th February, 2014
- **Mr. Ayaz Hussain M. Gad**, Executive Director (BD/RE) of PRCL who after retirement from PRCL on 21st February, 2014 had joined East West Insurance, has now joined J B Boda & Co. (S) Pte Ltd., Singapore as their Executive Director w.e.f. 1st July 2014 and he will represent Boda & Co in Pakistan. J. B. Boda Singapore has been servicing Pakistan market since 1998 on both treaty and facultative business and have crossed many milestones during their presence in Pakistan.
- **Mr. Ahmed Salahuddin** who had been working with PICIC Insurance as Managing Director / CEO for more than a decade has left the company on 31st August, 2014. In the above slot, the new Managing Director / CEO, **Mr. Afroz Quraishi** has been appointed with effect from September 01, 2014.
- **Mr. Tahir Masaud** has been appointed as the CEO of IGI Insurance. He has assumed the responsibilities with effect from September 01, 2014.
- **Mr. Shariq Abdullah**, CEO has left UBL Insurers and now the company is being headed by **Mr. Babar Mahmood Mirza** as Acting Chief Executive Officer.

## TPL DIRECT RELOCATED ITS HEAD OFFICE

TPL Direct Insurance has been shifted to a new location at the following address:

**11th & 12th Floor, Centrepont, Off Shaheed-e-Millat Expressway,  
Near KPT Interchange Flyover, Karachi, Post Code: 74900  
Tel: +92.21.34322507-12, +92.21.343 22555 | Fax: +92.21.343 22516**



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