

PROCEEDINGS OF THE SIXTY SECOND

ANNUAL GENERAL MEETING

OF

THE INSURANCE ASSOCIATION OF PAKISTAN

HELD ON

23RD SEPTEMBER 2023

AT

4TH FLOOR, IAP HOUSE, 5C, NISHAT LANE 1
DHA, PHASE VI, KARACHI

(For the use of Members of the Insurance Association of Pakistan only)

THE INSURANCE ASSOCIATION OF PAKISTAN

Proceedings of the Sixtieth (62nd)
Annual General Meeting held on 23rd September 2023
at 4th Floor, IAP House 5C, Nishat Lane 1
DHA, Phase VI, Karachi

The 62nd Annual General Meeting of the Members of the Insurance Association of Pakistan was held at the 4th Floor, IAP House, 5C, Nishat Lane 1, DHA, Phase VI, Karachi and over video link on Saturday, 23rd September, 2023, at 12:30 P.M.

Mr. Mohammad Hussain Hirji, Chairman IAP, Chaired the meeting. The following Member Companies of the Association were represented: -

	<i>NAME OF MEMBERS</i>	<i>REPRESENTATIVES</i>
01.	Adamjee Insurance Company Ltd.	Mr. Tameez ul Haq (Through Video Link)
02.	Alfalah Insurance Company Ltd.	Mr. M. Naveed Fayyaz
03.	Alpha Insurance Company Ltd.	Mr. Muhammad Irfan
04.	Askari General Insurance Company Ltd.	Mr. Shafiq Pasha
05.	Atlas Insurance Ltd.	Mr. M. Waqaruddin Rauf (Through Video Link)
06.	Century Insurance Company Ltd.	Mr. Mohammad Hussain Hirji
07.	Chubb Insurance Pakistan Ltd.	Mr. Nabeel Turabi (Through Video Link)
08.	Co-operative Ins. Society of Pakistan Ltd.	Mr. Liaqat Ali Khan
09.	EFU General Insurance Ltd.	Mr. Altaf Q. Gokal
10.	Habib Insurance Company Ltd.	Syed Ather Abbas
11.	Jubilee General Insurance Co. Ltd.	Mr. Nawaid Jamal
12.	Pak Qatar General takaful Ltd.	Mr. Saqib Zeeshan
13.	Reliance Insurance Company Ltd.	Mr. Ghulam Haider (Through Video Link)

14.	Security General Insurance Co. Ltd.	Mr. Hafiz Khurram shahzad (Through Video Link)
15.	United Insurance Co. of Pakistan Ltd.	Mr. Muhammad Rahat Sadiq (Through Video Link)
16.	Universal Insurance Company Ltd.	Mr. Liaqat Ali Shaukat (Through Video Link)
17.	Adamjee Life Assurance Co. Ltd.	Dr. Bakht Jamal
18.	Askari Life Assurance Co. Ltd.	Mr. Atif Shamim Syed (Through Video Link)
19.	EFU Life Assurance Ltd.	Mr. Mohammed Ali Ahmed
20.	Jubilee Life Insurance Co. Ltd.	Mr. Omer Farooq
21.	Pak Qatar Family Takaful Ltd.	Mr. Nasir Ali Soomro

The following Members were not represented: -

01. *Crescent Star Insurance Co. Ltd.*
02. *IGI General Insurance Ltd.*
03. *New Hampshire Insurance Company*
04. *Shaheen Insurance Company Ltd.*
05. *TPL Insurance Ltd.*
06. *Salaam Takaful Ltd.*
07. *TPL Life Insurance Limited*
08. *Asia Insurance Company Limited.*
09. *East West Insurance Company Limited.*
10. *Pakistan General Ins, Company Limited.*
11. *Premier Insurance Limited.*
12. *Sindh Insurance limited.*
13. *UBL Insurers Limited.*
14. *National Insurance Company Limited.*
15. *EFU Health Insurance Limited.*
16. *IGI Life Insurance Limited.*
17. *State Life Insurance Corp. Of Pak.*
18. *5th Pilar Family Takaful Limited.*

The Meeting commenced with the recitation from the Holy Quran by Mr. Aftab Khan of IAP.

The notice for convening the Meeting (as per Circular No. C-15 dated 31st August, 2023) was taken as read.

With regard to the First Item of the Agenda, Mr. Altaf Q. Gokal of EFU General Insurance proposed the following Resolution: -

“I, Mr. Altaf Q. Gokal of EFU General Insurance have the pleasure to propose that the audited financial statements of the Association for the year ended 30th June 2023 together with the Auditor’s and Executive Committee’s Report be approved and adopted.”

The above Resolution was seconded by Mr. Tameez ul Haq of Adamjee Insurance.

There being no comments or questions, the Chairman placed the Resolution before the Meeting and declared it carried unanimously.

With regard to Second Item of the Agenda, the Secretary General updated members that after Ministry of Commerce changes made in DGTO Rules for term of office bearers on all associations to now be two years in place of one year, no elections at IAP were held this year based on the legal advice received by IAP.

With regard to Third Item of the Agenda, Mr. Saqib Zeeshan of Pak Qatar General Takaful proposed the following Resolution: -

“I, Saqib Zeeshan of Pak Qatar General Takaful have the pleasure to propose that the Scale of Levy for the year 2023-24 as set out in Circular No. C-6 dated 19th August 2023, be and is hereby adopted and confirmed that Levy under Article 29(b) may be collected at the rate of 0.12% of Gross Direct Premium/Contribution written inside Pakistan subject to minimum of Rs. 100,000/- and maximum of Rs. 2,000,000/-.”

This was seconded by Dr. Bakht Jamal of Adamjee Life.

There being no comments or questions, the Chairman placed the Resolution before the Members and declared it carried unanimously.

With regard to Fourth Item of the Agenda, Mr. Nawaid Jamal of Jubilee General Insurance proposed the following Resolution: -

“I, Nawaid Jamal of Jubilee General Insurance propose that M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants be and are hereby appointed Auditors of the Association to act as auditors of the Association for the year ending 30th June 2023 at a fee to be mutually agreed.”

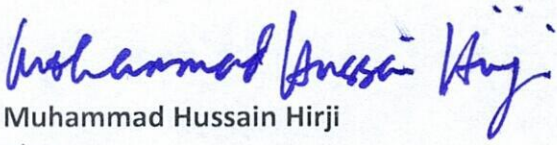
This was seconded by Mr. Omer Farooq of Jubilee Life.

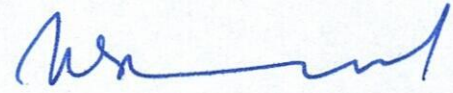
There being no comments or questions, the Chairman placed the Resolution before the Meeting and declared it carried unanimously.

With regard to Fifth Item of the Agenda, the Chairman informed the members that no notice of any Resolution has been received.

The Chairman thanked the Members and declared the Meeting as closed at 1:00 p.m.

Thereafter the Chairman addressed the meeting as per the speech appended to these proceedings.


Muhammad Hussain Hirji
Chairman


N A Usmani
Secretary General

Karachi, 23rd September, 2023

Proceeding AGM -2023

THE INSURANCE ASSOCIATION OF PAKISTAN

SPEECH OF

CHAIRMAN-IAP

at

62nd Annual General Meeting of
The Insurance Association of Pakistan
On Saturday, 23RD September 2023, 12.30 p.m.
at the IAP House, Plot No. 5C, Nishat Lane 1
DHA, Phase VI, Karachi

Bismillah hir Rehman nir Raheem

Dear Members,

Asslam-o-Alaikum

It has been a great honor for me to be the Chairman of the Insurance Association of Pakistan this year. I would like to appreciate the efforts and dedication of the members of the Executive Committee in addressing industry issues and matters brought to our attention.

Our nine Life Insurance and Family Takaful members including State Life Insurance Corporation posted a growth of 4% and achieved Rs. 291 billion worth of premium/contribution in 2022. On the other hand, twenty-nine non-life member companies grew by 18% and achieved a premium income of Rs. 133 billion.

The Executive Committee together with its sub-committees i.e, Regional Committee and Technical Committees worked on various issues pertaining to the industry. I would like to highlight some of the important matters that were addressed.

1. An IAP delegation met Minister Commerce, Syed Naveed Qamar in Islamabad on 13th April 2023 through the courtesy and efforts of Mr Khalid Hameed of the National Insurance Company. We drew his attention towards the pending issues of sales tax on reinsurance, challenges in remitting payments to foreign reinsurers, proper usage of the Federal Insurance Fee, withdrawal of income tax credit on life and health insurance, as well as sales tax on life and health premiums and on agent commission.

Minister Commerce assured us of his assistance but with budgetary constraints faced by the Government we unfortunately were not able to secure any relief through the Finance Bill 2023.

2. An IAP delegation met Chairman SECP, Mr. Akif Saeed and the then new Commissioner Insurance Mr. Mujtaba Ahmad Lodhi at SECP Karachi on 6th January 2023. The delegation included the CEOs of most of the insurance companies and brought to the notice of the Chairman, SECP, all of the major issues facing the insurance industry.
3. In December 2022, the Honorable President, Dr Arif Alvi presided over a series of meetings at the President House to discuss ways to enhance coverage under the State

Bank of Pakistan's Crop Loan Insurance Scheme following the devastation caused to crops during the 2022 floods. The meetings were attended by people from various government departments as well as representatives from the insurance industry including myself from the IAP. This is still work in process.

4. An IAP delegation met with the Chairman, Sindh Revenue Board and his team in January 2023 to discuss the issue of sales tax on reinsurance. The industry has not yet received relief from the Honorable Sindh High Court where the imposition of sales tax on reinsurance has been challenged while the tax liability on the industry continues to be compounded. We will again be meeting SRB soon and hope a waiver for past liabilities will be granted.
5. An IAP delegation again met the SRB in June 2023 to discuss the issue of non-uniformity of rules relating to sales tax on agent commission across provinces. The SRB was kind enough to revisit Rule 6(1) and issue necessary corrections.
6. In February 2023, IAP attended a seminar held by the Federal Insurance Ombudsman at and the Banking Mohtasib on bancassurance presided over by the Honorable President Pakistan, Mr. Arif Alvi. Earlier, in January, the FIO had organized an industry lunch at Karachi Gymkhana, attended by the representatives of the various regional offices of the FIO.
7. In January 2023, the IAP requested the SECP, on the request of some of its members, for relaxation in the rating requirement of treaty reinsurers as these companies were finding it difficult to place 80% of their treaties with A rated reinsurers. Thereafter, the SECP graciously agreed to reduce the requirement of a rated reinsurers to 60 %, 30% with BBB rated and 10% with B rated reinsurers.
8. SECP led a series of meetings with IAP and PRCL to help reach a workable solution to the issue of reconciliation of balances between PRCL and insurance companies. Mechanisms for future payments and settlements were agreed upon.
9. This year IAP had taken the responsibility to help the industry adopt a "Standard Accounting Procedure for Recording Coinsurance Transactions" with the objective of streamlining industry wide balance reconciliation in future. This was necessitated after the audit challenges faced by members this year and commitments made by IAP to the SECP. After extensive deliberations at IAP, it has been advised that members may adopt either of the two sets of coinsurance accounting procedures shared based on their accounting practice and preferences. Members are encouraged to improve information sharing in coinsurance business, to help the industry mitigate re-occurrence of reconciliation challenges in future.
10. IAP took up the issue of delayed remittance of reinsurance premiums and the survey fees of international claims settling agents with the SECP as well as with the State Bank of Pakistan at the policy level and on a case-to-case basis and relief was obtained for members on several occasions.
11. In December 2022, the SECP shared a concept paper on Risk Based Capital regime and requested feedback of member companies. The Pakistan Society of Actuaries were requested to brief IAP members on the impact and benefits of transitioning to a risk-based capital regime. The SECP on 20th June 2023, conducted a briefing for IAP

members at IAP House on the RBC concept paper, the need for transitioning away from the existing solvency regime to RBC and some lessons from other markets where this regime is practiced.

12. In February 2023, NADRA introduced a new feature in CNIC verification through VERYSIS, requiring user consent to be obtained through confirming an OTP (One Time Password) sent to the user's registered mobile number. This feature was temporarily disabled when industry concerns were shared with SECP on the proposed mechanism. SECP communicated our suggestion to NADRA that consent can be obtained at the time of client on-boarding. However, at this point, only a temporary exemption has been granted and SECP is trying to arrange a meeting of IAP with NADRA to discuss challenges faced by the industry with this possible VERISYS change.
13. IAP cricket tournament was held in February 2023 with 16 companies participating. The final was held in Karachi and was won by Salaam Takaful.

Finally, I would like to thank my colleagues in the Executive Committee, members of the Regional and Technical Committees, the staff of the IAP Secretariat and all member companies for their hard work and wholehearted support of our projects and activities. We also thank the Federal Insurance Ombudsman's (FIO) office for the role it is playing in helping to improve the image of the insurance industry. Special thanks are also due to SECP's Insurance Division for their patronage and support without which it may not have been possible for us to achieve our goals.

Thank you and may Allah Subhana wa Ta'ala bless you all.