

SUMMARY OF THE ACTIVITIES OF ACCIDENT SUB COMMITTEE



Syed Haider Hassan
Chairman



Mr. Waqaruddin Rauf
Vice-Chairman



Mr. Muhammad Waqas
Member



Mr. Tariq Mushtaq
Member



Mr. Aneel Ahmed Khan
Member



Mr. Zeeshan Nusrat
Member



Mr. Atif Saleem Ghazi
Member

Summarized below are the major activities of the Subcommittee during the year.

1. Statistics

Recognizing the importance of data for meaningful analysis of risks, and overall portfolio management, the Committee engaged in the following areas of statistical work:

- **Graphical Presentation of the Reports of Private Cars**

To update the member companies on the important periodical reports generated by the IAP online Claims Management System, graphical presentations of the claim reports (make wise, make & sub make wise

and city wise) highlighting the top-5 claims for the period January to December 2024 were shared with members.

- **Summary of Snatched/Stolen Vehicles with Tracking Devices**

Summarized data of snatched/stolen vehicles fitted with tracking devices for the last five years (2020 to 2024) was reviewed and finalized by the Committee and circulated to member companies for information.

- **Summary of Motor Statistics for the year 2024**

Summary of Motor Insurance business

extracted/compiled from member companies' annual reports was reviewed and finalized by the Committee and posted on IAP website.

• **Sindh Excise and Taxation Department's request for a Motor Third Party MTP Insurance proposal**

Sindh Excise and Taxation Department's (SETD) requested IAP to submit a Motor Third Party MTP Insurance proposal, the following working group was formed to finalize an industry proposal.

1. Senior Vice Chairman IAP, Mr. Muhammad Hisham, IGI Insurance
2. Vice Chairman IAP, Syed Ather Abbas, Habib Insurance
3. Chairman IAP Accident Committee, Syed Haider Hassan, Adamjee Insurance
4. Vice Chairman IAP Accident Committee, Mr. Waqaruddin Rauf, Atlas Insurance
5. Mr. Azfar Arshad, Jubilee General Insurance
6. Mr. Imran Ahmed, EFU General Insurance
7. Mr. Muhammed Amimuddin, TPL Insurance
8. Mr. Usman Ghani, NICL

On 17th June 2025 IAP submitted a proposal to SETD with consultation of members, salient aspects of the proposal were as follows

The Current Challenges in Road Traffic Accidents

- No compensation to Road accident victims in Pakistan is a harsh reality.
- Though legislation under the Motor Vehicle Act 1939 mandates compulsory insurance affected parties often remain uncompensated due to:
 - o A large number of Act Only policies being issued by unauthorized or fake insurers, with no claims being honored

- o A complex and time-consuming legal process to establish liability before any compensation is paid.

- In commercial vehicle cases, even when liability is confirmed, compensation is capped at PKR. 20,000, offering little relief to victims.

Third Party No-Fault Liability - A Simplified Compensation Model

Third-Party No-Fault Insurance is a compulsory motor insurance coverage under which;

- the insurer pays a pre-defined compensation to third parties who suffer bodily injury or death due to a road traffic accident
- No proof of legal liability or fault on the part of the insured needs to be established

This coverage is designed to ensure timely financial relief to accident victims or their legal heirs, regardless of who caused the accident, thereby eliminating delays and complexities associated with establishing fault through legal proceedings.

Uniform and pre-agreed compensation (PKR):	Death: 500,000 / Bodily Injury: up to 500,000
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- Policy issuance facility available at all Sindh Excise and taxation offices through Tech Partner along with all IAP members companies offices & their pre-arranged channels.
- Designated centralized call center for faster claims service
- “ Direct payment to victims or their legal heirs by the insurer.
- Enables predictability and fairness in compensation across all cases.

Key Highlights of the MTPL Insurance Initiative

- Insurance Industry joins hands with Government of Sindh to provide adequate financial protection to road traffic accident victims;
- First in Pakistan impact model to support families of road traffic accident victims led by Government of Sindh
- Improves financial inclusion in Pakistan and particularly Sindh with support of Government of Sindh
- Centralized Motor Insurance Repository for real time verification of vehicle's insurance status, accidents and related casualties
- Hassle free MTPL policy issuance through facilitation desks at Excise & Taxation Offices across Sindh along with real time integrated platform
- Round the clock Claims & Complaints management contact center
- Industry to support the entire infrastructure for on-boarding and servicing the MTPL policyholders
- Public awareness campaigns to improve understanding and showcase importance of the initiative
- Transparency in claims payments and monitoring of TATs - reporting to GoS
- Additional tax revenue from MTPL Insurance for SRB and Stamp duty

Claims Process

The claims process shall commence only upon receipt of a formal intimation from either:

- The insured (policyholder),
- Victim of a RTA
- Legal heir of a RTA casualty or
- The relevant law enforcement authorities (such as Traffic Police, local Police Station, etc.).

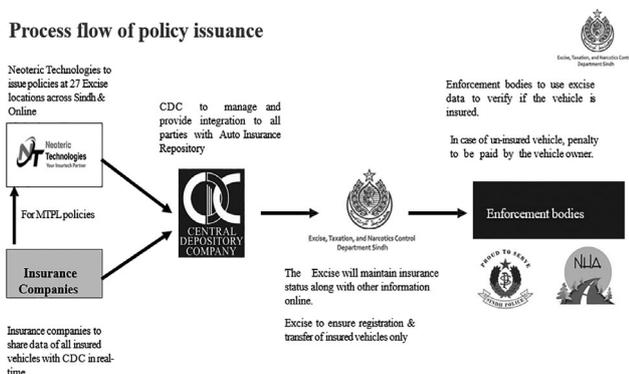
Intimations received directly from victims, legal heirs, or any third party shall not be entertained unless when routed through the insured or and verified by law enforcement agencies.

At the time of intimation, the insurer shall require basic information including:

- Accident Date, Time, and Location
- Insured Vehicle Registration Details
- CNIC copy of the Insured (if available)
- CNIC copy of victim of RTA
- CNIC copy of legal heir in case of death in a RTA
- Copy of the Traffic Police Accident Confirmation Report (if immediately available)

Upon receipt of valid intimation, a Claim Reference Number shall be assigned promptly, and preliminary claim data shall be recorded in the insurer's claims management system.

Process flow of policy issuance



Surveyor Appointment

The Insurance company will appoint a surveyor for assessment of loss

Tax Proposals

The Sindh Revenue Board's 15% sales tax on all motor insurance policies was requested to be reduced to 5% and Stamp Duty to be reduced from Rs. 500 to Rs. 50. Both the proposals were accepted by the Government of Sindh.

Proposed Premium per vehicle category

Vehicle Category		Risk Premium offered on May 22, 2025	Revised Risk Premium June 17, 2025
Motorcycles			
	Up to 125cc	600	570
	Up to 500cc	2,400	2,270
	Above 500cc	4,200	3,940
Cars	Up to 1000cc	2,400	2,270
	Up to 1500c	4,200	3,940
	Up to 2000cc	6,000	5,610
	Above 2000cc	9,000	8,390
Passenger vehicles	Cabs / Taxis	6,000	5,610
Motor Rickshaws	Multi Passenger vans	9,000	8,390
Buses/ Mini Buses	Three wheelers	1,200	1,150
	Up to 30 seats	15,000	11,180
	31-52 seats	15,000	11,180
	Over 52 seats	20,000	11,180
Trucks	Trucks	18,000	16,750
	Long Wheel Trucks	18,000	16,750
	Trucks - Dangerous		
	Goods/POL	30,000	22,000
Tractors			
Pick-ups, Delivery vans	Business/Private	1,200	1,150
		4,200	3,940

Other Matters

- To address Motor Coinsurance issues, accident committee is drafting guidelines for members which will be shared soon.
- EV clause is also being drafted to be part of all EV motor policies, draft clause will be shared soon.

• Circulars

The following Circulars were issued by the Committee during the year (2024-2025).

- I. IAP online Claims Management System, Graphical Presentation of the Reports of Private Cars for the period from 1st January to 31st December, 2024