

SUMMARY OF THE ACTIVITIES OF MISCELLANEOUS SUB COMMITTEE



Mr. Asif Ahmed Khan
Chairman



Mr. Athar Maqsood Paracha
Vice-Chairman



Ms. Fatima Bano
Member



Mr. Asim Rasheed
Member



Mr. Nadeem Irshad
Member



Mr. Mudassir Abbas
Member



Mr. S.M. Ali Zaidi
Member

Summarized below are the major activities undertaken by the Subcommittee during the year 2024-25.

1. Statistics

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

- **Summary of Health Insurance Business**

Data from life and non-life members for health insurance business was collected and the summary made available to the members for the year ended 31st December 2024. The summary presents findings classified into inpatient and outpatient coverage by life and non-life insurance companies against the lives covered, gross premium and their claims data.

- **Summary of Micro-Health Insurance Business**

Data from life and non-life members for micro-health insurance business was collected and the summary made available to the members for the year ended 31st December 2024.

- **Summary of Crop and Livestock Loan Insurance Business**

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

- **Summary of other crop insurances**

To gather statistical insights into crop insurance products underwritten by members the committee

had enhanced the existing IAP data collection into three areas last year

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

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

- **Summary of Bond/ Guarantee Business**

The combined data pertaining to all bond business i.e. bid bonds, performance bonds, mobilization advance bond or any other bond/ guarantee business was requested from members and the summary made available to the members for the year ended 31st December 2024.

- **Summary of Travel Insurance Business**

In 2022 the Committee had introduced data collection of travel insurance for both domestic and international travel with details carrying number of policies, passengers covered, premium/ contribution, number of claims and amount of medical & non-medical claims.

The summary of collected data was made available to the members for the year ended 31st December 2024.

2. SBP CLIS Recommendations

Last year SBP had requested SECP and IAP to help improve the existing Crop Loan Insurance Scheme (CLIS).

Following IAP comments were sent to SBP on 5th December 2024

- CLIS is playing an important role in improving financial inclusion of farmers and their access to financing, CLIS should not be abruptly discontinued.
- The existing calamity declaration trigger to be coupled with acceptable technology based loss identification solutions such as satellite imagery and mapping to improve claim payouts.
- Industry is also willing to explore new solutions for crop insurance to become part of CLIS
- The CLIS can be enhanced and a working group should be formed for further discussions
- To build climate resilience and protect farmers all argi-financing (even beyond CLIS) provided by banks needs to be mandatorily insured

Subsequently Miscellaneous Subcommittee held a meeting on 2nd May 2025 with industry representatives and the draft comments were finalized to be submitted.

Members not part of Miscellaneous Committee but invited to the discussion

1. Mr. Pervaiz Rasool - Adamjee Insurance
2. Mr. Ahmer Shoaib - Adamjee Insurance
3. Dr. Zeeshan Haider - Adamjee Insurance
4. Mr. Mudassir Abbas - Security General
5. Ms. Saba Asif - TPL Insurance
6. Akif Zia Malik - TPL Insurance
7. Mr. Zulfiqar Ahmed- Head of Agri United Insurance
8. Ms. Huma Waheed- Director United Insurance
9. Mr. Asim - Habib Insurance

Following are the consolidated recommendations of Misc. Insurance Committee to improve existing Crop Loan Insurance Scheme (CLIS).

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- i. Additional risk perils i.e. Heat wave & strong winds can be reviewed and should be subject to issuance of calamity declaration by competent government authorities or revenue authority.
 - ii. Basis of Indemnification: The basis of indemnification should remain the outstanding loan amount per borrower since CLIS is the loan program. However, for the purpose of verification/ evidence of outstanding loan should be provided by the bank.
 - iii. Area Yield Index Insurance (AYII): Area Yield Index is a different mode of crop insurance hence CLIS and AYII cannot be submerged. Secondly there should be gradual transition towards AYII based on the availability and evaluation of the data.
 - iv. Crop Loan Insurance Scheme to be made fundamentally mandatory for all subsistence and non-subsistence farmers. Loan shouldn't be disbursed without procuring insurance.
 - v. Forming a pool: We agree to have a Crop Insurance pool for the betterment of farmers and insurance industry.
 - vi. The current premium rate is maximum 2% per crop per season inclusive of taxes. For the overall benefit it should be a minimum rate and not maximum.
 - vii. Adding of additional crops (which are frequently sowed and harvested) should be considered.

Other Matters

- Travel Insurance for Turkey and KSA
- Market Price Index Insurance for Cotton Growers in Punjab
- PBA led discussion on Social Engineering Fraud covers
- Subcommittees for health and crop to be recreated

List of Circulars

The following circular on the subject mentioned below was issued by the Committee during the year 2024-2025.

- i) Statistics of Health Insurance, Micro Health Insurance, Bond/Guarantee, Crop Loan & Livestock Loan Insurance for the year (quarterly basis)