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July, August, September 2013

Inside:

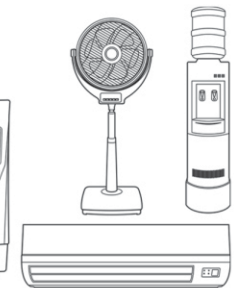
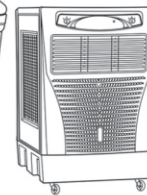
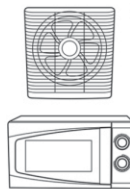
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- Strategic Partnership
- Financial Highlights
- Workshop
- Legal Section





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info@eastwestinsurance.com.pk
Web: www.eastwestinsurance.com.pk

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Karachi Office:

No.63, Noor Chamber, Robson Road,
Karachi - Pakistan.

Tel: +92-21-32217184

Islamabad Office:

M. Tahir Amaan (+92-334-8689168)
Office Manager

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G.T.Road, Gujranwal-Pakistan

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E-mail: beeta@brain.net.pk

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Company	Paid up Capital (Rs. In Million)	Face Value Rs.	Highest Rate Rs.	Lowest Rate Rs.	Turnover of Shares	Announcement During the Quarter
Adamjee Ins. Co. Ltd.	1,237	10.00	89.89	67.81	89,876,500	
American Life Ins. Co. Ltd.	500	10.00	34.55	21.75	198,500	
Asia Ins. Co. Ltd	300	10.00	-	-	-	
Askari General Ins. Co. Ltd.	388	10.00	24.60	14.50	4,162,000	
Atlas Ins. Co. Ltd	638	10.00	50.00	35.10	1,234,000	
Beema Pakistan Co. Ltd.	417	10.00	-	-	-	
Business & Industrial Ins. Co.	86	10.00	-	-	-	
Century Ins. Co. Ltd.	457	10.00	15.40	11.20	392,000	
Crescent Star Ins. Co. Ltd	121	10.00	9.00	4.50	181,500	Right Issue = 275% at a Discount of Rs.4/- Per Share
Cyan Insurance co. Ltd	586	10.00	62.90	47.50	2,161,500	
EFU General Ins. Co.	1,250	10.00	100.10	81.05	1,126,500	
East West Ins. Co. Ltd.	332	10.00	-	-	-	
East West Life Assurance Co. Ltd.	500	10.00	10.68	4.25	442,500	Right Issue = 18.75% at Par
EFU Life Assurance Ltd.	1,000	10.00	86.00	74.00	381,000	
Habib Ins. Co. Ltd.	495	5.00	14.05	11.01	1,753,000	
Hallmark Ins.	5	10.00	-	-	-	
IGI Ins. Ltd	1,115	10.00	158.99	99.50	2,811,000	
Jubilee Life Ins. Co. Ltd	627	10.00	95.00	86.75	625,000	
Jubilee General Ins. Co. Ltd	1,186	10.00	62.25	54.21	288,500	
Pakistan General Ins. Co. Ltd	375	10.00	17.25	10.00	173,500	Bonus Issue = 25%
Pakistan Guarantee Ins. Co. Ltd	25	10.00	-	-	-	
Pakistan ReIns. Co. Ltd	3,000	10.00	26.35	18.99	43,841,500	Dividend = 25%
PICIC Ins	350	10.00	8.15	5.00	138,000	
Platinum Ins. Co. Ltd.	120	10.00	-	-	-	
Premier Ins. Co. Ltd.	303	5.00	9.39	7.01	1,639,000	Dividend = 20%
Progressive Ins. Co. Ltd	85	10.00	-	-	-	
Reliance Ins. Co. Ltd	367	10.00	9.80	7.00	321,000	
Shaheen Ins. Co. Ltd	300	10.00	9.49	7.23	123,500	
Silver Star Ins. Co. Ltd	306	10.00	7.80	5.01	935,000	
Standard Ins. Co. Ltd	8	10.00	-	-	-	
TPL Direct Ins. Co. Ltd	460	10.00	10.60	7.50	3,525,500	
United Ins. Co. Ltd	702	10.00	12.49	7.70	442,000	Bonus Issue = 23%
Universal Ins. Co. Ltd	300	10.00	4.90	3.11	289,500	

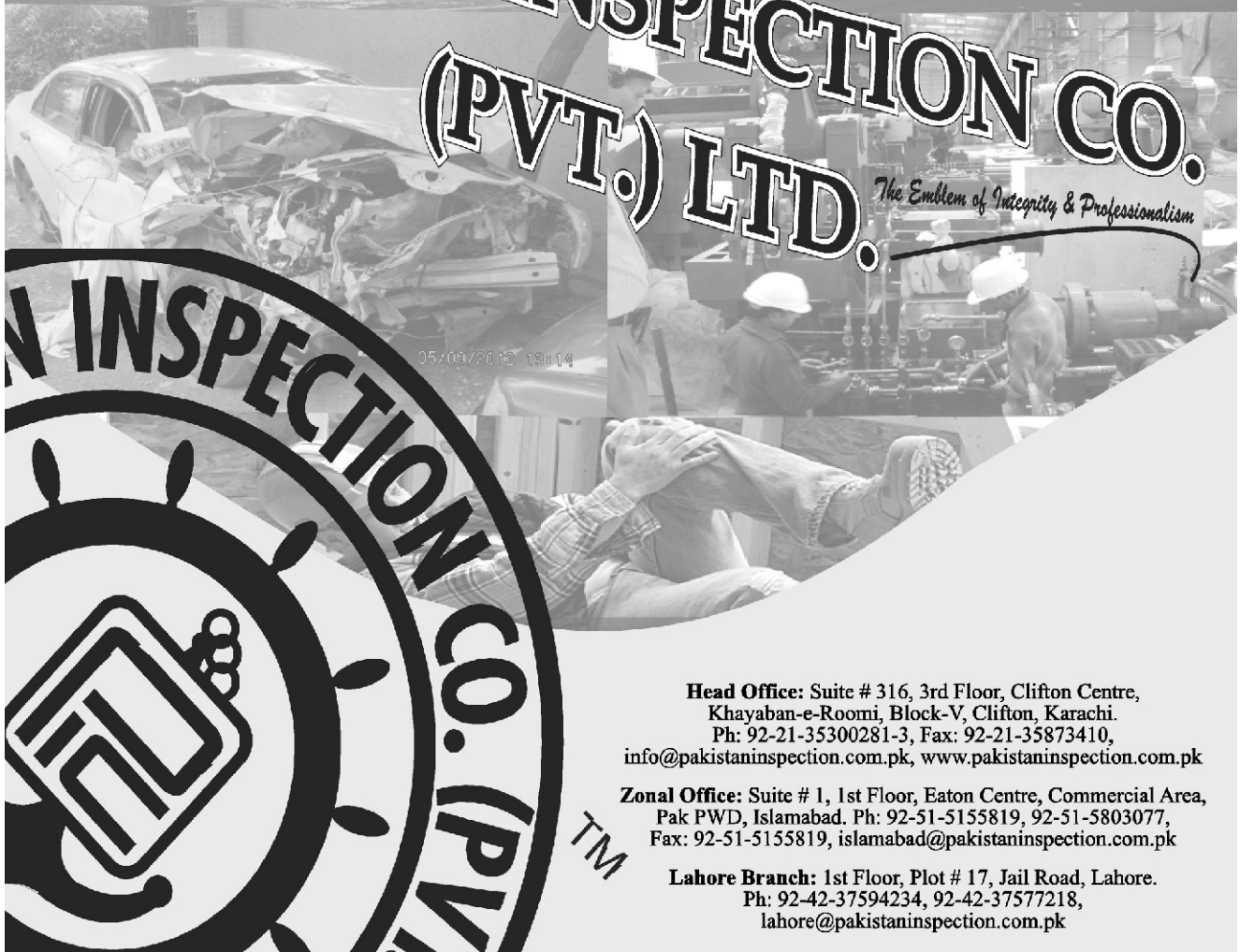
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Half Yearly Figures

From 01-Jan-2013 to 30-Jun-2013

	Gross Premium	Net Permium	Underwriting Result	Profit before Tax	Earning per Share
	-----Rupees in Million-----				-----Rupees-----
<u>GENERAL INSURANCE</u>					
Adamjee Insurance Co. Ltd.	7,091.293	4,661.756	126.824	1,717.120	12.24
Askari General Insurance Co. Ltd.	835.641	404.653	107.405	75.444	1.49
Atlas Insurance Co. Ltd.	730.797	343.405	157.098	262.378	3.07
Century Insurance Co. Ltd.	353.875	140.975	36.761	68.836	1.46
Crescent Star Insurance Co. Ltd.	52.574	22.120	(2.627)	0.551	0.03
East West Insurance Co. Ltd.	505.506	278.542	55.255	43.529	1.08
EFU General Insurance Co. Ltd.	6,404.347	3,061.057	420.599	708.753	4.69
Habib Insurance Co. Ltd.	485.415	223.597	34.881	165.911	1.55
IGI Insurance Co. Ltd.	1,151.320	508.464	(8.217)	472.043	4.02
Jubilee General Insurance Co. Ltd.	3,619.412	1,669.720	115.741	538.570	3.35
Picic Insurance Co. Ltd.	401.478	174.895	59.622	24.925	0.71
Premier Insurance Co. Ltd.	454.797	299.412	(49.069)	22.496	0.30
Reliance Insurance Co. Ltd.	324.925	129.022	8.668	30.680	0.76
Saudi Pak Insurance Co. Ltd.	186.983	130.766	28.081	16.328	0.31
TPL Direct Insurance Co. Ltd.	405.403	346.594	59.534	50.433	0.72
United Insurance Co. Ltd.	805.709	498.502	207.378	113.255	1.39
Universal Insurance Co. Ltd.	75.557	65.633	(9.847)	(52.105)	(1.85)
<u>LIFE INSURANCE</u>					
American Life Insurance Co. Ltd.	2,380.342	2,333.252	24.902	76.196	0.99
East West Life Assurance Co. Ltd.	108.025	83.740	13.616	(5.630)	(0.14)
EFU Life Assurance Co. Ltd.	6,506.738	6,174.596	484.205	516.412	3.46
Jubilee Life Insurance Co. Ltd.	8,012.821	7,595.954	612.661	587.164	6.33



Shams Uddin Memon

Chartered Insurer - Deputy Director
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Terrorism Cover

Given that nearly eight years have passed since the 7/7 attacks in London, a superficial view might have suggested the risk of terrorism has diminished. In fact, there has been a significant increase in terrorist activity globally in the past 10 years – with the Boston Marathon attack in April shocking the world. The lack of serious incidents in the UK reflects the success of counter-terrorism agencies (and perhaps a little luck), rather than a reduction in the country's attractiveness as a target.

At the time of writing, three failed attempts have come into the public domain in the past two months. These range from three would-be suicide bombers plotting a repeat of the 7/7 attacks in London; four men pleading guilty to preparing for a terrorist act; and two men arrested in Londonderry following discovery of a vehicle primed to launch mortars at a police station. And these are just the incidents that have been made public.

Though the methodology of providing cover against terrorism has changed significantly over the past 20 years, most western countries have come around to the view that some form of

government-backed insurance arrangement is the best method. This is not just because of the size of terrorist events, but also their sheer unpredictability.



Until 9/11, most property insurers around the world provided terrorism cover either without any overt charge or underwriting consideration, or within a state-backed compensation mechanism. Before 9/11, only one scheme (Pool Re in the UK) sought to isolate terrorism as a distinct peril. The Consorcio scheme in Spain had covered terrorism since 1954, but within a framework of insuring all losses emanating from 'extraordinary events'. These included natural catastrophes such as earthquake and

flood, but also riots and civil commotion.

Other examples of governments providing compensation for terrorism within broader frameworks are Israel,

Northern Ireland (cover within the Criminal Damage Order 1977 includes terrorism) and South Africa (SASRIA established in 1979). These schemes provide compensation for a broad range of violent acts, of which terrorism is just one.

Clearly, 9/11 changed the perception of terrorism, but the question frequently asked is why this type of risk should be treated differently from other catastrophe perils. After all, the 9/11 MD/BI cost of circa \$28bn in today's money seems sustainable when you compare it with Hurricane Katrina's cost of \$70bn (2005) and Super storm Sandy last year, which is currently estimated at \$25bn. In the whole of 2011, insurers paid \$116bn for natural catastrophe losses.

In some ways, the answer to this question provides a prism view into the way insurers manage their capital and exposures.

The Difference

Firstly, most natural catastrophes occur where such activity can be expected. So, if a risk is in the vicinity of the San Andreas fault in California, the exposure to earthquake is significantly enhanced. Similarly, if a risk is on the east coast of the US, the exposure to windstorm is enhanced in that it is exposed to hurricanes, whilst the mid-west US can have tornados.

Secondly, for most natural catastrophes there are scientific data and past event history available to help model the future. Predictive tools are not perfect, but they do exist. Underwriters writing a risk exposed to certain types of natural catastrophe can attempt to model the potential losses. In doing this, they will consider where an event might occur, how often such an event will happen and the likely severity. Finally, they can assess how many of the risks they write might be exposed to a given event and so the potential total loss on the account. Objectively-based premium calculation can then be carried through.

Clearly, the loss models are not

precise and modeling future weather activity is tough enough without complications such as climate change. Even so, they do provide a range of loss scenarios that, among other things, inform the level of reinsurance that may be needed, the capital required to support the business and the premium base needed.

The unpredictability of terrorism

What 9/11 proved globally, as the IRA had done in the UK a decade earlier, is that terrorism can present the insurance industry with losses that were never envisaged, and of a magnitude well in excess of anything it had previously anticipated. These losses illustrated the fact that terrorism is fundamentally different and cannot be predicted in the same way as other perils such as flood or storm. There is no scientific data or past loss experience to base any future predications.

Moreover, terrorists are human and are thus able to adapt and change in ways a natural catastrophe cannot, thus rendering any historical perspective of limited value. They might switch location, method and

specific target, in addition to attacking more than one target simultaneously or over a short timeframe. What this meant in 2001 (and in 1993 in the UK) was that re-insurers realized terrorism losses were highly uncertain and of a nature and magnitude they could not predict to any acceptable degree of tolerance.

Capacity was withdrawn for terrorism globally, as it had been in 1993 in the UK, and reinsurers were only prepared to offer solutions alongside some form of government engagement. Without it, their withdrawal would hit the developed countries hardest as they are the ones with greatest assets values to protect, many of them in highly concentrated areas.

So, after 9/11 the concept of terrorism insurance for property being underpinned by some form of government backing became more widespread. Although the shape and extent of support might be different around the world, and its continuation regularly debated in places like the US, this form of public-private partnership will remain the norm for the foreseeable future.

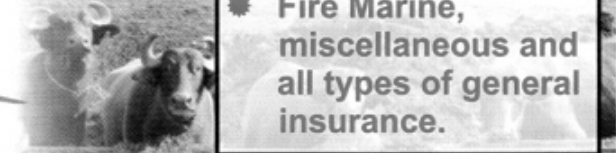
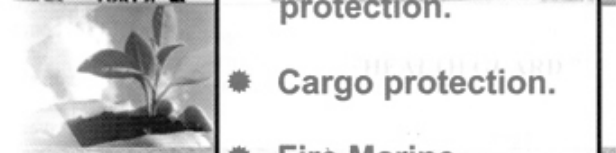




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Abid Masood Sandhu
Lecturer

Encashing The Disparity

This topic would be strange for most readers. It once looked odd and strange to me as well. Fortunately or unfortunately we are living in a society where all sorts of disparities exist. I am giving list of few disparities:-

- Disparity in education
- Disparity social system
- Disparity in financial system
- Disparity justice and legal system
- Disparity in health systems
- Disparity in religious practices
- Disparity in traditions and rituals
- Disparity in entertainment approach

It shall be insane if our social scientist claim that those disparities are not in rush. Starting from the education system once only Matric and F.Sc. were in practice and now O level and A level are on the rise and in recent past IBC (the American system). In most of the universities co- education is on but separate universities only for women/female are also in operation. This shows the disparity in our values and social system. We practice our religion in different ways. Our traditions on different occasions differ and different classes show different attitude and behavior while practicing those (from marriage to death). Rather we as whole society have learned to exist and grow in disparities. And at the same time are

putting our best efforts not to remove the disparities but to move from lower class to upper class. Some our efforts result into another disparity.

This phenomenon shaped our society into followings:-

- Conflicting attitude and behavior
- Conflicting perception
- Conflicting personalities

institution (commercial or non-commercial organizations) should be learned to handle this disparity and utilize disparity to accomplish the corporate objectives. Here the management must learn to encash the disparity. High leverage training which is meant for top management must have this aspect.

Management should adapt different



-Conflicting goals and its relevant sub-objectives.

I give you an example that cricket is very popular game. Once losing a match means "Played bad" and now, losing a cricket match may means "match fixing".

In this situation, management of any

approaches to deal with disparity, when deprived people join their organization. Management can use different tool to encash the disparities and training is one of them.

It means training which is always the integral part of any organization and its management can be instrumental to undertake disparity issue.



In Pakistan training and development were never viewed a productive activity to create value i.e financial performance, qualitative objective and far sightedness. A company can achieve competitive advantage by utilizing it.

Before we discuss the subject in detail let's see the text book definition of disparity, training, and development.

Disparity: The condition, feeling or fact of being unequal.

Training: The acquisition of knowledge, skill and competence and organization impart training to enhance capability, capacity, productivity and performance.

Development: An extension of the theoretical or practical aspects of concept, design, discovery or innovation.

Following are the 6 dimensions that trainer or manager should work to encash the disparity.

1) Develop a Sense of Guild:

Make the deprived people to realize that all are the part of a one team heading towards one objective regardless of their financial, social or academic background. The

management and trainer must understand that lack of vocabulary never means that particular person does have clear concept. Sometime economically deprived people have better concept. And sometime if persons belong to mediocre back ground (financially) consider a small opportunity a chance to improve their standard of living and revival. Here trainers or managers should be smart enough to find certain parity between themselves and trainee/subordinates. Finding something common between them shall be a smart move. For example 'oh you are from that school, or you have been traveling in local transport during your college days, me too as well, and interesting experience . Or are you from particular town, me or some of my friends or relatives are also from there or nearby.

It has been observed that economically deprived people have better understanding to develop a cordially relation with commoners or with general public. Similarly a person from rural area has better understanding about the nature and environment. A smart trainer can utilize those. But giving a sense of guild with common purpose and working with same organization and having equal chances of growth would enable a corporate for early success. Our academies of armed forces are the examples of this.

2) Utilizing Their Strengths:

Usually persons hail from rural or semi-urban are good in health. They have capacity to work for

long hours. The management must appreciate, acknowledge and endorse it right in training and no harm to compare it with other. This will put their head high. And the deprived people will carry this feeling during the actual work while going for accomplishing corporate objectives. The clarity in concept can be utilized while setting personal objectives for them.

The people are also daring, traditional and family oriented, more hospitable and sometime fed up with the systems which is prevailing in their respective towns. A good trainer and manager can utilize their feelings/ traits. Training modules can be devised considering these.

3) From Hemisphere to Integral:

The manager must use "OFF THE JOB" training methodology to make the deprived person, the motivate one. Four simple dimensions are suggested. Give them the understanding that:

- Because of you our team is completed.
- You are properly, genuinely and truly following the objective.
- You are the role model for others.
- Wow, how quick you have overcome your shortcomings, GOOD.

At the same time a manager can assign some special task to deprived persons.



4) From Rituals into Reality:

Most of the deprived people are ritual oriented. Sometime following of traditions become more important than their job/assignments. This attitude cost those people heavy (financially). At the same time those people cannot focus on their job. It is a tricky situation and a challenge for the trainers or managers. But smart manager/ trainer never criticize rather they encash. The manager must understand that if a person is committed with rituals/tradition, they can also be committed with corporate objective if they think by achieving corporate objectives they would be in better position in practicing rituals or traditions. For examples they will financially well off and spend money on the marriages (their own or brothers or sisters) Secondly once they are so committed with traditions (right or wrong). They can have the same feeling about the organization's objectives, culture, traditions, and obligation. Once a manger or trainer achieve and win the feelings it means 90% job of manager is done. The company can find the deprived people working with zeal and zest.

Now the assignment of a trainer and manger is to follow these guidelines:

-They should understand and the respect the traditions and rituals of others.

-They must modify the course

outline.

-Alter training methodology.

-Correlate The mind set of deprived people and course contents.

-Use the feelings of a person in favor of corporate and its culture.

5) Work on their Appearance:

If the deprived people are taught to improve their dressing their performance always enhances, and how a trainer or manager can do this.

-Trainer/manager should himself be well dress.

-Appreciate those who wear good dress without criticizing any deprive person.

-A gift of necktie, shirt or trouser can be useful, and there is no harm in saying, well gentleman come to office wearing this. And if he/she does it, always appreciate. Always appreciate. Talk the importance and significance of good dressing during training.

-Present a necktie which a manager/trainer is wearing during working BY SAYING TAKE IT, I AM SURE IT WOULD LOOK GOOD ON YOU.

-Window shopping can be used during "OFF THE JOB TRAINING".

6) Apply Learning Theories:

Two theories can be used in encashing disparity:

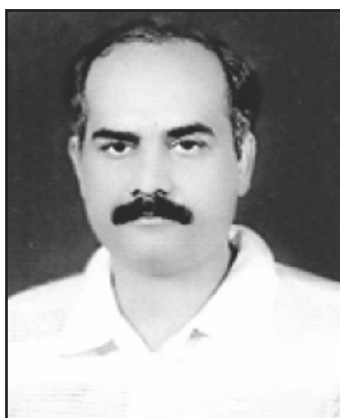
-Social learning theory and
-Reinforcement theory

Social learning theory means that deprived people can work better when they observe other person whom they believe are credible and knowledgeable. Remember deprived people have better observation than the privileged people.

And then during training self-efficacy can be enhanced. Enhancing observation can also be taught during training, on the job or off the job.

Then come to REINFORCEMENT THEORY that deprived people shall be motivated to perform or avoid certain behavior because of past outcome. Here different models can be discussed both who are successful and who are not. Do not go in detail during training just seek the observation of deprived people and keep on discussing during and after training sessions. The reinforcement process starts from the class room and that carry during the job. And it applies on off the job and even in social gathering. But the trainer should always adapt the soft ways of communication and leave a subtle impact.





Qayyum Pervez
qayyum@qpmalik.com

Cotton Modules

Unlike Pakistan many countries like Australia use modules for unginned cotton collection right from the farms and carry away to cotton ginning and pressing factories safely, comfortably and speedily. Cotton is picked up from farms by mechanized pickers which is then directly stored in these modules. It is then covered with weatherproof covering and set off for transit onward to Ginneries. Cotton is pressed up to some extent during storage into the modules by which comparatively large volume of cotton is stored in lesser space, leading to series of benefits for all parties concerned. For example in lesser time and lesser expenditure higher volume of cotton is shifted from the farms to the factories. It remains less exposure to rain and other transit as well as storage hazards.

These modules are made of standard



tare weight and weighing of cotton can easily be taken in bulk with safety of time, labour and expenses. It is more accurate than the conventional weighing procedure. Almost every cotton factory is equipped with the weigh bridges so each module can be weighed on entrance.

For classification / categorization of U.G.Cotton by Ginners/selectors and then during the judgment of G.O.T i.e. lint, seed and process waste ratio correctly. It is necessary to determine the net weight of cotton stored in the factory in form of multiple heaps of all sizes which are set up manually by weighing and then counting of trolleys or trucks etc.

Difficulty arises when a heap is partially ginned and bales/cotton seed weighed but the G.O.T is hard to work out because of difficulty in assessing the weight of cotton fed to Ginning machines at one particular time.

On the other hand each and every



module stored in the factory compound is weighed and the balance cotton remaining in the module can be re-weighed easily to determine the exact ratio of seed, lint and process waste.

At the time of any fire loss involving few cotton heaps it is always a hard task for assessors to assess the exact quantum of involved stock. For experienced surveyor/assessor it is though easy but his assessment is always challenged by the claimants so disputes arise. This situation can be avoided by using modules.

It is also easy task for mortgagees Banks staff, their godown inspectors to assess and verify the stock of unginned cotton lying in any premises mortgaged with the bank if modules are used otherwise it is quite difficult for them also.



damage but by using modules it can easily be shifted to any safe place easily and quickly. During fire occurrence most of the modules can be removed from the scene to minimize the loss.

Picking and pressing implement can be designed locally and made available to farmers like wheat thresher and other agriculture implements. It can be made available on rental basis and so as the modules.

A feasible plan can be worked out and introduced with enhanced benefits at low cost and modified design. Some photographs are printed here for an idea. Further information may be taken from worldwide web. This is an innovative idea and can be improved further by the people related to cotton industry and farming.

For other Government officials like excise inspectors who visit the cotton factories for verification of stock presented to them in form of a statement for taxing.

Few executive type factory owners who do not sit in the factories so can not monitor the affairs can make surprise visits to verify the quantum of cotton available in the factory at one particular time otherwise they could only evaluate cotton bales, seed but not unginned cotton in the conventional system.

Quality of cotton is affected during

storage in the farms, at storage areas of middle man and then in the Gineries. During bad weather and other contamination are hard to avoid in conventional storage and transit system but the quality can be maintained by using modules in the farms, while in transit and during final storage time in factories.

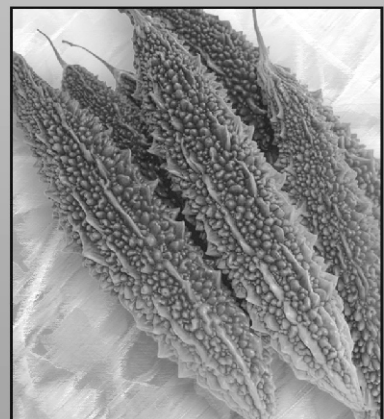
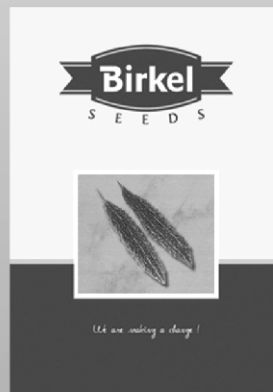
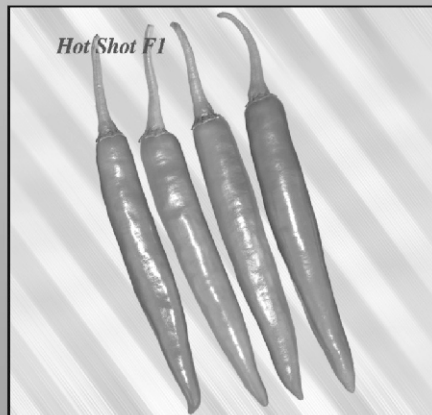
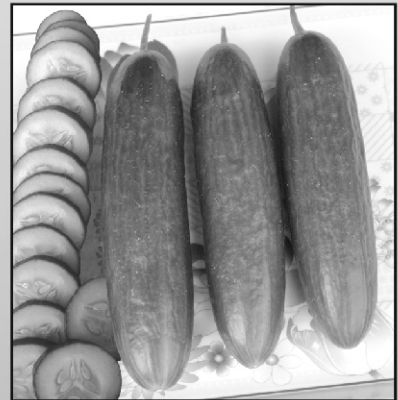
During any fire/flood or other accidental circumstances the cotton can not be saved from



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Strategic Partnership between Pakistan and European Union

Dr. Dilshad Zafar

Chairperson
Department of Commerce,
University of Karachi.

Introduction:

Both Pakistan and European Union have to think to become modern 21st century powers. This 27 block is engaged in modernizing themselves and building a stronger and closer relationship among all the member states. They are also engaged in introducing massive reforms for their political and economic stability. Some of the member states may lack in certain areas for example leadership skills and experiences they have, but their overall working is progressing well. European Union is thinking in a way to become a new global leader. European Union has a strong relationship with two major engineering powers i.e. China and India; they do have positive relationship with other South Asian countries too. While determining the specified norms of political friendship and measuring the degree of Pakistan's relationship with the European Union, one has to appreciate that Pakistan has also a vibrant civil society, committed social activities, a free media, a hardworking labour force, energetic young and old entrepreneurs and many key centre worldwide for the reforms and the change makers centres of academic excellence. Pakistan is now getting recognition for the reforms, the energetic change makers and making despite the government policies. The government has also not taken any

measures to enable environment to facilitate modernization.

Feudalism, nepotism and frequent military domination have become obstacles on the way to any remedial action to overcome problems and initiative towards the welfare of the country. Pakistan is engaged in facilitating the feudal lords with all their luxuries which a developing country cannot afford and this handicaps our society to move forward. Pakistani politicians

due to which further development has been restricted. European Union on the other hand is rapidly moving towards poling of sovereignty.

The European Union - Pakistan Summit is Brussels on April 21, 2010 was a strong sign that European Union government now admits that they need to have a regular high-level dialogue with Pakistan's top policy makers. The European Union Commission has realized the fact that Pakistan has its strategic importance in Asian Region and that is why they are ready to enter into a dialogue with Pakistan.



Pakistan is now getting an aid from European Union on the contract that Pakistan would support the anti-terrorism activities and cooperate with European Union fighting extremism, working for peace in Afghanistan and keeping even relations with India.

repeatedly talk of the masses revealing feudal mind-set. The drawbacks, Pakistan is facing are in the areas of education, maternal mortality, corruption, governance insurgency, sectarian violence, suicide bombings and religious intolerance. Pakistan has also suffered badly due to military rules, whereas India is declared to have the largest democracy in the region. At the moment Pakistan is facing many challenges, especially in frontier areas

In today's world, old fashioned diplomacy and lobbying is not enough. Business leaders, representatives of non-governmental organizations, media and activities are the real voice and soul of a country and can build or break the reputation of nations.

European Union Interaction with Asian Countries:

European Union's growing

relationship with Asia is now accelerating with an increasing pattern - ASEM, Asia - Europe meeting now counts 45 members countries including India and Pakistan. All participant strive for protectionism is and to vow to work together for a global economic recovery. In an independent world, Asian flash points are watched with concern, not only by the region's major players, esp. China, Japan and South Korea but also countries in faraway Europe. The European Union is also exercising global efforts to discourage violation of human rights and deal purely and decently with everyone. All the Asian Governments had sent their foreign ministers to attend the meeting in Hanoi but only one third of their 27 European Union counterparts attended the two day meeting. European Union's external relations commissioner was present for the opening session but he left for home after deciding to attend a subsequent meeting with ministers of Association of South East Asian Nations (ASEAN) in Cambodia.

European policy maker insist that this is not meant as a snub to Asia Officials from both sides spent many months to prepare for the different ASEM meetings, which also included since get together of health, economic and labour affairs ministers for which communiques were issued. Europe takes Asia very seriously. European Union politicians, however, are different cup of tea. There is no reason to deny that the global crisis has

compelled most of the Eurocentric EU governments to pay increased attention to Asia. European needs not only the Asian markets for their flagging exports but also Asian investments to prop up their ailing economics. Also, cheap Asian imports are helping to keep down inflation in Europe during the current downturn. As EU Commission declared at an ASEM Summit in Beijing last October: 'We swim together or we sink together'. Europe's political leaders have yet to show that they want a real political and economic discussion with their Asian counterparts. As a result, Europe's



relations with Asian countries remain largely uninspiring. China dominates the EU landscape but even those ties are fraught with problems over climate change, human rights and the EU's refusal to lift its arms embargo on Beijing. EU Japan relations can only be described an unexciting and Europeans also seem largely unconcerned with new and fast moving economic and political changes taking place in ASEM. Meanwhile, relations between Europe and South Asia remain low-key. 'Bearing in mind the need to maintain peace and stability in the region and the international non-proliferation

regime, ministers condemn the underground nuclear test which constitutes a clear violation of the six party agreements and the relevant UNSC resolutions and decisions' The ASEM statement said.

Conclusion:

European Union - Pakistan relationship should be meaningful and strong enough if Pakistan wants to boost up her economy. Our ties should be healthier, solid and better relations will prove to be effective for the progress of every segment of the country. European Union - Pakistan ties boost up with energy and dynamism. China's prominence at the Hanoi meeting is no surprise. Beijing is a major economic partner for most Asian countries and has increasing political clout in the region. The new US administration is also paying more attention to Asia. Unlike the EU, the US focus is not exclusively on China. During her ground

breaking Asian tour earlier this year, US Secretary of State Hilary Clinton visited Japan, China, South Korea and Indonesia as well as the ASEAN secretariat in Jakarta. If Europe wants to really count in Asia, it has to widen its horizons and deepen its dialogue with all major players in the region. And that means looking beyond China.

There is no doubt that many in Europe including some key EU member States still not convinced of the need to forge stronger relations with Pakistan. In Islamabad, meanwhile,

the focus on the EU remains narrow with emphasis on trade and access in EU markets. The relationship is still many light years away from realizing its full potential. True also that despite the rhetoric, neither side is ready to invest much more time, money and effort into forging closer bonds. We should have no illusions that Pakistan will always be US obsessed and US focused. Also, when it comes to foreign partners, China and Japan come ahead of the EU in terms of their development assistance packages and political influence in Pakistan both as regard the civilian authorities and the military. For the EU, meanwhile, Afghanistan and India are the key priorities in South Asia with over 50,000 European soldiers deployed in the country.

India carries clout in Europe as it does in the rest of the world because of its growing economic strength, its membership of the G20 and its vocal stance on question like climate change. Still, the last year has been a visible and positive shift in EU-Pakistan ties. Change has come slowly, it is true. But EU-Pakistan relations are moving forward, one modest step at a time.

The EU may not have liked US President Barack Obama's 'Afpak' concept and strategy but America's emphasis on Pakistan as a 'stand-

alone' issue, rather than a sideshow to the war in Afghanistan, helped trigger increased European interest in the country. Pakistan too seems to have wake up to the need to court Europe more actively and more effectively. The recent spate of articles and interviews in top European papers by Prime Minister Yusuf Raza Gillani and his favoured diplomats demanding that the EU open up its markets to Pakistani exports are one example of Islamabad's more proactive approach to dealing with the EU. The emphasis was very much on backing Pakistan's democratic institutions and on fighting extremism.

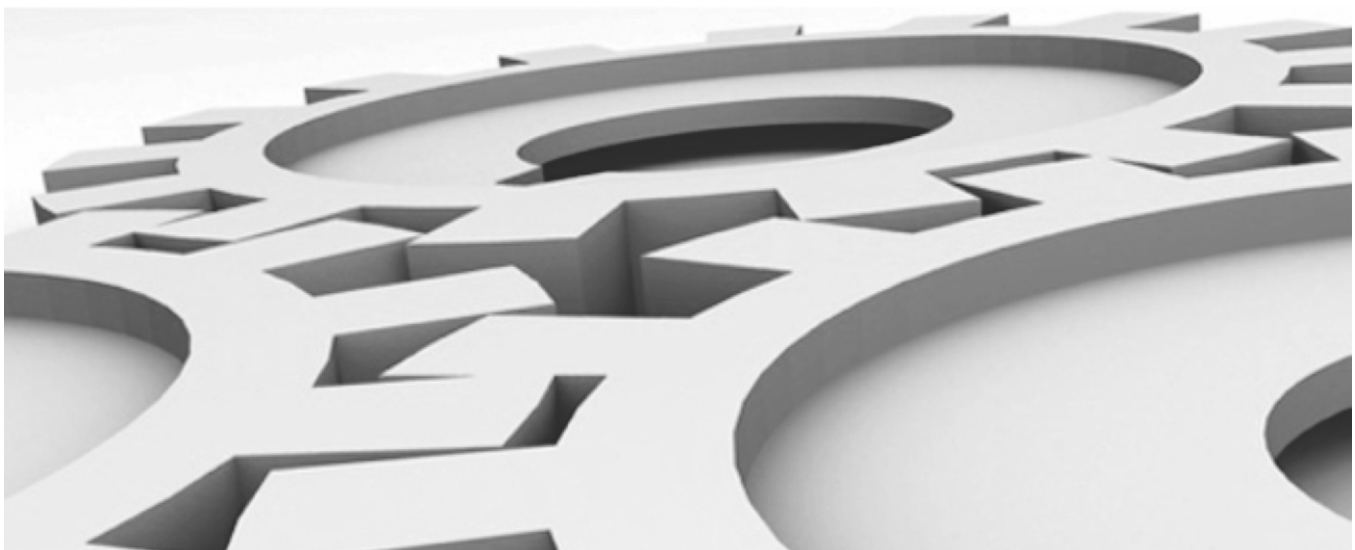
The recent approval by Islamabad of the international covenant on civil and political rights and the convention against torture is expected to help Pakistan's case but implementation of the treaties will be closely monitored. While it is tempting to do so, foreign policy successes cannot be measured only on the basis of immediate results and outcomes. It is not insignificant, for instance, that Pakistani and EU leaders are meeting for the second time in two years.

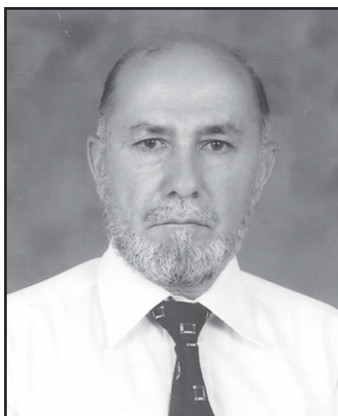
Pakistan should use the summit to press, not just for trade concessions but also focus on starting a real political dialogue with Europe, covering problems of extremism, domestic development challenges and

relations with India and Afghanistan. A good start has been made, with the EU recently setting aside 15 million Euros for law enforcement and human rights training program, also covering Punjab.

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Majid Khan Jadoon
A.C.I.I. (U.K.) MD/CEO
M/s. Pakistan Inspection Co. (Pvt.) Ltd.

Road/Rail Strikes Clauses (Cargo)

In the last two Issues of Insurance Journal, i.e. October-December, 2012 & April-June, 2013, I had endeavoured to elaborate on my opinions, vis-à-vis **Road/Rail Cargo Clauses (A) & (B)**.

Currently, I would like to express myself on the provisions of **Road/Rail Strikes Clauses (Cargo)** which reads:-

“This Insurance Covers, except as provided in Clause 2 and 3 below, Loss or Damage to the Subject-matter Insured caused by:

1.1: Strikers, Lock-out Workmen, or Persons taking part in Labour-disturbances, Riots or Civil Commotions.

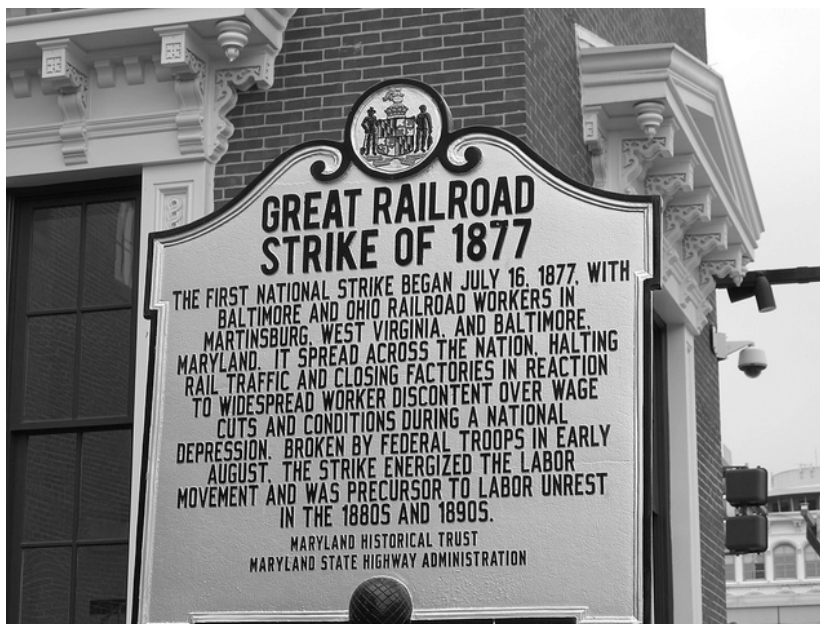
1.2: Any Terrorist or any Person Working from a Political motive.

Here, Strikers would mean all sorts of Strikers whether staged by members of the general public or by Workers of certain Industrial/Commercial Organizations. Thus, if the Subject-matter of Insurance is damaged or destroyed by acts of these Strikers, the

relative In-Land Transit Marine Cargo Insurance Policy can be called-in to Indemnify the Insureds under this Provision of the Sub-Clause under reference.

At times, Industrial/Commercial Organizations' Workers are Locked-out, due to certain reasons and they get

Subject-matter of Insurance by persons taking part in Labour-disturbances, irrespective of whether or not they are employees of the Industrial/Commercial Organizations whose Workers are on Strike, the same would also fall within the definition of this Clause and may be Claimed for Insurance Indemnification.



Sometimes, general public do come out and start Rioting, at times to the proportion of Civil Commotion, and in the charged atmosphere, they would take to damaging/destroying properties. In alike situation, if the Subject-matter of Insurance would get damaged or destroyed, the same may be Claimed under the **Road/Rail Strikes Clauses**

(Cargo). emotionally charged, resorting to damaging properties. Alike nature of Loss or Damage to the Subject-matter of Insurance may also be Claimed for an Insurance Indemnification under the **Road/Rail Strikes Clauses (Cargo)**.

Similarly, Loss or Damage to the

Through the Sub-Clause No.1.2 of the Road/Rail Strikes Clauses (Cargo), Loss or Damage attributable to Acts of Terrorism, perpetrated by any Terrorist or any person acting from a Political motive would also fall within the ambit of this Clause, whereby

Loss or Damage to the Subject-matter of Insurance can be indemnified.

In my write-ups in the Previous Issues of Insurance Journal on **Road/Rail Cargo Clauses (A) & (B)**, I have elaborated that the same would exclude any Loss or Damage attributable to Acts of Terrorism.

However, **Sub-Clause No.1.2 of the Road/Rail Strikes Clauses (Cargo)**, expressly covers any Loss or Damage attributable to Acts of Terrorism, as well as by Acts of a person acting from a Political motive.

Sub-Clauses 2.1 to 2.10 of the Road/Rail Strikes Clauses (Cargo) elaborately explain the Exclusions whereby the Insureds may not be entitled for Insurance Indemnification

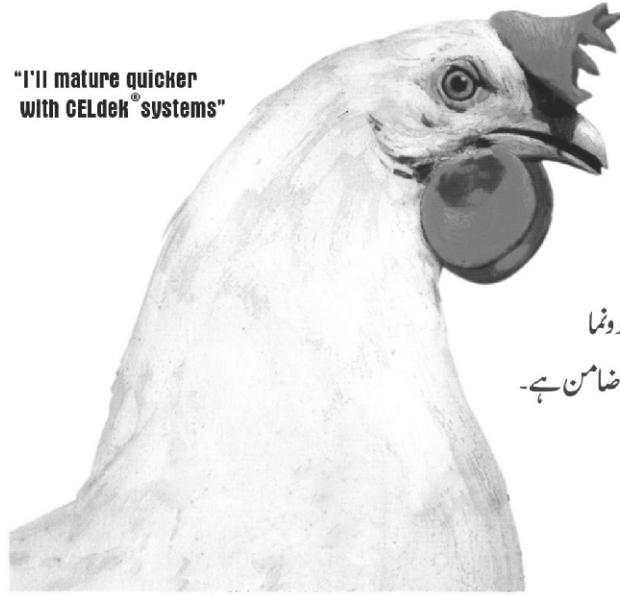
in respect of Loss or Damage to the Subject-matter of Insurance, attributable to causes as detailed therein.

Sub-Clauses 3.1 & 3.2 of the Road/Rail Strikes Clauses (Cargo) deal with Un-fitness of the Conveyance, Container or Lift-van

for the Safe Carriage of the Subject-matter of Insurance. These Sub-Clauses emphasize the importance of the Fitness of the Carrying Vehicle in the same manner as expressed in the **Road/Rail Cargo Clauses (A) & (B)** and, in my opinion, need not elaboration in this space.



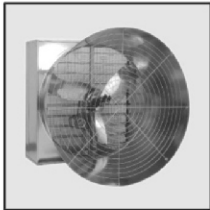
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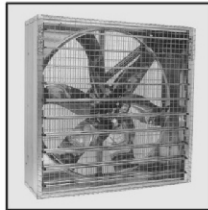
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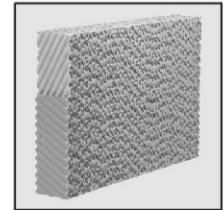
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Rana Naveed ur Rehman
MBA (HRM), Cert CII (UK)
Manager (Health)
East West Insurance Co. Ltd

Compensation & Benefits

Compensation and benefits are the most important for an employee because he or she is working for the sake of these to support his or her family. Also, these are the key elements affecting an organization's whole performance. These are directly related to employee's commitment with the organization and leading organizations always use these as a tool to attract and retain the most talented human resource capital. According to some organizations, their employees are the most critical components of their long-term success. As a result, they have designed best packages to attract, reward and retain talented and capable people, as well as to reflect the organization's core values, vision and mission. They try to provide the best choice and value at the best cost and to ensure that their compensation & benefits remain competitive with that of other organizations.

Compensation is the employer's feedback for an employee's work. It simply is the financial value an employer would give to his employees in return of their services. Now-a-days, employees are not willing to work only for the cash alone but they expect 'extra'. This extra is known as employee benefits, also known as fringe benefits. Employee benefits are non-financial form of compensation offered in addition to cash salary to enrich workers' lives. Following are the main components of compensation and benefits plan:

Salary:

Salary is a fixed amount of money or compensation paid to an employee by an employer in return for work and duties performed. It includes basic pay, house rent, conveyance allowance, utilities and COLA etc. Salary is commonly paid in stages at fixed intervals, for example, monthly payments of one-twelfth of the annual salary.

Provident Fund:

A form of savings which may be mandatory and are defined contribution schemes that pay out the contributions made and interest accumulated as a lump sum on retirement or other scheduled



circumstances. Participants may be able to receive part in cash and part as an annuity. Normally, equal contributions are made by both employer and the employee.

EOBI Benefit:

Under EOB Scheme, Insured Persons are entitled to avail benefit like, Old-Age Pension (on the event of retirement), Invalidity Pension (In case of permanent disability), Old-Age Grant (an Insured Person attained superannuation age, but does not possess the minimum threshold for pension), Survivor's Pension (in case an Insured Person is expired). A contribution equal to 5% of minimum wages has to be paid by the Employers of all the Industrial and Commercial Organizations where EOB act is applicable and Contribution equal to 1% of minimum wages by the



employees of said Organizations.

Leave Encashment:

Employees are entitled to various types of leaves while they are in service. Under this benefit, employee gets cash payments for unavailing the allowed leaves in each year that he has accumulated. The cash value of those leave will be deducted from the payments which have been already availed by the employee. Hence the cash payment availed by the employee in return of the unavailed leave is known as leave encashment. It encourages employees to avail the leave on planned & systematic basis. For employer, it favors that his work is done by his employees in a smooth way. For employees, if they don't avail their leaves, then they are rewarded in the form of leave encashment.

Gratuity:

Gratuity is a cash benefit that is received by an employee from his or her employer in appreciation for the services offered by the employee in the company. Gratuity is a defined benefit plan and is one of the many retirement benefits offered by the employer to the employee upon leaving his job. An employee may leave his job for various reasons, such as - retirement, for a better job in a different place, on being saved or by way of voluntary retirement. As per Sec 10 (10) of Income Tax Act, gratuity is paid when an employee completes 5 or more years of full time service with the employer (minimum 240 days a year).

Severance Benefit:

Money in addition to wages and any other money that employers oblige to give employees when their employment ends, such as through a dismissal or firing. Severance pay can be a good investment. That may sound

untrue, given that it involves paying money to someone who doesn't work for you anymore. But when you offer severance benefits, it lets all your employees know that, even if the worst situation happens, you have some level of regard for them and will not leave them high and dry. It's also a good advertisement for anyone who may be thinking of joining that organization.

Health Insurance:

Health insurance provides coverage for medicine, visits to the doctor or emergency room, hospital stays, major surgeries, dreadful diseases and other medical expenses in case of

commercial establishment is 20. The amount of compensation payable under the law is given in Schedule IV (currently Rs.2,00,000) of the Workmen Compensation Act in respect of contingencies such as death and permanent disablement caused by accidental means. Moreover, there is no bar in providing higher benefits than that given in Schedule IV. The comprehensive life insurance policy covers natural death, accidental death and temporary total & partial disablements and permanent total & partial disablements. There are number of companies which provide Group Life Insurance, including State Life, EFU, Jubilee, Adamjee, East West and Asia Care etc.

Performance Bonus:

A form of additional cash benefit paid to an employee as a reward for achieving specific goals or hitting predetermined targets. A performance bonus is compensation beyond normal wages and is normally awarded after a performance appraisal and analysis of projects completed by the employee over a specific period of

time.

Performance Based Increment:

An employee who has served well for a company usually gets a salary increment or rise (e.g., every after a year of service). The amount of increment depends on a number of factors. These include the company policy (or government policy for civil servants) work performance and terms may already be specified in employment contract.

Training and Capacity Building Opportunities:

Training and capacity building, also referred to as capacity development, is a conceptual approach to



illness or bodily injury. Policies differ in what they cover, limits of coverage and the options for treatment available to the policyholder. Health insurance may be purchased from insurer and provided through employer to his employees. There are a number of companies which provide Group Health Insurance, including Allianz EFU, Jubilee, Adamjee, East West, Asia Care, IGI and Askari etc.

Life Insurance:

According to Section 10(B) of the Standing Orders Ordinance of 1968 the provision of Group Insurance is mandatory for the Employers in respect of their workmen, provided that the minimum number of employees in an industrial establishment is 50 and that of in a

development that focuses on understanding the problems that prevent people, governments, international organizations and non-governmental organizations from realizing their developmental goals while enhancing the abilities that will allow them to achieve measurable and sustainable results.

Relocation Benefits:

Money given to an employee who has officially transferred or relocated for work to help them meet their immediate financial obligations upon moving. The settling-in allowance may be given as a lump sum or may be reimbursed upon submission of related receipts. A settling-in allowance might be used for expenses such as temporary lodging, transportation of household goods, meals, storage of personal belongings and other incidental costs of settling in at a new location.

Company Car and Fuel Allowance:

Company car is a much-loved benefit in employee compensation packages and can act as a powerful motivational incentive. Now-a-days, employees give more importance to company car and fuel allowance when accepting an employment offer from an employer.

Advantages of Compensation & Benefits Plans



Advantages to Employer:

A well designed compensation and benefits plan helps to attract, motivate and retain talented staff in your organization. This type of compensation & benefits plan will benefit your organization in the following ways.

Job Satisfaction: Your employees would be happy with their jobs and would love to work for you if they get fair rewards in exchange of their services.

Motivation: We all have different kinds of needs. Some of us want money so they work for the organization which gives them higher pay. Some value achievement more than money, they would associate themselves with organization which offers greater chances of promotion, learning and development. A compensation plan that hits employees' needs is more likely to motivate them to act in the desired way.

Low Turnover: Would your employees want to work for any other organization if you offer them fair rewards. Rewards which they thought they deserved?

Low Absenteeism: Why would anyone want to skip the day and watch favorite TV program at home, if they enjoy the office environment and are happy with their salaries and get what they need and want?

How do I enhance the effectiveness of my organization?



Advantage to Employees:

Peace of Mind: Your offering of several types of insurances to your workers relieves them from certain fears. Your employees as a result now work with relaxed mind.

Increases Self-confidence: Every human being wants his/her efforts to get acknowledgment. Employees gain more and more confidence in them and in their abilities if they receive just rewards. As a result, their performance level shoots up.



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Nasir Siddique
Dip. CII (UK), MBA (I & RM)
Assistant Manager (Re-insurance)
Adamjee Insurance Co. Ltd

Loss of Profit Insurance

The sole objective of buying an insurance policy is to put back the buyer in the same financial position as it existed before an unforeseen calamity resulting in material and financial loss to the insured. To meet this end a fire policy is bought with additional coverage of riot, strike, malicious damage, atmospheric disturbance, earthquake etc. in case of an incidence encompassing above stated mean of affecting loss or damage, the loss is made good by the insurer.

However, the fire covering along with its annexure stated above only gives back the property and/or equipment in term of money which enables the insured to rebuild and re-equip his factory. Obviously it takes time to restart production and consequent earning. During the period the factory is rebuilt and the machinery reinstalled the insured losses not only the profits he was making when his factory was in production but also

continues to pay to idle staff and for the variety of overhead expenses, in addition there is always the fear of losing the client etc.

In order to secure protection against the loss of profit as also to cover the expenses incurred during the period between stoppage of production and restart of production special insurance cover has been designed and called Insurance of Profits.

Objective of Profit Insurance:

The objective of profit insurance is to indemnify the insured against the loss of profit caused as a consequence of damage, because of unforeseen incidence of a calamity or peril by;

- Making good the loss of net profit.
- Making a payment of those standing charges or overheads which continue to be payable,
- Defraying such additional expenditures as it necessarily incurred to maintain the turnover of the business. e.g. temporary repairing cost, erection or rent of temporary accommodation, charges for work being taken elsewhere, additional transport charges, overtime payment to staff and payment of salaries to staff though not working retained less any sum saved during the indemnity period in respect of surcharges and expenses of the business payable out of gross profits which may cease or be

reduced in consequence of damage.



Basic Principles:

The business of the insured is the subject matter of the profit insurance. It is therefore necessary to have clear conception of elements of business relevant to profit clause of insurance as it is necessary to have complete knowledge about type of construction, associated dangers and prevention thereto in case of fire insurance.

In every business there are expenses and there are profits. The expenses could be variable in nature and amount proportionate to the volume of business done e.g. purchase of raw material as also the expense could be standing once e.g. rent, salary etc. the former are known as variable charges and latter as standing charges. The profit is the total income less total expenses.



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Underwriting Considerations:

Indemnity Period – The selection of an adequate indemnity period the maximum period for which the indemnity is provided under the profits policy requires very careful consideration interruption of a business such as the big factory may continue for many months following damage due to non availability of the plant rendered useless, locally, the delay which inspire of easement in conditions, could still be experienced in the re installment of the plant. This require cool calculation and careful consideration so as to provide a period long enough to ensure complete recovery of the business after the plant/or damage has been repaired and/or replaced.

Standing Charges - Respecting the considerations associated with standing charges it is certain that these charges would neither cease nor be reduced in the same proportion as turnover. However, doubts could arise and to allay any doubts as to the extent to which a certain charge would reduce in the event of damage it is best that the charge be insured in full.

Sum insured on gross profit – the sum of to be insured under the gross profit item is the total of the net profit, before deduction of any taxation, plus the total amount of the standing charges proposed for insurance. For the purpose of profit insurance this total amount is taken as gross profit. It should provide a margin for expansion of the business. It should be noted that it is not the past results but the future prospect of the business which the policy is designed to protect. Accordingly, if the indemnity period exceeds 12 months the sum insured must be appropriate to the extent of the indemnity period e.g for 24 months indemnity period the total amount of annual gross total must be doubled.

Wages – if the business partly interrupted as a result of damage by one of the perils insured against there would be no employment for some of the workers. No doubt the insured would not like is his experienced, skilled and qualified workers to go into the employment of somebody else. He would like to retain them in his service despite there being no work for them. Payment of wages to such workers is definitely a loss to the insured. To make good this loss the insured should obtain full insurance cover of the wage roll for the same indemnity period as that taken for the gross profit item.

Auditor's Fees:

It is a matter of routine to include, in the insurance, an amount to cover the fees which would be payable to auditor for services render in collection of substantiation of a claim. The fee for such work, which would obviously be in addition to their annual fee normally included in the company standing charges, is not a matter which fall within the liability of insurer unless provision has been made by means of an inclusion of a separate item.

Supplier's Extension:

There is always a danger of a potential loss, large enough, arising from the interruption in supplying from a particular supplier affecting the overall profits of the insured. Thus creating a need for extending the cover in this direction also. So the policy is extended to cover loss resulting from interruption with the business in consequences of damage at the named supplier's premises by

the action of insured peril.

Customer's Extension:

As loss can be sustained from the supplier premises loss can also be sustained from customers end. Profit also can be extended to cover loss resulting from interruption with the business in consequences of damage to property at the premises of the customer.

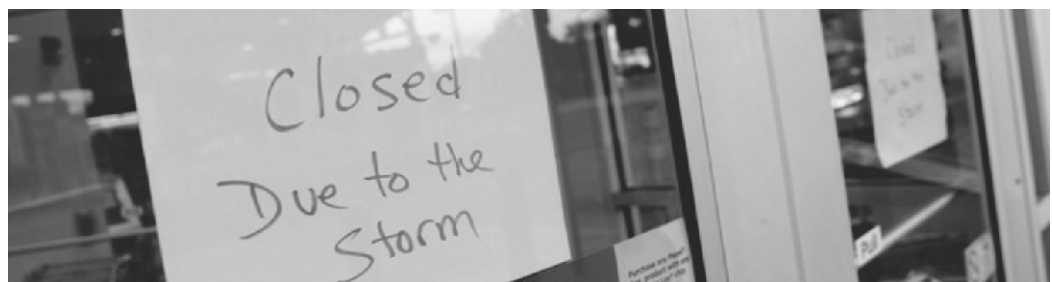
Admittedly the loss of a particular supplier would cause almost complete stoppage of the insured trading while the loss a particular customer would, in the usual course, affect only a portion of the insured trade, so it is very special cover and as such it is given to very valued clients.

When this cover is issued complete detail including name, address, solvency etc. of each customer with a limit of liability not exceeding 5% of the annual turnover is ascertained.

Annexure to Fire Policy:

Loss of profit insurance being of very delicate and sensitive nature requires very careful and discreet selection of risk. The balance sheet of the insured need minute study, scrutiny and assessment with the view determining the exact profit making potential of the firm, if the firm is not making any profit the cover is declined.

Loss of profit cover is never issued in isolation. It is issued so to say as an annexure to fire cover. If loss of profit cover is issued unaccompanied by fire cover it becomes void it has no meaning.





Foreign News

Special features of AFFORDABLE CARE ACT move popularly known as OBAMACARE. Funding for OBAMACARE is through federal laws. This act is faced today with heavy criticism. Recently the world saw SHUTDOWN of the US governments for drying up of required funds by US Congress.

Below given are some very important features of the OBAMACARE or as it is an act called AFFORDABLE CARE ACT:

(a) Length of cover under a parent's health insurance policy:

Young adults can have their health care covered on their parent's health insurance until 26 years of age.

(b) Ceiling on health insurance coverage :

Ends lifetime and most annual ceilings on the cost of health care

(c) Coverage of pre-existing illnesses:

Pre-existing illnesses cannot be denied health insurance benefits

(d) Medicare benefits:

Guaranteed Medicare benefits are safe and persons can keep their current doctor and many preventive screening are now free such as immunizations, mammograms and colonoscopies.

(e) Major Medicare expansion called for:

Although a major new expansion of Medicare is called for states have the rights to opt out without losing any of their current medical program benefits

(f) State decisions on whether to expend their medical programs:

As of 2014 every state is to expand its medical program to low-income individuals and family members less than 65 years of age.

(g) Individuals mandate to have health insurance:

Most taxpayers who do not have health insurance by 1st Jan 2014 will have to pay a special tax on their annual tax returns. This would not apply to persons who have Medicare, Medicaid or employer insurance.

(h) Cost of prescription drugs:

Will cost less because the so called doughnut hole (The gap in payment of for prescription drugs under Medicare part D) will decrease over time until it is eliminated in 2020.

(i) Employer Health Care:

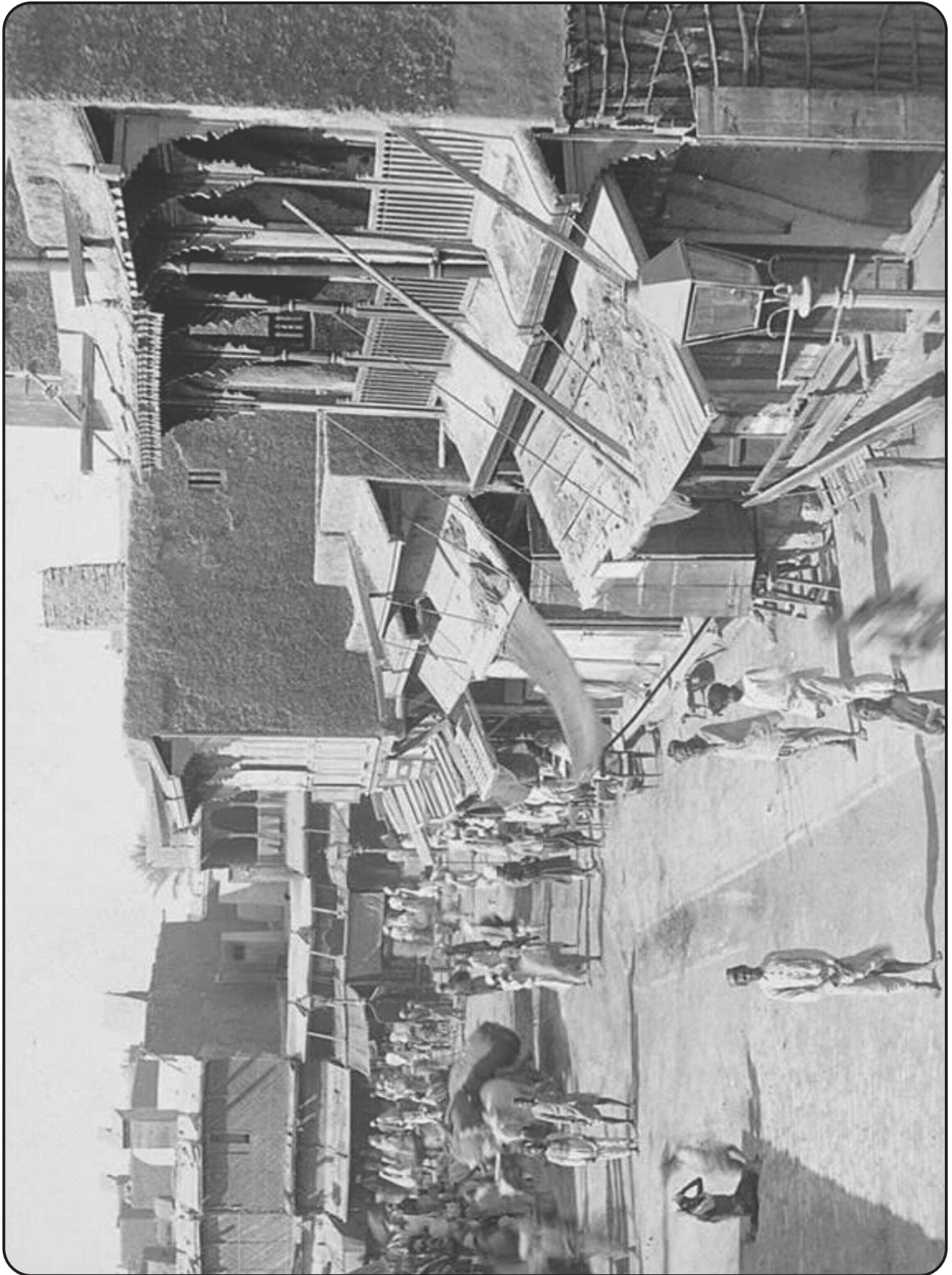
If you like your employer's coverage, you can just keep it. However, If you do not like this coverage in 2014 you can by coverage through your state's health insurance exchange.

(j) Medicare Payment to hospitals and health insurance companies:

Starting in 2013 Medicare payments to hospital will be decreased if they have too many patient readmission within 30 days. Thus patients may get move income support this will also decrease the cost of in-hospital care. Insurance company must we move of the premium they receive for patient care rather than administrative costs of sent their consumers rebates. This year the rebates will average about 8150 per eligible family or a total of over 81 billion. High income tax payers (more than \$ 200,000 per individual and \$ 250,000 per couple) will have to pay more for Medicare Hospital insurance taxes.



Karachi City Street View - 1900



Letter

While appreciating your struggle to keep the continuity of Insurance Journal publishing active for such a long time I feel the urge to suggest that keeping in view the only Insurance magazine being published in Insurance Industry of Pakistan it should be published on monthly basis. I assure you to write down at least one article for each issue. There should be few pages reserved for current news related to Insurance Industry of Pakistan for Karachi, Lahore, Islamabad and Multan. I offer my devotion for Insurance Journal for Multan region in this respect. All the current news will be supplied with photographs periodically through email to be published in monthly issue. My name may be incorporated as "Correspondent for Multan region "or whatever other title you like. I hope we may introduce so many innovative additions to Insurance Journal making it more useful for the insurance Industry of Pakistan and to create funds required to meet with the expenditure for publishing.

Few more articles have been written down which may be sent as and when required.

Qayyum Pervez Malik
Multan

News

Penalty for Life Insurance Company

India's Insurance regulator protecting the interest of the policyholders levied a penalty of Rs.7,800,000/- on Bajaj Allianz Life Insurance Company for rejecting 78 death claims without any valid reason.

Women Health Insurance

Reliance General Insurance Company, Mumbai launched a new Health Insurance Plan known as Reliance Health Gain to meet the healthcare needs of women. The company official says out of about 20% workforce of women in India only 10% (2 percent) have healthcare protection.

2010 C L D 239

[Securities and Exchange Commission of Pakistan]

Before Salman Ali Shaikh, Chairman and S. Tariq Asaf Hussain, Commissioner (LD)

CREDIT INSURANCE COMPANY---Appellant

Versus

**SECURITIES AND EXCHANGE COMMISSION
OF PAKISTAN---Respondent**

Appeal No. 2 of 2009, decided on 8th June, 2009

a) Insurance Ordinance (XXXIX of 2000)---

SS.11 & 63---Securities and Exchange Commission of Pakistan Act (XLII of 1997), S.33---Failure to comply with conditions imposed on registered insurers---Effect---Appeal to the Appellate Bench of the Securities and Exchange Commission---Chairman, Securities Exchange Commission of Pakistan in exercise of its powers under S.63(1) of Insurance Ordinance, 2000, called upon the appellant/ Insurance Company through impugned Directive to comply with the requirements of S.11(1) of said Ordinance within specified period, failing which the appellant was directed to cease entering into new contract of insurance---Impugned Directive was issued on the basis that

appellant had failed to maintain proper reinsurance treaty arrangements for the year 2008 in violation of S.41(1) and clause (d) of S.11(1) of Insurance Ordinance, 2000; had failed to meet the criteria for sound and prudent management as required under S.12 of Insurance Ordinance, 2000; had failed to maintain, the prescribed level of statutory deposit with the State Bank of Pakistan for and on behalf of the Federal Government as per clause (a) of S.29(2) of Insurance Ordinance, 2000; had failed to meet the minimum solvency requirements for the years 2006-2007 as set forth under clause (c) of S.11(1) and S.36 of Insurance Ordinance, 2000; had failed to comply with the minimum paid up capital requirement as prescribed under S.28 of Insurance Ordinance, 2000---Section 63(1) of Insurance Ordinance,

2000 dealt with situation where the conditions for registration as stipulated in S.11 of Insurance Ordinance 2000 were not met---In such a situation the Commission had been entrusted with the power to direct the insurance company to cease entering into new contract of insurance-Principles of natural justice were fully met in the case as the appellant was given one month to comply with the requirement of registration and only on failure to comply with that requirement the appellant was debarred from entering into new contract of insurance---Appellant, merely had to provide the Commission with relevant document to illustrate its, compliance---In view of the express provisions of law, opportunity of hearing, where action was taken under S.63(1) of Insurance Ordinance, 2000, was not to be given

as the scheme of the law excluded the opportunity of hearing in instances where, the requirements of registration were not complied; it would negate the ends of justice, if the appellant was allowed to carry on business without meeting the requirements of law---Where issue pertained to maintaining proper reinsurance treaties, proper opportunity of hearing must be provided---Appellant having failed to maintain the required statutory deposit and having solvency levels, violated S.63(1) of Insurance Ordinance, 2000---Appellant was directed to comply with the said requirements within specified period and would not enter into new contracts of insurance until it was fully complied with failing which the concerned department must proceed against the appellant in accordance with law. [pp. 241, 247, 248, 253] A, B, D & E

PLD 2004 SC 441; PLD 1982 Lah. 1; PLD 1976 SC 6; 1996 CLC 293; 1994 CLC 2041 and PLD 1970 SC 453 ref.

(b) Insurance Ordinance (XXXIX of 2000)---

---5.63---Power of Securities and Exchange Commission to issue direction to cease entering into new contract of insurance---Scope---Legislature while drafting S.63 of Insurance Ordinance, 2000, appeared to have been cognizant of the need to have personal hearing in cases where the contraventions were other than one relating to the requirement of legislation set out in S.11 of Insurance Ordinance, 2000---Opportunity had been given for personal hearing under S.63(2) (d) of Insurance Ordinance, 2000---Legislature was fully conscious of the principles of natural justice had wisely crafted the section by expressly mentioning the right of hearing in Proviso of S.63(2) (d) of Insurance Ordinance, 2000, thereby excluding the right of hearing in, S.63(1) of Ordinance-Commission could, where it would view any matter

needing hearing, always called upon in a given circumstances, the party against whom action was proposed, to explain the position prior to passing an order. [p.247] C

PLD 1991 SC 1029 and AIR 1987 SC 593 ref.

Munawar Salam for Appellant.

Ali Azeem, Director and Iftikhar Hussain, Assistant Director for Respondent.

ORDER

1. This order shall dispose of Appeal No.2 of 2009 filed under section 33 of Securities and Exchange Commission of Pakistan Act, 1997 by Credit Insurance Company (the "Appellant") against the directive of the Chairman, Securities Exchange Commission of Pakistan ("SECP"), (the "Impugned Directive") dated 4-12-2008.

2. SECP in exercise of its powers under section 63(1) of the Insurance Ordinance, 2000 ("Ordinance") called upon the Appellant through the Impugned Directive to comply with tile requirements of section 11(1) of the Ordinance within one month of the issuance of the Impugned Directive, failing which the Appellant was directed to cease entering into new contracts of insurance. The Impugned Directive was issued on the basis that the Appellant had:--

(i) failed to maintain proper reinsurance treaty arrangements for the year, 2008 in violation of section 41(1) and clause (d) of section 11(1) of the Ordinance.

(ii) failed to meet the criteria for sound and prudent management, as required under section 12 of the Ordinance.

(iii) failed to maintain the prescribed level of statutory deposit i.e. "the higher of ten million rupees and ten percent (10%) of the insurer's paid-up-capital", (which in case of this Company comes to Rs.12.130 million) with the State Bank of

Pakistan for and on behalf of the Federal Government as per clause (a) of section 29(2) of the Ordinance.

(iv) failed to meet the minimum solvency requirements for the years 2006 & 2007 as set forth under clause (c) of section 11(1) and section 36 of the Ordinance.

(v) failed to comply with the minimum paid up capital requirement as prescribed under section 28 of file Ordinance.

3. The Appellant aggrieved by tile Impugned Directive has preferred the instant appeal. Mr Munawar Salam, counsel for the appellant, made file following preliminary submissions on the Impugned Directive before us (the "Bench"):-

(i) that the direction under section 63(1) of the Ordinance was issued to the appellant without any show cause. He contended that the SECP was required to give opportunity of hearing before it issued the Impugned Directive and drew our attention to PLD 2004 SC 441, where it has been held that the principle of Audi alteram partem is applicable to judicial as well as non-judicial proceedings and it is read in every statute as its part if right of hearing has not been specifically provided therein PLD 1982 Lah. I was cited, where it has been held that where the statute does not make any mention of giving opportunity of hearing to effected person, the right of hearing nevertheless is to be read into statute unless specifically prohibited therein. Reliance was also placed on 1965 SC 90, where it has been held that the principle of natural justice has to be observed if the proceeding might result in consequences affecting "the person or property or other right of the parties concerned".

(ii) that the basic requirement of section 63(1) of the Ordinance is that SECP must "believe on reasonable ground" that the appellant has failed or is about to fail to comply with the

(i) conditions of registration set out in section 11 of the Ordinance, however there was no reasonable ground made out in the Impugned Directive. Moreover the requirement set out in Section 63(4) of the Ordinance regarding the direction to be accompanied with statement of reasons for the direction was never complied with. In support of this contention, the counsel relied on PLD 1976 SC 6, 1996 CLC 293 and 1994 CLC 2041 wherein the term "satisfaction" has been defined and elaborated.

4. The counsel for the appellant in addition to the foregoing assailed the merits of the Impugned Directive on the following grounds:-

(i) on the point listed as para. 2(i) above, it was Stated that the appellant has always complied with the reinsurance arrangements and relied on annexure 'B' to the appeal as evidence of compliance. The attention of the Bench was invited to section 41(1) of the Ordinance, which is a special provision dealing with re-insurance, and the counsel argued that the special provision must override the general provision as such the appellant was deprived of the right of hearing under section 41(4) of the Ordinance.

(ii) on the point listed in para. 2(ii) above, it was argued that the Chief Executive and Directors of the Company fully meet the criteria as they have sound knowledge of the business and have been running the insurance company for the last many years.

(iii) on the point listed in para 2 (iii) above. It was argued that the statutory deposit was suspended by the Supreme Court of Pakistan as such the Appellant is not required to comply with the requirement of the statutory deposit. It was also argued that SECP was informed about the Status of the proceedings being pending before the Supreme Court of Pakistan and

since there was no letter addressed by the SECP on the above issue for a considerable time, therefore it cannot ask for compliance with the statutory deposit through the Impugned Directive. In support of the contention, the Appellant counsel relied on PLD 1970 SC 453 where it has been held that if a departmental practice has gone on for a considerable period of time then it will be extremely unfair to make a departure from it after lapse of years and to disturb rights that have been settled by a long and consistent course of practice.

(iv) on the point listed in para 2 (iv) above, it was contended that the solvency level alleged to have been breached by the Appellant are for the years, 2006 and 2007 and are being challenged after a lapse of over 3 years through the Impugned Directive. The Appellant counsel relied on the solvency statements attached with the appeal documents as annexure 'E' and stated that the Appellant has always complied with the solvency levels.

(v) on the point listed in Para 2(v) above, the counsel argued that the appellant increased its paid up capital from Rs. 85,600,000 to Rs. 121,300,000 in the year, 2007 in order to meet the requirement set out by SECP from time to time, therefore the increase in the paid-up capital shows that the Appellant is fully compliant.

5. In response to preliminary submissions of the Appellant's counsel, the departmental representative Mr. Ali Azeem and Mr. Iftikhar Hussain stated that:

(i) the objections of the Appellant are not valid as section 63(1) of the Ordinance, does not provide for an opportunity of hearing. It was argued that the Impugned Directive called upon the Appellant to comply with certain requirements for registration set out in section 11(1) of the Ordinance within a period of one month. The period of one month was

given to the Appellant to comply with requirement of registration. The Appellant however, has failed to comply with the requirements of registration.

(ii) that the Impugned Directive was in compliance with section 63 (4) of the Ordinance as it contained not only the directive to cease entering into new contract of insurance, it also specified the reasons for the issuance of Impugned Directive.

6. In response to the arguments itemized in para 4 above by the Appellant's counsel on merits of the case, the departmental representatives submitted:--

(i) that the Appellant's reinsurance arrangement with East Africa Reinsurance Co Ltd ("EARC") for the year 2008 was not confirmed by EARC who informed SWECP that it had no re-insurance arrangement with the Appellant for the year, 2008. In support of the contention our attention was invited to letter dated 14 October, 2008 written by EARC, the contents of which are reproduced below:-

".....We wish to inform you that for the year 2008 underwriting year, we do not have reinsurance treaty arranged with the named company and no premium has been paid to date on account of the said reinsurance treaty arrangements by the company...."

It was argued that maintaining re-insurance arrangement is a requirement of registration and on failure to maintain re-insurance arrangement, the Appellant was given one month notice for due compliance, but it failed to provide SECP with proof of re-insurance arrangements for the years, 2008 and 2009.

On the issue of failure to meet the criteria for sound and prudent managements, as required under section 12 of the Ordinance, we were informed that the Chief Executive and

Directors of the company are not qualified to hold the positions as Chief executive and Directors as they do not possess the professional insurance qualifications. It was argued that on inspection of the Appellant under section 231 of the Companies Ordinance, 1984, it transpired that one person namely Abdul Qayyum Khan was working as Chief Financial Officer, Manager Head office, Manager Claims and Company Secretary as such the principle enshrined in section 12 of the Ordinance is blatantly violated.

(ii) on the issue of maintaining statutory deposit of higher of 10 million or 10% of the insurers paid-up capital in accordance with clause (a) of section 29 (2) of the Ordinance. It was argued that Appellant's contention that the requirement of statutory deposit has been suspended by the Supreme Court of Pakistan is not correct as the Supreme Court has suspended the Orders of the High Court and the issue relates to a dispute between the Appellant and one of its insured namely Messrs Ravi Enterprises whose claim had not been satisfied and has no nexus with the Impugned Directive.

(iii) that the Appellant has failed to meet the minimum solvency requirements for the years, 2006 & 2007, set forth under clause (c) of section 11(1) and section 36 of the Ordinance, as the admissible assets shown in the solvency statement annexure 'E' to the appeal are not admissible under section 32 of the Ordinance;

(iv) with respect to the Appellant's contention that it increased its paid up capital in the year, 2007 and has therefore complied with the requirement of paid up capital, we were informed that the injection of the paid up capital was artificial, as the amount was withdrawn on the same day as advances to the directors or others and as such the Appellant has not complied with the requirement of

the law in letter and spirit.

7. We have heard the parties at length and our findings on the preliminary submissions of the Appellant's counsel are:-

(i) The contention that the appellant ought to have been given an opportunity of hearing, has been considered and needs to be looked at in the context of the provisions of law, particularly section 63 of the Ordinance, which is reproduced for ease of reference:-

63. Power of Commission to issue direction to cease entering into new contracts of insurance.--(1) The Commission may issue a direction to cease entering into new contracts of insurance if it believes on reasonable grounds that an insurer registered under this Ordinance has failed, or is about to fail to comply with the condition of registration set out in section 11.

(2) The Commission shall issue a direction to cease entering into new contracts of insurance if;

(a) a petition is presented for the winding up of the insurer and has not been withdrawn or vacated within a period of sixty days;

(b) the whole of the business of an insurer has been transferred to any person;

(c) The Tribunal has made an order that a direction be given to that insurer to cease entering into new contracts of insurance; or

(d) the insurer has failed to comply with a directive issued under this Ordinance concerning a contravention of the Ordinance or the rules made there under, within the time specified in the Ordinance or, if not so specified within the time specified in the directive or three months; whichever is longer and the directive had stated that the failure to

comply would lead to a direction to cease entering into new contracts of insurance:

Provided that direction shall not be issued under clause (d) without giving the insurer an opportunity to be heard

(3) A direction to cease entering into new contracts of insurance shall have effect one month from the date of the direction unless a later date is specified in the direction;

(4) A direction to cease entering into new contracts of insurance shall be accompanied by a statement of the reasons for the direction.

(5) A direction to cease entering into new contracts of insurance shall only be revoked if the reasons for the direction as given in the statement required to be given by the preceding subsection shall have ceased to exist.

(6) An insurer shall not be in contravention of a direction to cease entering into new contracts of insurance by reason only that the insurer continues to carry out its obligations under contracts of insurance entered into before the direction came into effect.

Emphasis Added

Section 63 (1) of the Ordinance, deals with situation where the conditions for registration as stipulated in section 11 of the Ordinance are not met. In such situation SECP has been entrusted with the power to direct the insurance company to cease entering into new contract of insurance. The principle of natural justice are fully met in this case, as the appellant was given one month to comply with the requirement of registration and only on failure to comply with this requirement that the Appellant was debarred from entering into new contracts of insurance. The appellant merely had to provide the SECP with relevant documents to illustrate its compliance. It is pertinent to mention here that the appellant has not been

directed to cease the business; as such it can still continue to carry out the obligations under the contract of insurance entered into before the Impugned Directive came into effect. The Impugned Directive has not affected the Appellant's right to act as an insurance company in any manner. The Appellant shall be allowed to enter into new contract of insurance as soon as it complies with the requirements of registration stipulated in section 11 (1) of the Ordinance.

The legislature while drafting section 63 of the Ordinance appears to have been cognizant of the need to have personal hearing in cases where the contraventions are other than one relating to the requirement of registration set out in section 11 of the Ordinance, it has therefore given an opportunity of personal hearing under section 63(2)(d) of the Ordinance. The legislature was fully conscious of the principles of natural justice has wisely crafted the section by expressly mentioning the right of hearing in proviso of section 63 (2) (d) of the Ordinance thereby excluding the right of hearing in section 63 (I) of the Ordinance. In support of our view, we rely on maxim "Expressio Unius est Exclusio Alterius" i.e, "the express mention of one thing implies the exclusion of another". We would however add here that the SECP may, where it views any matter needing hearing, always call upon in a given circumstance the party against whom action is proposed to explain the position prior to passing an order. In reaching the decision, we are further added by the following judgment of Supreme Court of Pakistan reported in PLD 1991 Supreme Court 1029 where it has been held:--

"Audi alteram partem. Right of opportunity of hearing is not merely a technical right, it is linked with the tangible, factual and legal aspects of the case and it would depend upon the facts and circumstances thereof as to whether observance of the technical rule of audi alteram partem by a lower

forum and the ritualistic performance in this behalf would serve the ends of justice or it would negate the ends of justice. If the forum before which such a question is raised is able to examine the merits, there would be nothing wrong in deciding the matter finally and refraining from multiplicity of proceedings which as an end-product also causes injustice and misery in so far as the delay expenses and anxiety are concerned."

In another case of the Indian Supreme Court reported in AIR 1987 SC 593 page 605 it was held:-

"These principles audi alteram partem do not apply to all cases and situation. Application of these unmodified rules are often excluded by express provision or by implication. This right can also be excluded 'where' the nature of action to be taken, its object and purpose and the scheme of relevant statutory provisions warrant its exclusion, nor can the audit alteram partem rule be invoked if importing it would have the effect of paralyzing the administrative process or where the need for promptitude or the urgency of taking action so demands." Emphasis added

In the light of the express provision of law and the judgments cited above, we are of the view that an opportunity of hearing, where action is taken under section 63(1) of the Ordinance is not to be given as the scheme of the law excludes the opportunity of hearing in instances where the requirement of registration are not complied. It would negate the ends of justice, if the Appellant was allowed to carry on business without meeting the requirements of law. However, where the issue pertains to maintaining proper re-insurance treaties as discussed in para 8 (1) below proper opportunity of hearing must be provided.

(i) On the point of need for statement of reasons in accordance with section 63(4) of the Ordinance, we agree with

the departmental representative submission that the directive to cease entering into new contracts of insurance had specified the reasons for the Impugned Directive as well. The judgments cited in support of the Appellant's argument on the issue or "satisfaction" have also been perused and appreciated: however, the term used in section 63(1) of the Ordinance is "believe on reasonable ground" as opposed to "satisfied" and we agree with the departmental representatives that reasonable grounds have been spelled out in the Impugned Directive.

8. On parwise findings on the points, raised by the appellant's counsel on the Impugned Directive are as under:

The appellant was required to submit the re-insurance treaty for the year, 2008 with SECP latest by 15 January, 2008; however from the contents of the letter dated 14th October, 2008 shown to us by the department representative, it appears that the reinsurance arrangement was not in place with EARC. The appellant's counsel on the other hand contended that there was a dispute with EARC which stood resolved and under the circumstances, the letter of EARC dated 14th October, 2008 must not be considered.

We however, without considering the contention raised, agree with the appellant's counsel that in presence of section 41(1) of the Ordinance, the general provision i.e. section 11 of the Ordinance will not be attracted therefore, before passing any order under section 41(1) of the Ordinance, the Appellant ought to have been allowed to be heard in person, in accordance with section 41(4) of the Ordinance. Under the circumstances, if the department has reason to believe that the appellant is in contravention of section 11(1)(d) read with section 41(1) of the Ordinance, it may initiate show cause proceedings;

(ii) On the point of failure to meet the criteria for sound and prudent

management, as required under section 12 of the Ordinance, we are of the view that for the position of Chairman, or the Chief Executive or principle officer in Pakistan, the requirement of experience or qualification is of direct relevance to the conduct of insurance operations, therefore either of the two may compensate for the other; as in this case, where the Chief Executive and Directors have put in considerable time in the insurance industry. However, we take strong exception to the fact that the operations of the appellant are conducted by one officer who is acting as Chief financial Officer, Manager Head office, Manager Claims and Company Secretary which is against the norms of business. The principle of "fit and proper person" enshrined in section 12 of the Ordinance has not been fully explained and we believe that there is need to prescribe the criteria of "fit and proper person" "unless it can be demonstrated by the department that the violation is so gross that despite no criteria having been prescribed, it is clear that the people working for a particular company and handling its affairs are not fit and proper to have been entrusted with such responsibility and as a result action under section 12 of the Ordinance is proper. For the foregoing, we are of that view that the appellant meets the criteria for sound and prudent management.

(ii) The argument of the appellant that it is exempted from maintaining statutory deposit, as the Supreme Court of Pakistan has suspended such a requirement has been examined. The orders of the Supreme Court have been filed as annexure 'D' to the appeal. The facts of the case are that one, Ms. Ravi Enterprise filed a writ petition No. 1244 of 1998 before the High Court against the Appellant; contending that the appellant had failed to make the payment of its insurance claim as decided by the Controller of insurance. The High court after hearing the parties

remanded the case to the Controller of Insurance with the instruction to decide the matter afresh and in the meanwhile the statutory deposit of Rs.3.2 million available with the Controller of Insurance was frozen. The Controller of Insurance found the claim bona fide, but showed inability to make payment out of the statutory deposit of the appellant in absence of an order of competent court of law. The inability shown by the Controller of insurance to make payment out of the statutory deposit was once again challenged in writ petition before the High Court, and the High Court after examining the case, directed the Controller of insurance to satisfy the claim of Messrs Ravi Enterprise. The order of the High Court was challenged by the appellant before the Supreme Court of Pakistan, which has suspended the order of the High Court and has granted leave' to appeal.

We do not see how the appellant is protected by the order of the Supreme Court of Pakistan from maintaining and enhancing the statutory deposit as required by section 29(2) of the Ordinance. Nothing has been produced before us which would show that the appellant has been exempted from maintaining the statutory deposit level as in existence on the date of the issue of the impugned Directive. The appellant in 2008 was required to maintain statutory deposit of higher of ten million rupees or 10% of the insurer paid up capital in accordance with section 29 (2) (a) of the Ordinance. i.e. Rs. 12.130 million, which it failed to do. In any case the statutory deposit in question before the Supreme Court of Pakistan is not more than 3.2 million, as such the deposit is far short of the required level of Rs 12.130 million. Moreover, the requirement of the law to maintain the statutory deposit in no way prejudices the proceedings before the Supreme Court of Pakistan.

The argument of the Appellant that since SECP did not proceed against the appellant on the issue of statutory

deposit for considerable period of time and therefore the appellant cannot be asked to maintain the statutory deposit is without any merit. The judgment referred to in support of the argument has also been reviewed; however, we cannot see how the judgment cited advances the case of the appellant. the mere fact that there was inaction on SECP's part or the failure to maintain statutory deposit had not come to light does not mean that it would be considered a departmental practice not to take action, where there is violation of law.

The issue of failure to meet the minimum solvency requirements for the years, 2006 & 2007 has been examined. The assets shown in the solvency statement for the year, 2006 annexed 'E', includes an amount of Rs. 34,779,730 under the head of sundry receivables. The breakdown of sundry receivable shows Rs. 12,379,730 as advance for vehicles, which is an inadmissible asset under clause (u) of section 32(2) of the Ordinance; an amount of Rs.18,400,000 shown as advance for purchase of land which is an inadmissible asset under clause (1) of section 32 (2) of the Ordinance as the documents presented during the hearing by the appellant show that; entire payment against the land has not been made and therefore the land is under encumbrance; and an amount of Rs. 4,000,000 shown as advance for construction of office building, which is inadmissible asset under clause (g) of section 32 (2) of the Ordinance as the documents presented during the hearing by the appellant show that the contract for building was cancelled and therefore the amount advanced is to be refunded to the appellant, thus it is "amount due" as defined in clause (g) of section 32 (2). We have also perused the solvency statement for the year, 2007 which also includes advances amounting to Rs.56,342,589 under the head of sundry receivables. The breakdown of sundry receivable shows Rs.13,828,289 as advance for

vehicles, which is an inadmissible asset under clause (u) of section 32 (2) of the Ordinance; an amount of Rs.18,400,000 shown as advance for purchase of land which is an inadmissible asset under clause (1) of section 32 (2) of the Ordinance as the documents presented during the hearing by the appellant show that entire payment against the land has not been made and therefore the land is under encumbrance; and an amount of Rs.24,114,300 shown as advance for construction of office building, which is inadmissible asset under clause (g) of section 32 (2) of the Ordinance as the documents presented during the hearing by the appellant show that the contract for building was cancelled and therefore the amount advanced is to be refunded to the appellant thus it is "amount due" as defined in clause (g) of section 32 (2). After excluding all inadmissible assets in the year, 2007, the company was insolvent by a margin of 28.15 million. As regards the argument of the appellant that the solvency level are being challenged after three years, we do not see, how the SECP is barred from taking an action after lapse of 2-3 years.

(v) Finally, we have analyzed the contention of the appellant on the issue of increase in paid-up capital. The appellant's paid-up capital was increased from Rs. 85,600,000 to Rs. 121,300,000 in the year, 2007. The department representative contend

that the inspection report conducted by SECP under section 231 of the Companies Ordinance, 1984 reveals that appellant has come up with a novel strategy to show that it had complied with the requirement of paid up capital, Cash was injected in the Appellant's bank account in order to comply with the requirement of paid-up-capital, and on the same day the amount was paid back as advances to directors or others. It transpires from the record that the advances were made in the name of Messrs Friends construction Company, which is represented by Mr. Moazzam Chughtai, who happens to be the husband of one of the Directors namely Mrs. Adeeba Moazzam. On our comparing annexure 'F/3 at page 197 of the appeal, which shows the details of the increase in the appellant's paid-up-capital and the bank statement of United Bank Limited at pages 205, 206 of the appeal, we find that cash was injected and withdrawn on the same day illustrating that the transaction was merely cosmetic and was made to meet the requirements of paid-up-capital.

Be that as it may, the department ought to have proceeded under section 231 of the Companies Ordinance, 1984 instead of holding that the appellant was non-compliant with the paid-up-capital requirement. The proceedings under section 231 of the Companies Ordinance, 1984 ought to

be taken to its logical conclusion by the department. Until the proceedings are concluded the appellant cannot be held to be non-compliant with respect to maintaining of paid up capital.

9. The Appellant requested the Bench to allow filing of comprehensive application in support of its contention on 1-4-2009. The request was acceded to by the Bench upon which the appellant filed an application dated 11-4-2009. Neither the application nor the documents submitted add any substance to the contention raised in the appeal. In any case we have addressed the points at this late stage in paragraph 8 of this order.

10. For the reasons stated above we are of the view that the appellant has failed to maintain the required statutory deposit and solvency levels and is therefore in violation of section 63(1) of the Ordinance. The appellant is directed to comply with the aforesaid requirements within thirty (30) days and shall not enter into new contracts of Insurance until it is fully compliant, failing which the concerned department must proceed against the appellant in accordance with law.

H.B.T./54/SEC

Order accordingly



IAP Election

Executive Committee 2013-14

Mr. Muhammad Ali Zeb
Managing Director
Adamjee Insurance

Chairman



Mr. Atiq Anwar Mahmudi
Executive Director
Jubilee General Insurance

Senior Vice Chairman

Mr. Muhammad Rahat Sadiq
Chief Executive Officer
United Insurance

Vice Chairman

The election results were announced at the 52nd Annual General Meeting of the Insurance of Pakistan. The following were also elected unopposed as members of the Executive Committee:

Mr. Hasanali Abdullah	EFU General Insurance
Capt. Azhar Ehtisham Ahmed	Alfalah Insurance
Mr. Naim Anwar	Crescent Star Insurance
Mr. Ayaz Hussain M. Gad	Pakistan Reinsurance
Syed Kazim Hasan	TPL Direct Insurance
Ms. Zehra Naqvi	ACE Insurance
Mr. Ihtsham Ul Haq Qureshi	Asia Insurance
Mr. Afzal-ur-Rahman	Century Insurance

Workshop on Risk Assessment Property & Business Interruption



A workshop on “Risk Assessment Property & Business Interruption” held on Monday, 16th September, 2013 at the Lahore Insurance Institute, Lahore.

The workshop was designed for development of the following attributes in the candidates:-

- **Skills to appreciate Surveys & Risk Assessment by knowing the objective of risk survey, calculation of EML& insurers liability.**
- **Understand what is a standard risk profile and deviation from it. Ability to interpret risk survey reports.**
- **Ability to appreciate the task of a risk underwriter and present the findings.**
- **Appreciation of the use of proposal forms & identification of physical & moral hazard.**

This workshop was conducted by Mr. Vaqaruddin, Faculty Member of Pakistan Insurance Institute, Karachi. The workshop held was highly appreciated by the fifty one participants of 8 insurance companies.

The Faculty Member and participants also commended the arrangements and atmosphere provided by Honorary Secretary, LII Mr. S. Daood Ali Shah and Education Officer, LII Mr. Muhammad Imran.



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[Chief Executive]

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