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Quarterly

# Insurance Journal

July, August, September 2014

## Inside:

- Social Accounting
- Insurance Contract
- Insurance Claim
- Role of Health Insurance
- IAP Elections 2014-15
- Best Corporate Awards 2013
- Press Release
- Legal Section

## Health Corner

### World Cancer Day

Let's raise awareness of cancer and encourage it's prevention, detection & treatment.

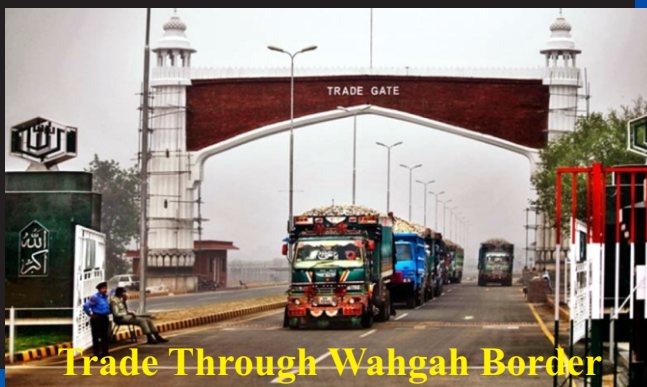
Cancer - A Silent Killer



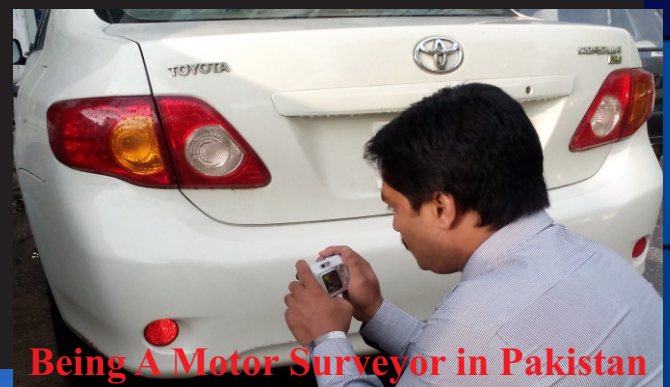
## Student's Corner



Job Stress



Trade Through Wahgah Border



Being A Motor Surveyor in Pakistan

## Half Yearly 2014 Important Statistics Insurance and Takaful Companies of Pakistan



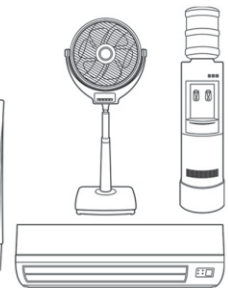
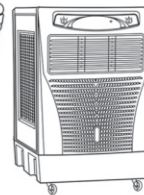
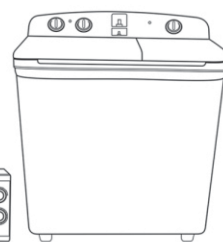
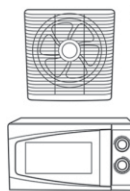
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# INSURANCE SECTOR ON KARACHI STOCK EXCHANGE

(Quarter: April, May, June 2014)

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.	3,500	10.00	52.90	42.90	147,699,000	
American Life Ins. Co. Ltd.	500	10.00	86.05	37.81	1,033,500	
Asia Ins. Co. Ltd	300	10.00	-	-	-	
Askari General Ins. Co. Ltd.	388	10.00	21.75	17.00	2,373,000	
Atlas Ins. Co. Ltd	702	10.00	67.20	55.50	1,241,500	
Beema Pakistan Co. Ltd.	417	10.00	-	-	-	
Business & Industrial Ins. Co.	86	10.00	-	-	-	
Century Ins. Co. Ltd.	457	10.00	22.40	15.80	3,526,000	
Crescent Star Ins. Co. Ltd	620	10.00	6.40	4.54	2,304,500	
Cyan Insurance Co. Ltd	586	10.00	94.25	74.77	1,395,000	
EFU General Ins. Co. Ltd	1,600	10.00	133.60	99.05	3,966,000	
East West Ins. Co. Ltd.	365	10.00	-	-	-	
East West Life Assurance Co. Ltd.	594	10.00	6.30	4.55	87,500	
EFU Life Assurance Ltd.	1,000	10.00	130.00	101.00	299,000	
Habib Ins. Co. Ltd.	495	5.00	26.20	15.02	4,197,000	
Hallmark Ins.	5	10.00	-	-	-	
IGI Ins. Ltd	1,227	10.00	257.97	188.02	14,015,800	
Jubilee Life Ins. Co. Ltd	721	10.00	327.60	220.00	220,500	
Jubilee General Ins. Co. Ltd	1,569	10.00	122.37	84.00	1,312,500	
Pakistan General Ins. Co. Ltd	375	10.00	16.90	8.55	516,000	
Pakistan Guarantee Ins. Co. Ltd	25	10.00	-	-	-	
Pakistan ReIns. Co. Ltd	3,000	10.00	37.50	25.05	38,438,000	Dividend = 25%
PICIC Ins. Co. Ltd	350	10.00	16.00	9.90	204,000	
Platinum Ins. Co. Ltd.	120	10.00	-	-	-	
Premier Ins. Co. Ltd.	303	5.00	15.22	10.22	1,297,000	Dividend = 20%
Progressive Ins. Co. Ltd	85	10.00	-	-	-	
Reliance Ins. Co. Ltd	403	10.00	12.60	8.01	1,318,000	
Shaheen Ins. Co. Ltd	450	10.00	7.43	6.00	966,500	
Silver Star Ins. Co. Ltd	306	10.00	10.27	6.10	628,000	
Standard Ins. Co. Ltd	8	10.00	-	-	-	
TPL Direct Ins. Co. Ltd	460	10.00	13.00	9.10	4,252,500	
United Ins. Co. Ltd	920	10.00	27.90	16.11	1,941,500	Bonus Issue = 31.064811%
Universal Ins. Co. Ltd	370	10.00	5.10	3.61	124,500	



**Dr. Safdar Ali Butt**

Professor Corporate Governance  
Mohammad Ali Jinnah University, Islamabad

# Social Accounting: A Form of Corporate Accountability

## The Concept

Few people would deny the fact that companies influence their external environment (sometimes positively and many a times negatively) through their actions. It is therefore necessary that there should be a mechanism requiring companies (and other such organizations) to account for these effects as part of their standard reporting practices.

The term Social Accounting refers to the process of communicating the social and environmental effects of an organization's economic actions to particular interest groups within the society and to the society at large. Other terms used for the same concept include social accounting and auditing, social and environmental accounting, corporate social responsibility reporting, corporate social reporting, and non-financial reporting or accounting.

Social accounting is commonly used in the context of business, or corporate social responsibility (CSR), although any organization, including NGOs,

charities, and government agencies may engage in social accounting. Social Accounting can also be used in conjunction with Community-Based Monitoring (CBM).

Social accounting emphasizes the notion of corporate accountability. D. Crowther defines social accounting in this sense as "an approach to reporting

of research and practice. The use of narrower terms to express a specific interest is thus not uncommon. For example, Environmental Accounting may specifically refer to the research or practice of accounting for an organization's impact on the natural environment. Sustainability Accounting is often used to express the measuring and the quantitative analysis of social and economic sustainability.



## Social Accounting and Traditional Accounting

Proponents of social accounting believe that conventional accounting, in particular financial and management accounting, gives a very narrow image of the interaction between society and organizations, and

a firm's activities which stresses the need for the identification of socially relevant behaviour, the determination of those to whom the company is accountable for its social performance and the development of appropriate measures and reporting techniques."

Social accounting is often used as an umbrella term to describe a broad field

thus artificially constrains the purpose of the exercise. They feel that financial accounting does not meet the informational needs of most external stakeholders of the company, in particular the community and society.

Social accounting, a largely normative concept, seeks to broaden the scope of accounting in the sense



that it should:

- concern itself with more than only economic events;
- not be exclusively expressed in financial terms;
- be accountable to a broader group of stakeholders;
- broaden its purpose beyond reporting financial success.

The purpose of social accounting can be approached from two different angles, namely for management control purposes or accountability purposes.

### Management Control Objective

Social accounting for the purpose of management control is designed to support and facilitate the achievement of an organization's own objectives. Because social accounting is concerned with substantial self-reporting on a systemic level, individual reports are often referred to as social audits. The first complete internal model for social accounting and audit was designed in 1981 for social enterprises to help plan and measure their social, environmental and financial progress towards achieving their planned objectives.

Organizations are seen to benefit from implementing social accounting practices in a number of ways, e.g.

- Increased information for decision-making;
- More accurate product or service costing;
- Enhanced image management and Public Relations;
- Identification of social responsibilities;
- Identification of market development opportunities;

- Maintaining legitimacy.

### Accountability Objective

Social accounting for accountability purposes is designed to support and facilitate the pursuit of society's objectives. These objectives can be manifold but can typically be described in terms of social and environmental desirability and sustainability. In order to make informed choices on these objectives, the flow of information in society in general, and in accounting in particular, needs to cater for democratic decision-making. In democratic systems, Gray argues, there must be free flow of information in which those controlling the resources provide accounts to society of their use of those resources: a system of corporate accountability.

If a company implements a social and environmental approach to accounting, it can benefit the society in a number of ways, for example:

- Honoring stakeholders' rights of information;
- Balancing corporate power with corporate responsibility;
- Increasing transparency of corporate activity;
- Identifying and reporting the social and environmental costs of economic success.

### Self-reporting and Third Party Audits

In most developing countries, including Pakistan, existing legislation only regulates a fraction of accounting for socially relevant corporate activity. In consequence, most available social, environmental and sustainability reports are produced voluntarily by organizations and in that sense often resemble financial statements. While companies' efforts in this regard are usually commended, there exists an

understandable conflict between voluntary reporting and accountability, for companies are likely to include only such material in their voluntary reports that portrays them in a positive light and favors their interests.

An alternative phenomenon is the creation of external social audits by groups or individuals, independent of the accountable organization, and typically without its encouragement. External social audits thus also attempt to blur the boundaries between organizations and society and to establish social accounting as a fluid two-way communication process. Companies are sought to be held accountable regardless of their approval. It is in this sense that external audits part with attempts to establish social accounting as an intrinsic feature of organizational behaviour.

### Reporting Areas:

Unlike financial accounting, the matter of interest is by definition less clear-cut in social accounting; this is due to an aspired all-encompassing approach to corporate activity. It is generally agreed that social accounting will cover an organization's relationship with the natural environment, its employees, and ethical issues concentrating upon consumers and products, as well as local and international communities. Other issues include corporate action on questions of ethnicity and gender.

### Audience:

Social accounting supersedes the traditional audit audience, which is mainly composed of a company's shareholders and the financial community, by providing information to all of the organization's stakeholders. A stakeholder of an organization is anyone who can influence or is influenced by the organization. This often includes, but is not limited to, suppliers of inputs,

employees and trade unions, consumers, members of local communities, society at large and governments. Different stakeholders have different rights of information. These rights can be stipulated by law, but also by non-legal codes, corporate values, mission statements and moral rights. The rights of information are thus determined by "society, the organization and its stakeholders".

### **Medium of Disclosure**

While making the CSR report a part of company's annual report is quite common, it is not necessary that a company should use only this medium for its CSR related disclosures. Some disclosures are such in nature that they need to be disclosed as they take place – rather than at the end of the financial year. Hence, a company can use several media for making meaningful disclosures about such of its operations and situations that have an impact on environment or community in any way. Some of the options available are:

- a. Regular issue of circulars or informative leaflets to all concerned.
- b. Regular press releases or special newspaper announcement (for example when there is an impending danger due to a leakage, etc.)
- c. Website.
- d. Press conferences.

### **Environmental Accounting**

Environmental accounting, which is a subset of social accounting, focuses on the cost structure and environmental performance of a company. It principally describes the preparation, presentation, and communication of information related to an organization's interaction with the natural environment. Although environmental accounting is most commonly undertaken as voluntary self-reporting by companies, third-party reports by government agencies, NGOs and other bodies posit to pressure for environmental

accountability.

Accounting for impacts on the environment may occur within a company's financial statements, relating to liabilities, commitments and contingencies for the remediation of contaminated lands or other financial concerns arising from pollution. Such reporting essentially expresses financial issues arising from environmental legislation. More typically, environmental accounting describes the reporting of quantitative and detailed environmental data within the non-financial sections of the annual report or in separate (including online) environmental reports. Such reports may account for pollution emissions, resources used, or wildlife habitat damaged or re-established.

In their reports, large companies commonly place primary emphasis on eco-efficiency, referring to the reduction of resource and energy use and waste production per unit of product or service. A complete picture which accounts for all inputs, outputs and wastes of the organization, does not necessarily emerge. Whilst companies can often demonstrate great success in eco-efficiency, their ecological footprint, that is an estimate of total environmental impact, may move independently following changes in output.

### **Legislation for Social Accounting**

Legislation for compulsory environmental reporting exists in some form e.g. in Denmark, Netherlands, Australia, the UK and Korea. In June 2012, the UK coalition government announced the introduction of mandatory carbon reporting, requiring all UK companies listed on the Main Market of the London Stock Exchange - around 1,100 of the UK's largest listed companies - to report their greenhouse gas emissions every year. Deputy Prime Minister Nick Clegg confirmed that emission reporting rules would

come into effect from April 2013 in his piece for The Guardian.[17] [18] However, the date was eventually moved back to 1 October 2013.

The United Nations has been highly involved in the adoption of environmental accounting practices, most notably in the United Nations Division for Sustainable Development publication *Environmental Management Accounting Procedures and Principles* (2002).

In 2009, Securities and Exchange Commission of Pakistan (SECP) issued its order on CSR that established obligation for all public limited companies to report their expenditure on the following CSR related items in their annual financial reports:

- i. Corporate philanthropy
- ii. Energy conservation
- iii. Environmental protection measures
- iv. Community investment and welfare schemes
- v. Consumer protection measures
- vi. Welfare spending for under-privileged classes
- vii. Industrial relations
- viii. Employment for special (disabled) persons
- ix. Occupational safety and health
- x. Business ethics and anti-corruption measures
- xi. National cause donations
- xii. Contributions to national exchequer
- xiii. Rural development program

While this order by SECP is far from adequate, it has already started having an impact on CSR scenario in the country as companies are beginning to see this disclosure as an opportunity to improve their brand image as well as corporate reputation – thereby improving their competitive edge in the market. Due to the latitude allowed by this order, companies do not find it necessary to inform the society at large of all the harm that



they are causing to the environment, or the negative impact their operations or their products are having on the life style of their customers. Nonetheless it a beginning and hopefully the legal requirements on CSR disclosures will evolve over the period.

## Triple Bottom Line

In USA and Europe many companies now issue reports commonly referred to as Triple Bottom Line, that provides a brief on the activities carried out by the firm in relation to three Ps, namely Profit, Planet and People. This reports presents, in a quantified form, what a company has done and what is the impact of what it has done.

**Profit:** This refers to the accountability for the economic responsibility of the firm. This clearly comes from its income statement and comments on the economic sustainability of the firm.

**Planet:** This refers to the accountability for the harm caused by the firm to the environment, ecology, the extent to which natural resources have been used up or damaged as a result of company's activities. This is a comment on the environmental sustainability.

**People:** This refers to the

## GENERAL MOTORS' TRIPLE BOTTOM LINE REPORT

## Economic Indicators

- Revenue (in monetary terms)
- Earnings (in monetary terms)
- Dividends per share
- Vehicle sales (in numbers)
- Global vehicle market share (in percentage)

## Environmental Indicators

- Global energy use (in GWh)
- Global carbon dioxide emissions (metric tons)
- Global non-recycled waste (metric tons)
- Global waste consumption (cubic meters)
- Number of company sites certified to ISO 14001

## Social Indicators

- Community donations and sponsorships (in monetary terms)
- Number of employees
  - Diversity: percentage of employees who are female
  - Diversity: percentage of employees from minority groups
- Number of discrimination charges brought against the company in the year
- Employee satisfaction level (based on internal reporting and surveys)
- Recordable injury rate per 100 workers
- Lost time accident rate per 100 workers

accountability for the manner in which the firm has treated its employees and people living around its operational sites. This has an impact on the social sustainability.

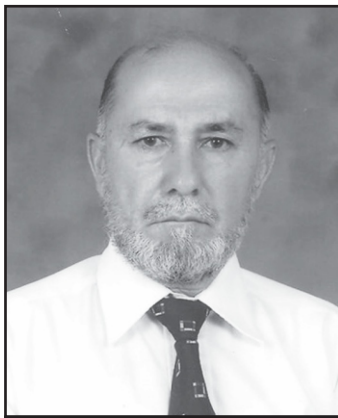
A form of Triple Bottom Line Report used by General Motors is given as in text box.

## Applications of Social Accounting

Social accounting is a widespread practice in a number of large organizations in the United Kingdom. Royal Dutch Shell, BP, British Telecom, The Co-operative Bank, The Body Shop, and United Utilities all publish independently audited social and sustainability accounts. In many instances the reports are produced in (partial or full) compliance with the sustainability reporting guidelines set by the Global Reporting Initiative (GRI). In Pakistan, a number of good companies, e.g. Fauji Fertilizer, Atlas Honda, Engro, etc. prepare and publish fairly detailed sustainability reports that provide data well in excess of the requirements defined by SECP's relevant order.

The website of the Centre for Social and Environmental Accounting Research contains a collection of exemplary reporting practices and social audits.





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

# Insurance Contract

Contracts are an integral Part of our daily life. We frequently execute many Contracts of assorted natures in a day and the terms and conditions of the same may not be necessarily in written form. For example, we hire a Taxi for a specific destination or we hire daily-wage Labourers for certain jobs or we buy groceries etc. from Shop-keepers. These are Implied Contracts and the terms of alike contracts are only verbally negotiated and finalized before execution.

Implied Contracts are only morally binding but not legally binding because, Legally-binding Contracts must be based on the following Pre-conditions:-

- 1) One Party makes an Offer.
- 2) The Other Party accepts that Offer.
- 3) There is an intention to create Legal Relations between the Parties.
- 4) Consideration passes between the Parties in exchange for the performance of the Agreement.

## (Property Insurance Law and Claims C.I.L.A)

Contracts need not be in writing to be binding and they also not need to be written as a formal document, headed "Contract."

Thus, an Insurance Contract may be broadly defined as an Agreement between two or more persons or

entities wherein there is Promise to do something in return for a Valuable benefit, known as consideration (Premium).

Thus, an Insurance Policy is a Legally-binding Document which would expressly and elaborately describe the obligations of the Contracting Parties.

Modern-day Commerce and Industry cannot be run without the protective Coverage of Insurance and International Trade cannot be imagined without the protection of Insurance, wherefore, assorted Insurance Policies are an integral part of modern commercial activities.

*"In consideration of the Insureds paying the Insurance Premium, the Insurers agree, subject to the terms and conditions of the Policy, to indemnify the Insureds, in the event of Loss or Damage, resulting from (Insured Perils)"*

*(Extract from Property Insurance Law and Clauses by the Chartered Institute of Loss Adjusters).*





As such, a Contract of Insurance is concluded between the Insureds and the Insurers to evidence the Insured Perils, as well as Exclusions thereof, besides Terms, Conditions and Warranties of the same.

The wording of the Contract of Insurance is usually, but not always, in the shape of a Standard Form Document and the Insuring Clauses of the same would specify the Insured Perils which would read along the following lines:-

*“In consideration of the Insureds paying the Insurance Premium, the Insurers agree, subject to the terms and conditions of the Policy, to indemnify the Insureds, in the event of Loss or Damage, resulting from (Insured Perils)” (Extract from Property Insurance Law and Clauses by the Chartered Institute of Loss Adjusters).*

The Insurance Contract is concluded after coincidence of the minds of the Insureds and the Insurers on the basis of **UBERRIMAE FIDES (Utmost Good Faith)**. As such, after receipt of the Documents of the Insurance

Contract, the Insureds must go through the same and, if any ambiguity or deviation from the agreed Terms/Conditions is noticed therein, they must immediately return the Policy to the Insurers for correction. Conversely, the Insureds would lose their rights of complaints at the time of the Claim, because Ignorance is **No Excuse At Law**.

In our country, the Insureds hardly have their own Insurance Departments or hire Insurance Advisors and it has been observed that after receipt, an Insurance Policy has been just filed and then referred to only when a Claim would arise thereon. At this stage, when the non-existence of the Coverage or any other ambiguity has been pointed-out to the Insureds, they would complain of the Policy having been provided to them against their desired Coverage which, however, would be in vain after the Occurrence of the Loss.

Since the recent past, the phenomenon of Brokerage Houses has been developing and they are expected to render Consultancy Services to their Clients.

**UBERRIMAE FIDES** (*Utmost Good Faith*) is a key principle of insurance. It is concerned with the information that is disclosed by the parties who are involved in the insurance contract. If a party fails to adhere to the principle of utmost good faith, the outcome of the claim may be affected.

Yet, the need of fielding well-trained and intuitionally educated personnel in the profession is of utmost importance, if we desire to professionally/technically develop our Insurance Industry.



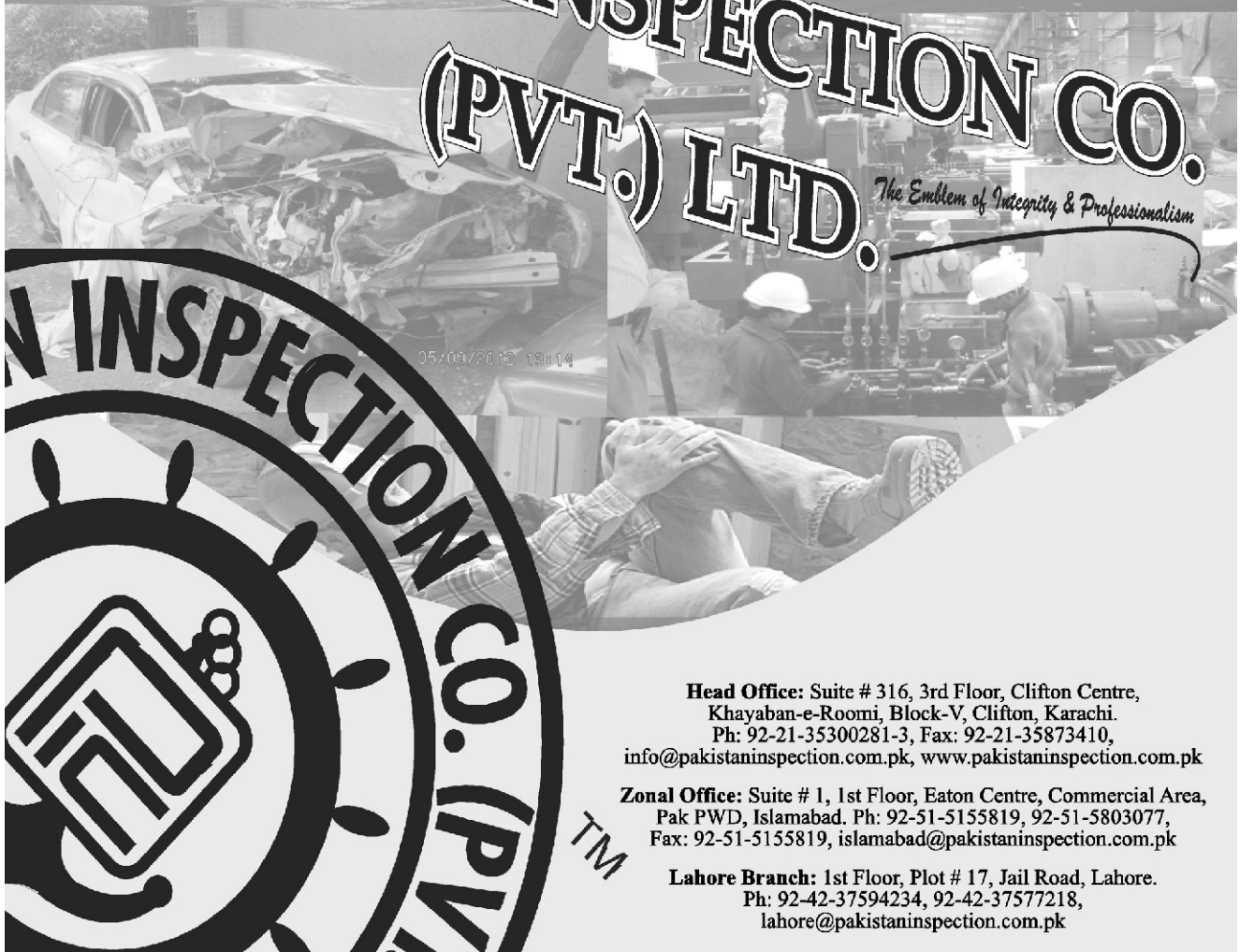
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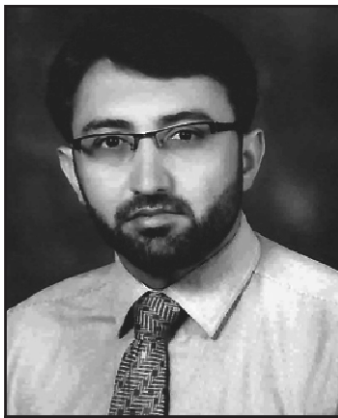


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Authorized Surveying Officer (The SECP)  
Head of Automobile Division  
M/s. Pakistan Inspection Co. (Pvt.) Ltd.

# Being A Motor Surveyor in Pakistan

Following recruitment in Insurance Surveying Company, the beginning of Surveying career is often initiated through Motor Class of Insurance, which may have its advantages, as it looks relatively straightforward at a first glance. However, without having deep understanding of Mechanics under the skin of an automobile, a Motor Surveyor may not only cause loss to the Insurance Company but also to his employer for a minor mistake in the assessment and adjustment of a Loss.

Apart from understanding the mechanics of an Automobile, it is utmost important that the Surveyor is familiar with the wordings of at least Comprehensive Insurance Policy, Third Party and CV4 Wordings. I have practically seen Motor Surveyors running from Pillar to Post when they require interpretation of any special clause incorporated in the Insurance Policy, as their English language skills are most of the time extremely limited.

I have also often come across this particular question by Insurers that why do Surveying Companies employ such Surveyors who have limited Technical and Communication skills?

A simple answer lies in the mere fact that the rewarding system of Insurance Companies for Motor Surveying is extremely meager

speaks of how much interest would an employer generate in the Professional and Technical development of his Team handling affairs in Motor Department.

For instance, lets take a Pre-Insurance Inspection of an Automobile that requires a Surveyor to reach location of the Inspection immediately and issue his Survey Report in no time and the reward for all this super fast service is Rs. 500/- to 700/- only. Justification for fee presented by Insurers is “Tasveerein hi to leni thi”. If it were the Photographs only, then perhaps a Photographer would be the best person to conduct Pre Insurance Inspection.

**For instance, lets take a Pre-Insurance Inspection of an Automobile that requires a Surveyor to reach location of the Inspection immediately and issue his Survey Report in no time and the reward for all this super fast service is Rs. 500/- to 700/- only. Justification for fee presented by Insurers is “Tasveerein hi to leni thi”. If it were the Photographs only, then perhaps a Photographer would be the best person to conduct Pre Insurance Inspection.**



As for Accidental cases, depending upon the graciousness scale of each individual Insurance / Takaful Company, the Motor Survey fee may range from Rs. 750/- to Rs. 2,000/- only which roughly involves a minimum of Two Visits to the Repairers' Workshop, several Mobile Phone Calls and a Minimum of Two Survey Reports i.e. Preliminary and Final survey Reports let aside other Stationary, Printing and Administration Costs. Not to mention collection of Claim Supporting documents that sometimes literally requires imploring the Insured as well as other people involved. The elaborated activities may further extend by certain steps if the case involves SD Parts, as approval from the Insurer would be required before allowing the same.

Similarly, approval from Insurer is required in cases where the amount of loss exceeds a certain threshold. Unfortunately, some Insurers have gone to extremes requiring approval for amount as meager as Rs. 5,000/- only resulting in tremendous hardship to Surveyor as well as the



Policyholder. I fail to understand that while setting such kind of SOPs, do people sitting at the helm of affairs forget that it is, eventually, their own Client (the Policyholder) who suffers the most in these circumstances.

Some Officials in Motor Department of Insurance companies are often bent on reducing cost of claim without giving due consideration to particular circumstances in each case. It is also saddening to learn that they consider Motor Surveying to be the lowliest of Jobs in Insurance Surveying and forgets that the highest Claim ratio

and Claim amounts of almost all insurance companies drain through Motor Claims.

Thus, apart from changing attitude of the concerned officials of the Insurance Companies, it is extremely important that the rewarding system of Motor Surveying is addressed on priority basis. Only then the Insurance Industry would be able to truly bring reduction in their Motor Claims resulting in reduction of overall Claims Costs.

## Ayaz Gad to Represent J. B. Boda & Co. Singapore in Pakistan

J. B. Boda & Co. Singapore has announced the appointment of Mr. Ayaz Hussain M. Gad as J. B. Boda & Co. Singapore representative in Pakistan. Mr. Gad has recently retired from PRCL as Executive Director after 30 years of Service. Mr. Gad will fill the gap which was felt due to increase in volume of business required full time presence. The announcement further states J. B. Boda has been servicing Pakistan Insurance market since 1998 and appreciate the services of Mr. Achala, Mr. Vikas, Mr. Ram and Mr. Tevenu in servicing the Pakistan Insurance Companies on both treaty and facultative business. As a medium-sized reinsurance broker, the success of growth was on technicality, sincerity, trust and courteousness of the team of J. B. Boda.







**Qayyum Pervez Malik**  
Insurance Surveyor & Loss Adjuster /  
Claims Investigator  
Qayyum Pervez Malik & Co. (Pvt) Ltd

# Insurance Claim Where Mortgagee Accused Mortgagor for Theft of Pledged Stock

## Background of Case:

A very complicated insurance claim against risk of theft under standard fire policy was lodged by one mortgagee bank against one Insurance company with the detail that the mortgagors allegedly involved in stealing the pledged stock depriving the bank from pledged stock. Bank not only registered a criminal case under section 380 PPC against the borrower but also lodged claim to the Insurers for compensation of loss.

Insurers kept on dealing with the issue internally by initiating communication with the mortgagee bank but when the matter gone beyond their control they instead of referring the case to any lawyer, solicitor or legal adviser referred this case to me for expert opinion. The expert opinion so offered in that case was well appreciated and become part and parcel of insurance academia for future guideline or initiating further discussion in connection with the improvement in standards of underwriting/claims handling, modifying policy or clauses wording/terminology and developing better understanding of such complicated cases.

Before getting this case published for the public interest all references, titles, names etc have been modified to maintain the privacy of the issue.

**Assignment:** Having received assignment through letter No: 123 dated 111 issued from the office of M/S ABC, Principal office and on going through the attached copies of relevant documents i.e. copy of Insurance policy, copy of letter dated 111 issued by DEF and letter dated 111 issued by M/S ABC in response to DEF letter dated 111 letter dated 222 issued by DEF in response to Insurers letter dated 111 and letter dated 222 issued by ABC in response to DEF letter dated 111 various telephonic conversations were deliberated with the Insurers AAA office to revise the terms of reference contained in their appointment letter dated 111 in the light of admissibility/validity of said claim. As a result thereof an expert opinion on the issue whether the claim lodged by the insured falls within the ambit of coverage granted under the insurance Policy No: 456 dated 111 is being framed hereby for whom it may

concern impartially, independently and without prejudice.

## EXTRACT OF POLICY NO: 456 AGAINST WHICH THE CLAIM IS LODGED

The relevant particulars of Insurance policy are being re-produced here under for consideration with reference to the context.

### TITLE OF INSURED

M/S BANK as mortgagees.  
M/S AAA as mortgagors.

### PERIOD OF COVERAGE:

From 1.9.2010 to 31.12.2010

### SUM INSURED

Rs. 84, 250, 000.00



## THE PROPERTY INSURED

On hypothecation stock of pledge rice/paddy in bags only, the property of the insured, held by them in trust and/or in deposit and/or on commission and/or in joint account with others for which they are legally responsible in the event of loss or damage by fire, whilst stored and/or lying in open compound and/or in the attached or detached Godown, situated at AAA Rice Mills, Faisalabad.

## LOCATION

Whilst stored and/or lying in open compound and/or in the attached or detached Godown, situated at AAA Rice Mills, Faisalabad.

## PERIL INSURED

Only standard fire peril is granted as covered in the premium tabulation as well as in the main body of "property insured". Usually all the additional perils proposed to be granted are mentioned in the main body of "property insured" but it is not there.

The additional perils i.e. risk of R.S.D, Burglary/theft, M.D and A.D are covered by inserting a separate sentence in the schedule.

## CONDITIONS / WARRANTIES / CLAUSES ETC.

The policy is made subject to various clauses, warranties, conditions (express and implied) and the detail is contained in the said policy of insurance.

In the end of Policy a "jurisdiction clause" is incorporated which stipulates the procedure to be adopted in case of any dispute in any claim if arises out of this policy of insurance.

Few relevant conditions/warranties etc are being reproduced below for reference which will be maintaining

impact on the issue.

## WATCHMAN/BURGLARY CLAUSE

Policy is made subject to watchman/burglary clause attached with the policy as forming part of it which in addition to other, requires that "this policy shall not cover loss or damage due to burglary or house breaking or to any attempt thereof by the insured or any inmate or member or the insured household or business staff"

## POLICY EXPRESS CONDITION NO 13

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the insured or any one acting on his behalf to obtain any benefit under this policy or if the loss or damage be occasioned by the willful act or with the connivance of the insured or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection or (in case of an arbitration taking place in pursuance of the 18th condition of this policy) with three months after the arbitrator, arbitrators or umpire shall have made their award, all benefit under this policy shall be forfeited.

## CONTENTS OF LETTER DATED 6.12.2010 ISSUED BY THE BANK

"This has referenced to insurance policy # 2010 obtained from M/S ABC Co, ltd through cover note # 09/2010 and PPR # 680630 dated 1.9.2010. Said insurance policy covering the rice stock is valid up till 31.12.2010. Stock of rice A/C M/S traders stored at Rice Mills Faisalabad was insured against risk of fire, RSD, Burglary/theft, MD and AD only. 9500 bags of super rice were lifted by the borrower from Godowns situated at Rice Mills, Faisalabad on

3.12.2010.

Loss of rice stock is insured and covered under the risks as mentioned in insurance policy (copy of insurance policy and PPR enclosed)

Would like you to process the insurance claim A/C -- traders to make the loss good as early as possible.

**Sd/  
Head Regional, CAD  
Bank**

## CONTENTS OF LETTER DATED 9.12.2010 ISSUED BY EWI CO, LTD IN RESPONSE TO BANK LETTER DATED 6.12.2010

"We have for acknowledgment your letter No: J/10 dated 6.12.2010 on the subject cited above.

In this context it is to clarify that since the stock of rice was lifted by your borrower/insured himself and it did not happen due to any perils covered in the relevant insurance policy hence the claim in question is not entertainable and is being repudiated.

**SD/  
MANAGER CLAIMS**

## CONTENTS OF LETTER DATED 21.12.2010 ISSUED BY BANK IN RESPONSE TO INSURERS LETTER DATED 9.12.2010

"We, the Bank, having its head office located at Lahore and branch office at Faisalabad, do hereby serve your company with the following notice under Sec.129 of the Insurance Ordinance 2000 as follows:

1. That the Bank consequent to the issuance of consolidated insurance policy No: 2010 having code No: 52 by your company namely M/S ABC Insurance Co for pledge stock of rice paddy and hypothecation stock of rice/paddy worth Rs. 84,250,000 A/C -- traders, Rice Mills Faisalabad, extended a facility against pledge of



rice paddy. Photocopy of the insurance policy is attached here with as Annexure-A.

2. That the Sum Insured against this policy is as under:

**Pledge stock of rice paddy**

**Rs. 56, 250, 000**

**Hyp. Stock of rice/paddy**

**Rs. 28, 000, 000**

**Total: Rs. 84, 250, 000**

3. That amongst others, the insurance policy also covers the risks of RSD, Burglary, theft, MD and AD.

4. That the above insurance policy is valid till 31.12.2010 and your company is legally, morally as well as ethically bound to honor the claim of the bank with regard to the theft/burglary of insured pledged stock in case the insured assets are exposed to any such risk which is covered by the insurance policy.

5. That on 3.12.2010, an incident of theft/burglary took place and the proprietor of M/S -- traders namely---, removed the pledged stocks numbering 9500 bags of rice worth Rs. 57, 000 (M) and in this regard the Bank vide its letter bearing Ref. No: 10 dated 6.12.2010 reported the incident to the underwriter, M/S ABC Insurance company ltd, along with the claim form (copies of letters as well as claim form are attached as Annexure-B)

6. That it would not be out of place to mention here that the incident was also reported to Police Station Faisalabad and in this regards an FIR bearing No: 83/2010 dated 9.12.2010 under Sec. 380 PPC also stands registered (copy of the same is attached as Annexure-C)

7. That strangely enough, we are in receipt of letter dated bearing No: 2010 dated 9.12.2010 issued by your company, whereby your company despite the risk coverage has turned down our claim with the remarks: "In this context it is to clarify that since the stock of rice was lifted by your borrower/insured himself and it did

not happen due to any perils covered in the relevant insurance policy hence the claim in question is not entertainable and is being repudiated"

8. That the rejection of the claim is absolutely unjustified, unwarranted and against the provisions of law because the claim was lodged against the valid insurance policy issued by your company, moreover after the occurrence of the incident of theft/burglary which risks are duly covered under the insurance policy issued by your company, the rejection of the claim is absolutely unwarranted.

9. That the ground on which the claim of bank has been rejected is no where mentioned in the insurance policy issued by your company because it is no where mentioned in the insurance policy that in case the borrower commits the offense of burglary or theft the insurance company shall not pay the claim amount.

10. That even otherwise your company was morally bound to honor the claim of the bank in view of the risks covered by your company through the insurance policy validly issued by your company.

In view of the above facts and circumstances you are hereby called upon to pay the claim amount of Rs. 57 M of the Bank within 30 days of the receipt of this notice failing which the Bank shall be constrained with the worthy insurance Ombudsman for the redress of its grievances.

**SD/  
BANK**

In response to above contention of the Bank we having assigned to discharge our professional obligation, analyzing the nature of claim in the light of policy terms/conditions, general insurance laws, laws of the land, application of certain clauses / endorsements got the following response initiated through the Insurers.

"This refers to your notice under

Section 129 of Insurance Ordinance 2000 bearing No: LAW/10/03/21535 dated 22.12.2010.

In this regard we endorse that our claim in question has been dealt with in accordance to terms/conditions of relevant insurance contract. You are requested to go through the relevant Insurance Policy where it would be found that M/S ---- Traders comes under the title of the Insured. It has been admitted by the Bank and the same has also mentioned in the FIR that the stocks have been lifted by the Insured M/S --- traders themselves. In this context we would like to refer clause 13 of the conditions referred in the said policy, which read as : " If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the insured or any one acting on his behalf to obtain any benefit under this policy or if the loss or damage be occasioned by the willful act or with the connivance of the insured or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection or (in case of an arbitration taking place in pursuance of the 18th condition of this policy) with three months after the arbitrator, arbitrators or umpire shall have made their award, all benefit under this policy shall be forfeited".

The above clause clearly indicates that all the benefits under this policy shall be forfeited if the loss or damage be occasioned by the willful act of even with the connivance of the Insured.

We also refer the terms/conditions of theft coverage under theft/burglary clause where it is clearly mentioned that no claim shall be admitted in case where the insured himself/his employee or person who would be present in the premises lawfully.

In the light of the above submission it is proved that in accordance with the terms and conditions of the insurance

policy the claim in question is not payable. We therefore request you to kindly withdraw the subject claim.

### ABC INSURANCE CO LTD

In addition to above following relevant terms were defined with reference to the context.

#### THEFT

Dictionary of Insurance by Lewis E. Davids defines this term as “the taking or removing of property with intent to deprive the rightful owner.

In this case the rightful owners are both the mortgagee and mortgagor. How one rightful owner can accuse the other rightful owner for theft? Now both the rightful owners are entitled as insured under fire insurance policy so how one owner can lodge claim accusing the other owner who is also insured under the same insurance policy. Yes this could be fraud by one party with the other or misappropriation. No such event is covered under insurance policy in question.

Dictionary of Law by L. B. Curzon defines the term of theft as “A person is guilty of theft if he dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it. Thief and steal shall be construed accordingly.

The Black's law dictionary defines this term of theft as “The felonious taking and removing of another's personal property with the intent of depriving the true owner of it.

In this case the property taken away was not another's property so it cannot fall within the ambit of term theft.

#### PPC (PAKISTAN PENAL CODE)

Section 380 PPC under which said FIR was registered deals in the case where theft in dwelling is committed so it also looks irrelevant keeping in view the situation of event.

#### BURGLARY

Black's law dictionary defines this term as “Breaking and entering in to another's premises with the intent to commit felony.

The dictionary of Insurance by Lewis defines burglary as “breaking and entering to the premises of another

Management is done by the Insurers by to reduce the potential for loss by identifying and managing hazards.

Few risks are rated under the category of “Un-insurable risks” which are listed as under: (reference Chartered Insurance Institute “Insurance, legal and regulatory”)

#### UN-INSURABLE RISKS

Non-financial  
Speculative  
Fundamental (generally)  
Deliberate act.  
No insurable interest.



This issue was further substantiated in the following manner.

In case where the interest of two parties in a common subject matter of insurance is insured as mortgagees and mortgagors both the interested parties are termed as “insured” and are put under the heading of “Insured” in the policy of insurance. So in this case both the parties i.e. Bank and --- traders, Rice Mills will be considered as “Insured”

As per Bank rules/regulations and terms/conditions of the sanction of limit the borrower

with felonious intent and with visible signs of forced entry.

So the situation as narrated by the Bank does not fall within ambit of term burglary as well.

#### RISK

Risk is defined as “the possibility of loss” or “doubt concerning the outcome of a situation in which loss may occur”.

The risk refers to the peril or contingency that is insured-the fire risk, the theft risk and so on. Risk

is asked to get the pledged stocks insured adequately and submit the evidence of insurance to the Bank as requirement of sanction of loan. So the borrower arranges the insurance of the pledged stock and submits the copy of policy to the borrowing bank. The borrowing bank sometimes provides the borrower a list of approved Insurance companies on the panel of Bank for one or more to be selected for insurance arrangement. Similarly the Bank intends to get coverage under some selected risks which is to be arranged with the Insurers. In this scenario the borrower is considered to be the legal owner of



the property to be insured and the Bank is considered to be the mortgagees of the property for extending the loan facilities to the borrower.

If any loss occurs giving rise to claim under the policy since it occurs at the borrower's premises and not the Bank so it is borrower who is to inform the Insurers concerned about the occurrence of loss. In practice the borrower informs the Bank who in turn informs the Insurers about the occurrence of loss. It is borrower who is to follow all the policy terms / conditions / warranties / clauses etc as he is the handler and custodian of insured property. He is not only the legal owner of the property insured but also the custodian, manager. He sells it and purchase or produce to increase the quantities further. It is he who monitors the stocks quantum and maintains the adequate sum insured.

Under the scenario the borrower cannot be treated as thief or burglar by the bank and it has never happened in the history of insurance that any borrowing bank has ever requested any Insurance company for grant of coverage against the risk in case the owner/insured/borrower of the property insured steals the insured stock himself. It also has never happened in the history of Insurance that any Insurance company has granted coverage against any such risk.

It is impracticable that the owner of property who is the proposer of Insurance too and the legal custodian of property required to be insured would require the insurers to grant coverage against his risk of his own involvement in theft of the insured property.

In this case too it was never the intention of the Insured, the bank or the borrower and no such intention is ever disclosed to the insurers as material fact. In-fact no such risk is available for insurance anywhere in

the world insurance market so the question of making proposal and accepting of such risks cannot be arisen.

In order to further clarify the issue and to eliminate any ambiguity condition No: 13 has been expressly incorporated in the policy which is self-explanatory as mentioned above. This condition further explains that if the insured/property owner or any person with his consent put the property insured on fire the Insurance company would not assume any liability at all. Similarly if the borrowing bank or the borrower makes a proposal to any insurance company for granting coverage against such risks no company in the world would ever grant such cover as this is illegal and null-n-void as it cannot be assumed as risk within the definition of risk.

Keeping in view the definition of theft, risk, peril, and terms/conditions of policy the borrower cannot be declared as thief and/or no coverage is ever proposed by the insured or granted by the insurers. If a car owner takes his car out of his garage and park it to his friend's garage or even sell it, he cannot be called as thief of his car. Similarly if the borrower has taken away some stocks of rice lying in his custody, in his mills and sells it out it is not considered as theft. However if he

has done it without taking prior permission from the bank if at all the Bank has bound him to do so prior to taking away the stock for sale etc then it is breach of contract/trust between the borrower and the bank and the bank is entitled to take appropriate legal action for recovery. To facilitate such issues/disputes the Banking courts and other legal forums are available. The additional securities are available to the bank to get compensated for such breach of trust and contracts to safe guard the bank's interest. Insurance company cannot be called upon question on such issues as no coverage is available for such events.

As mentioned above it is further clarified in the attached copy of watchman/burglary clause which is reproduced above for reference. It is clearly mentioned therein that "this policy shall not cover loss or damage due to burglary or house breaking or to any attempt thereat by the insured or any inmate or member or the insured household or business staff"

In condition # 13 of standard fire policy as reproduced above for reference which is printed on the Policy as express condition it is again explained that if the loss or damage be occasioned by the willful act or with the connivance of the insured all benefits under this policy will be



forfeited. Here the term insured refers to both the parties i.e. bank and the borrower.

The definition of theft and burglary also do not apply on the situation where the owner himself takes his property away. Bank while lodging the claim also hesitated to use the term “theft or burglary” and the words used are “9500 bags of super rice were lifted by the borrower from Godowns situated at Rice Mills, Faisalabad on 3.12.2010”

Although it is futile to make comment on the issue of taking away such a huge quantity of 9500 bags of rice by the borrower from the Mills in presence of Bank's posted staff otherwise questions can be put as to how such a huge quantity of bags were lifted and removed out in such circumstances and why such removal could not be stopped with the help of Bank's officials and Police. It is not the task of an hour or two.

All the warranties, conditions, clauses and other instructions contained and or incorporated and or attached with the policy require the borrower to act in the manners as required by the policy to safe guard, protect, manage the subject matter of insurance which go futile in case the argument of the bank given in support of their claim are accepted. If the wording of policy conditions, warranties and other clauses is gone through a sense would prevail that in presence of such

circumstances the insurers had no intention to grant coverage of event as claimed by the bank. Had the issue of taking away the insured stock by the owner/borrower/insured considered as theft/burglary and covered by the insurers all such phrases, undertakings, warranties, conditions etc would have been abortive making the contract as impractical, vague, null-n-void and illogical.

Under the circumstances we maintain a considered opinion that the loss as mentioned by the bank is not occurred due to any peril covered by the Policy of insurance. Bank has declared that the stock of rice has been lifted away by the Insured so this situation does not fall within the ambit of insurance policy as produced before us as circumstantial evidence.

The considered definition of RISK as quoted above as accepted world-wide and the “insurable risks” which are also accepted world-wide as extracted from the Insurance law and practice being followed world over, generated through “CHARTERED INSURANCE INSTITUTE” LONDON, the risk of deliberate act is considered as “un-insurable risk the world over. Deliberate act refers to putting one's own property in to fire or damage. In other words if a person put his own property on fire and tries to get coverage against such risk it will not be available with any insurance company as a matter of rule/regulation being followed by the

Insurance Industry world over. The same rule applies to the present claim.

Simply lodging FIR under section 380 PPC do not establish the claim to be fallen under the terms/conditions of relevant policy of insurance. The contract of Insurance is of independent nature and law binding by all the parties concerned. All the parties are bound to follow its terms and conditions. Liability if any will also be decided in accordance with the stipulation in shape of insurance policy. After registering the case the Police go for investigation and go on changing the sections after inquiry. The case is then tried in the competent court of law and then its fate is decided. Until then no definite conclusion could be derived. But even if the fate of the case is decided in favor of the Bank the Bank may proceed legally for recovery of the pledged stock from the borrower and still cannot claim under the policy of insurance for the reason mentioned herein.

**Under the circumstances narrated above and keeping in view all the documentary evidence, the undersigned opine that the claim as lodged by the bank against M/S ABC Insurance Co. Ltd do not fall within the ambit of policy terms/conditions so in my opinion the Insurance company cannot be called for question to pay this claim.**







**Dr. Shaheryar Ahmed**  
Health Department  
East West Insurance Co. Ltd

# Role of Health Insurance on Public-Private Partnership (PPP) Basis in Pakistan

The role of PPP is to create a financially sustainable system, capacity reform and management reform in the public-private sector which may lead to increased health care delivery and utilization, preventing unintended outcomes of private sector growth in health, control health care costs and create improvements in the health status of society, thus facilitating socioeconomic development. In Pakistan there are some examples of successful public-private collaborations in health care provision:

1) The Health and Nutrition Development Society (HANDS), and NGO in partnership with Sindh Government to provide primary health care services at basic health units in Karachi.

2) The Aga Khan University Karachi, a private sector partnership with Sindh Government to provide primary health care services in rural and urban slum communities for disease Surveillance, vaccines and drug trials.

3) Heart file, an NGO in partnership with government, the International Vaccine Institute (South Korea),

WHO, Save the Children and UNICEF, is the supporting agency in a policy development initiative to control no communicable diseases.

4) Ministry of Population & Welfare and United States Agency for International Development



Partnership established a social marketing programme from the Green Star Network in Pakistan to enhance contraceptive use.

## Challenges

PPP are considered to be a successful

model of health reform in the health sector of other countries. So the challenge ahead is for Pakistan to facilitate the implementation of various components of health sector programmes, including establishing norms, tackling morality and accountability issues, building a legislative framework, defining operational strategies, as well as safeguarding the Consumer Protection Act to safeguard the interest of consumers. The issues we are facing to facilitate implementation of partnerships in providing and encouraging utilization of health care services include a lack of appropriate monitoring and reporting mechanisms, a lack of clarity in policies and low efficiency of the private sector in taking care of the poorest sectors of society. The research in the field of establishing effectiveness of PPP in providing and raising demand of health care services in the community in Pakistan is limited to rare cases. Furthermore the data to promote health sector reform in Pakistan are unavailable or unpublished.

Recent Development in Private Health Insurance Industry, providing its services to Corporate Sector and

limited individual sector is increasing awareness and competition in raising quality service provision among the Health service provider Group. Recent Government initiatives for rural health uplifting in collaboration with Private Health Insurance Companies are also being introduced.

### Health Financing

Consistently low allocations to public health service by the federal government have resulted in poor-quality care and, consequently, under-utilization of public facilities compared to private-sector providers, which offer excellent care but at much higher cost. Out of-pocket payments place a considerable burden on citizens, the majority of whom live below the poverty line, the social security and private health insurance systems, along with the Zakat fund and Bait-ul-Maal for marginalised people, cannot practically serve large segments of the poor population (Ahmed and Sheikh 2008; WHO 2007b).

### National and PPP Health Insurance --- a way out

What is needed now is an exploration of innovative health care financing models. A prerequisite, however, would be that the provinces review their budgets and consider allocating

more funds towards high-priority MCH issues and Health Insurance provision. A WHO review done in 1998, studied 82 non-profit health insurance schemes for people in the informal sector: The Study showed that very few of these schemes covered large populations or a great percentage of eligible population. Some of these schemes were: In Vietnam, a separate scheme was operated for very poor people for whom 100% of the premium was paid from the provincial government budget directly into the health fund. The country has responded to the issue of how to provide coverage for the poor by creating a special low income card or scheme for the poor rather than integrating them into the man health insurance system.

In Nepal, the Lalitpur Scheme shows that population coverage in the target areas rose from 19-20% in 1983 to 27-48% in 1995.

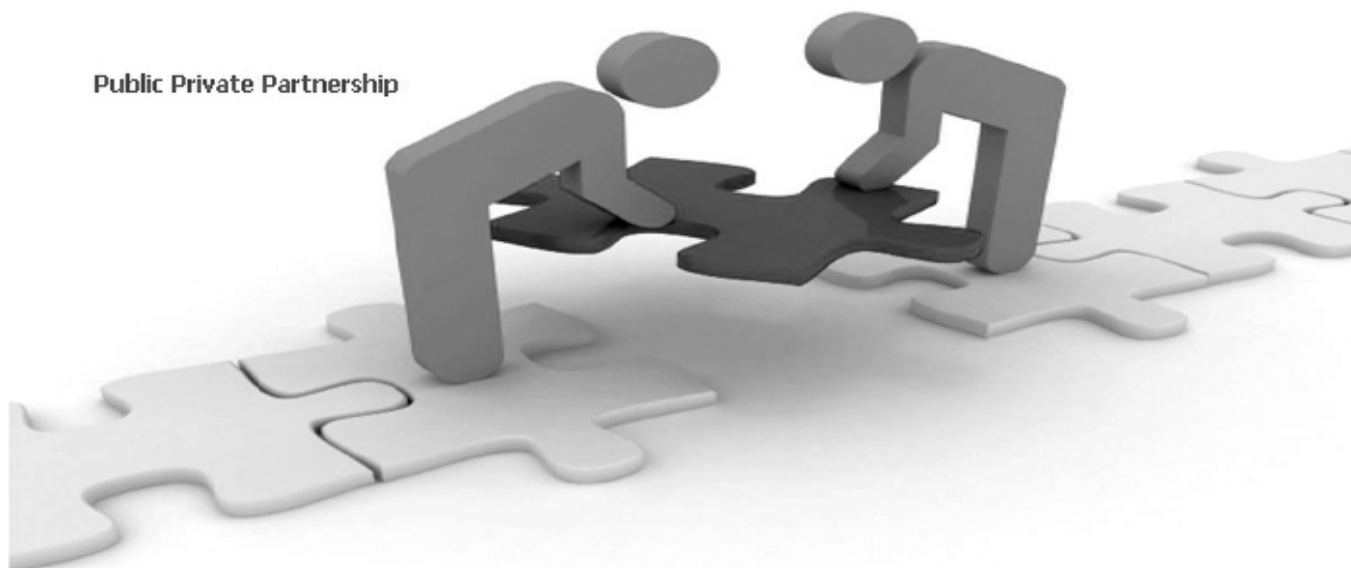
The Benazir Income Support Programme (BISP) had been started by the Government of Pakistan with the preliminary provision of Rs. 34 billion (US \$ 425 million approximately) for the year 2008-09. The BISP scheme would be operated through insurance companies to provide service in a block of Districts designated by BISP at the start up but eventually in each Administrative

Division of the country.

### Conclusion

For successful implementation, the suggestions for the team running a Health Insurance project on ground effectively should be able to create awareness and meet the demand for health care and financing, create ways for aligning the services of all concerned, concentrating on enhancing affordability and decreasing costs and swift coverage and health benefit to all. The three main prerequisites for the introduction of universal healthcare according to our observation can therefore be summarized as: strong political will, proper administrative capacity, and an incremental approach. Naturally, the incremental approach to broadening the system will be governed by financial consideration: in other words, whether the overall rate of economic growth and development is sufficient to generate the taxes and premiums needed to continue extending the reach of the system for all involved in a Country needs to be considered.

Public Private Partnership







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

# Cancer

## The Silent Killer

Although, I am not a doctor but based of my experience in the field of medical health insurance and interaction with some cancer patients, I feel to highlight some useful information for the public awareness about cancer. Cancer is one of the leading causes of death in Pakistan as well as in the world. It is truly the silent killer. If you are not able to feel or diagnose it in time, the doctors would not be able to stop it and you will not survive. There were more than 1.4 million cancer patients in Pakistan. Also, more than 80,000 people died each year due to this disease, including 40,000 from breast cancer.

There are many risk factors for cancer including cigarette smoking, tobacco chewing, "Naswar", alcohol consumption, particular infections like *Helicobacter pylori* (Gram-negative Bacteria), Hepatitis B and C etc. In addition to the above, sun ultraviolet exposure, environmental pollutants particularly heavy metals and inherited mutations can also be the risk factors for cancer. Now-a-days, it is also considered that life style and diet can also be a threat for cancer. Cancer is a wide range of diseases that develop when the DNA of a cell becomes damaged or changed, producing mutations that warp normal

cell growth and division. Cancer cells do not die whereas regular cells may die and new cells continue to form. The extra cells may form tumors. Cancer can spread to other parts of the body through the blood system.

There are more than 100 different types of cancer that affect things from the lungs to the brain. As discussed above, smoking can lead to many different types of cancer because it affects the lungs, kidney, pancreas,

by routine self-exam or other screening measures before the symptoms become serious. Most cases of cancer are detected and diagnosed after a tumor can be felt or when other symptoms develop. In a few cases, cancer is diagnosed incidentally as a result of evaluating or treating other medical conditions.

Cancer diagnosis begins with a thorough physical exam and a complete medical history. Laboratory studies of blood, urine, and stool can detect abnormalities that may indicate cancer. When a tumor is suspected, imaging tests such as X-rays, Computed Tomography scan (CT scan), Magnetic Resonance Imaging (MRI), Ultrasound and Endoscopy examinations help doctors to determine the cancer's location and size. To confirm the diagnosis of most cancers, a Biopsy needs to be performed in which a tissue sample is removed from the suspected tumor and studied under a microscope to check for cancer cells.

If the diagnosis is positive (cancer is present), other tests are performed to provide specific information about the cancer. This essential follow-up phase of diagnosis is called staging. The most important thing doctors need to

### World Cancer Day

*Let's raise awareness of cancer and encourage it's prevention, detection & treatment.*



and stomach. Lack of physical activity is also a leading factor in cancer's development. Inheritances play a vital part in cancer's development because when cancer is hereditary, a mutated gene has been passed from generation to generation.

#### How is Cancer Diagnosed?

Some types of cancer such as those of the skin, breast, mouth, testicles, prostate, and rectum may be detected

know is whether cancer has spread from one area of the body to another. If the initial diagnosis is negative for cancer and symptoms persist, further tests may be needed. If the Biopsy report is positive for cancer, be sure to seek a confirming opinion by a doctor who specializes in cancer treatment before any treatment is started.

## What are the Treatments for Cancer?

Depending on the type and stage of cancer, treatments to eradicate the tumor or slow its growth may include some combination of surgery, radiation therapy and chemotherapy.

**Surgery:** Non-blood cancers can be cured if entirely removed by surgery, but this is not always possible. When the cancer has metastasized to other sites in the body prior to surgery, complete surgical excision is usually impossible. Examples of surgical procedures for cancer include mastectomy for breast cancer, prostatectomy for prostate cancer, and lung cancer surgery for non-small cell lung cancer. The goal of the surgery can be either the removal of only the tumor, or the entire organ.

**Radiation Therapy:** It works by damaging the material inside cancer cells and limit's their ability to reproduce. There is surgery, where a doctor cuts the cancerous tumors out.

**Chemotherapy:** It is used to kill the cancerous cells that spread throughout the body. It can be used to shrink tumors for surgery, and it can also ease some of the symptoms of cancer including pain. Anti-Cancer drugs are usually used before or after surgeries to slow the cancer or shrink the tumors and cancer cells.

The cost of cancer treatment in Pakistan ranges from Rs. 0.6 million to Rs. 1.2 million based on the type of cancer and hospital.

**Other Supported Remedies:** Nurses

and other professionals should play a supportive role in cancer treatment. The goal is to relieve pain, maintain general health, improve quality of life and provide emotional, psychological, and logistical support to patients and their families.

Exercise can help to control fatigue, muscle tension and anxiety of cancer patient. Patients tend to feel better if they do exercises such as walking or swimming. Exercise has also been shown to improve the results associated with cancer treatment.

Having the support of friends and family can help you deal with the depression, fear and anxiety that accompany cancer. In some cases, a strong support network can even affect the length of survival of cancer patients. Men who experience limited social contact have a shorter survival time, while women with good social support survive longer from their cancers.

Prayer can relieve stress, create a sense of meaning and provide relief. Being an actively spiritual person may have even more benefits. Cancer patients who consider themselves spiritual suffer less anxiety and depression and even less pain from their cancer.

## Some of the Specialized Hospitals providing Cancer Treatment in Pakistan:

- Shaukat Khanum Memorial Cancer Hospital & Research Centre, Lahore
- CENUM Cancer Hospital, Lahore
- INMOL Cancer Hospital, Lahore
- Children Cancer Hospital, Karachi
- Agha Khan University Hospital, Karachi
- Edhi Free Cancer Hospital, Karachi
- KIRAN Cancer Hospital, Karachi
- AEMC Cancer Hospital, Karachi
- NORI Cancer Hospital, Islamabad
- BINO Cancer Hospital, Bahawalpur
- INOR Cancer Hospital, Abbotabad
- LINAR Cancer Hospital, Larkana

- IRNUM Cancer Hospital, Peshawar
- SINOR Cancer Hospital, Saidu Sharif, Swat
- MINAR Cancer Hospital, Multan
- NIMRA Cancer Hospital, Jamshoro
- GINUM Cancer Hospital, Gujanwala
- GINOR Cancer Hospital, Gilgit
- BINOR Cancer Hospital, Bannu
- NIAMAT Cancer Hospital, Nawabshah
- DIKIN Cancer Hospital, D. I. Khan
- CENAR Cancer Hospital, Quetta
- PINUM Cancer Hospital, Faisalabad

## Conclusion:

As per my findings, the awareness among general public about cancer is insufficient and people should be given awareness about cancer prevention, risk factors, importance of routine medical checkup for early detection of any disease including cancer and availability of cancer treatments in Pakistan. Cancer awareness programs are needed especially for rural population through electronic and print media (TV, Newspapers, Literatures and Social Media), cancer hospitals and cancer research centers. Ministry of Health must play its active role in prevention of cancer from Pakistan. Some basic screening tests for most cancers should be available free of cost nearer in the urban and rural basic health centers and it should be compulsory for the people to undergo those tests on regular bases. Also, the environmental factors responsible for cancer should be reduced and such products should be strictly banned e.g. cigarette, tobacco, alcohol and "Naswar" etc. Industrial waste like heavy metals and asbestos etc. should be properly wasted to make sure that it is harmless for public. Secondly, in Pakistan, the most of the cancer hospitals are running on Donations. So, it is the public's responsibility to give their Charities, Sadqaat and Zakat to those hospitals.



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**Bushra Shafiq Bangash**  
MBA (Marketing), MS (HR)  
OG-I (General Banking)  
National Bank of Pakistan

# Job Stress

## (Causes, Symptoms and Relief)

Stress is caused by worry, mental and physical exertion as a result of domestic or professional issues. For a housewife waking early, giving breakfast to husband and children on time, cleaning, washing, lunch and dinner preparation etc may cause stress on other hand for a job person reaching office on time and meeting time lines may cause stress. Job stress not only affects the working capability of a person but it also affects the mood and health of the person. A person who always remains stressed at job will also damage his domestic life. No one can avoid stress, and some level of stress is better for people as it gives you boost and energy to complete given tasks but if it exceeds a limit then it hurts. Job stress is a serious subject according to one American survey job stress cost billions of dollars to companies.

### Causes of Job Stress:

So what are the causes of job stress? Causes may vary from job to job and person to person. For example, if a person is stuck in traffic jam and reaches office late he will feel stressed and it will affect his whole day working.

**a. Lack of Job Satisfaction:** The first cause of job stress is if you are not satisfied with your job. A programmer is working as a teacher but he actually wanted to create programs then he may not feel satisfied with his job and it may cause job stress for him. On other hand if a person don't get acknowledgment from his supervisor may cause to his job stress level.



**b. Lack of Support and Guidance:** You joined a new office and your boss and colleagues don't support your decisions and don't guide you. They expect you to meet deadlines and without guidance you have no idea how to complete assigned jobs in desired manner may cause a high stress level.

**c. Poor Working Conditions:** People

working in coal mines mostly face chronic lung diseases. Public transport drivers feel stressed all the time. People working in factories also complain about physical and mental illnesses. Even people working in offices faced poor working conditions. Poor working conditions are one of the most dangerous as it may affect workers on both mental and physical level.

**d. Work Burden:** If a person is doing excessive amount of work and his boss expects him not to say no to every task assigned to him then he will soon collapsed due to stress of meeting deadlines.

**e. Communication Barrier:** If a person cannot communicate his grieves, problems and other work issues then

he will start feeling frustrated all the time. Communication barrier not only affect workers it also affects the organization as a whole.

**f. Uncertainty:** The increase in layoffs and budget cut offs also increases job stress as a person always remains in fear of losing his job and cannot concentrate on his job.

### Symptoms of Job Stress:

Constant stress is not good for the health. If a person deals constantly with stressful conditions he may likely face long term health problems like heart disease, high blood pressure, depression etc. There are numbers of symptoms but major symptoms are mentioned here.

- Depression
- Anxiety
- Discouragement
- Pessimism
- Feelings of being overwhelmed and unable to cope
- Headaches
- Trouble sleeping
- Problem concentrating and making decisions
- Short temper
- Upset stomach
- Job dissatisfaction and low morale
- Muscle tension
- Fatigue
- Loss of interest in work
- Social withdrawal

## Managing Job Stress:

Moods and behavior affect you and others a lot. If a person is good in managing his job stress he will be less affected by the negative mood of others as well. Your better mood and positive personality may also affect others mood and may play positive

role in reducing their stress level. Job stress can be managed on 3 levels, physical, mental, and sense of purpose.

**1. Physical Health:** Job stress damages our physical health and to restore it one has to start giving priority to the needs of his body. How can we reduce the affects of job stress which are aging us and giving us diseases? First of all, we have to start eating healthy food and add more proteins in our food as well. Fruits and vegetables must be the part of our daily intake of food. Second, to de-stress yourself start moving even in workplace if you are feeling anxious start walking or get up from your seat and stretch your muscles. Exercising helps a body as it flows blood and endorphins, makes you happy, and turns off your flight or fight stress response. Deep breathing also helps to reduce stress. Third, your body needs sleep so try to get good night sleep.

**2. Mental Health:** You cannot avoid the inevitable. Whatever you do if something bad has to be happened it will happen. In your daily routine you will face a hundreds of problems but while facing these problems start thinking about the things you love



about your life and it will lift your mood. Learn to say “NO”, I repeat learn to say no or you will destroy your mental health. If you think that you cannot meet deadlines or work burden has been increased and people are asking you to push yourself exceed your limits then say no to them it will help your mind and body to relax. You must know the polite way of saying no as you cannot be harsh to your boss and people just tell them it will affect your work quality. Try to learn to negotiate with people.

**3. Sense of Purpose:** Try to get some time for your loved ones. Have fun with your family and friends, avoid checking your mails and phones and get fully engaged with fun activities. Hang out with people you love. Try to bring out the creative, stress free kid from your inside and do some fun and cut yourself from your work for some time and recharge your batteries. The most important thing which will help you to manage stress is say prayer, ask help from ALLAH and have faith in Him that He will make everything ok.

We cannot eliminate stress from our lives but we can manage it. So, it's never too late to start managing your stress and start living happily. You deserve to be happy.



**MR. MAHMOOD LOTIA****Chairman****The Insurance Association of Pakistan****CAPT. AZHAR EHTESHAM AHMED****Senior Vice Chairman****The Insurance Association of Pakistan****MR. JAVED AHMED****Vice Chairman****The Insurance Association of Pakistan**

Mr. Mahmood Lotia elected Chairman IAP 2014-15 started his insurance career in April 1974 then trained at the M&G Reinsurance Company, UK. From April 1977 worked with Adamjee Insurance and Commercial Union and in 1989 left for Abu Dhabi to work with Abu Dhabi National Insurance. On return to Pakistan in late 1991 joined EFU General Insurance Ltd and currently is the Senior Deputy Managing Director.

An Associate of the Chartered Insurance Institute UK, since 1977 Mr. Lotia has been involved with a number of technical projects since the 1980's of the Insurance Association of Pakistan and has also served as the Vice Chairman for the 2012/2013 period.

**Executive Committee 2014-15**

- |  |                           |
|--|---------------------------|
| 1. Mr. Mahmood Lotia, Chairman                   | EFU General Insurance     |
| 2. Capt. Azhar Ehtesham Ahmed, Sr. Vice Chairman | Alfalah Insurance         |
| 3. Mr. Javed Ahmed, Vice Chairman                | Jubilee Life Insurance    |
| 4. Mr. Naim Anwar                                | Crescent Star Insurance   |
| 5. Mirza Khadim Baig                             | Premier Insurance         |
| 6. Syed Kazim Hasan                              | TPL Direct Insurance      |
| 7. Mr. Atiq Anwar Mahmudi                        | Jubilee General Insurance |
| 8. Ms. Zehra Naqvi                               | ACE Insurance             |
| 9. Mr. Afzal-ur-Rahman                           | Century Insurance         |
| 10. Mr. Zeeshan Raza                             | Habib Insurance           |
| 11. Mr. Taher G. Sachak                          | EFU Life Assurance        |
| 12. Mr. Muhammad Ali Zeb, Ex-officio             | Adamjee Insurance         |



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# Trade Through Wahgah Border

This report was prepared by the Marine Committee of IAP Vice Chairman Mr. Mohammed Sohail Nazir

## PREFACE

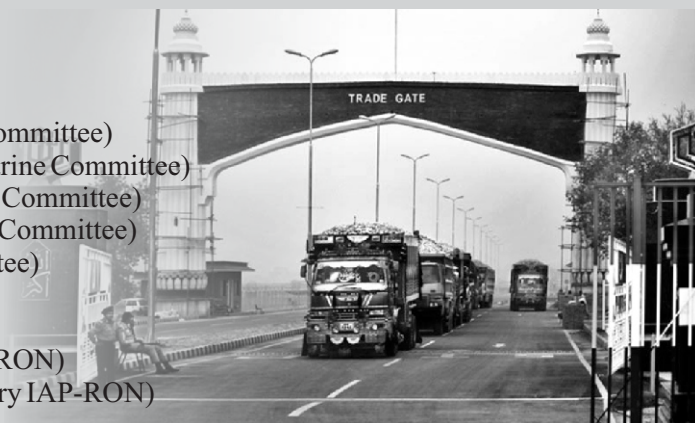
The Marine cargo class of the Pakistan insurance industry has been suffering huge rain water damage losses on cargoes moving between Pakistan and India via Wahgah Border. As the situation was worsening by every passing day it was felt necessary by the Marine Technical Committee of the IAP to visit the place and collect the actual facts. This tour was actually meant to find the exact causes of loss and to discover possible solutions with the consultation of other stake holders mainly Pakistan Customs and National Logistic Cell (NLC) - the custodians of Pakistani side of Wahgah Border.

Mr. N.A. Usmani (Secretary General) initiated the process and through Syed Daood Ali Shah (Secretary & Surveyor, IAP- Regional Office North) the meetings were arranged with the following officers:

- Mr. Shafiq-ur-Rahman of Pakistan Customs
- Lt. Col. Khalid of NLC

The following officials visited the Site:

- Ms. Amna Sarfaraz Khan (Chairperson – Marine Committee)
- Mr. Mohammed Sohail Nazir (Vice Chairman – Marine Committee)
- Mr. Muhammad Fayyaz Vakani (Member – Marine Committee)
- Mr. Muhammad Naved Fayyaz (Member – Marine Committee)
- Mr. Kamran Safi Rizvi (Member – Marine Committee)
- Mr. N.A. Usmani (Secretary General IAP)
- Mr. Mumtaz Ali (Risk Surveyor IAP)
- Syed Daood Ali Shah (Secretary & Surveyor -IAP-RON)
- Mr. Muhammad Khurshid Awan (Assistant Secretary IAP-RON)
- Mr. Irtiza Kazmi (Alfalakh Insurance, Lahore)



The committee, on 26th November, 2013, visited Zero Point (the Border), Trade Gate and storage areas at Wahgah. They also had detailed meetings with the officials of Pakistan Customs and NLC. With the verbal permission of the customs officials, some photos were also taken which are attached to this report.

This report briefly mentions the process of import / export from / to India through Wahgah. It also mentions the facilities currently available and future plans. It also highlights hazards involved in this trade and suggests risk mitigating measures.

This report could not have been compiled without the active support of Mr. Shafiq-ur-Rahman of Pakistan Customs, Lt. Col. Khalid of NLC Mr. N.A. Usmani Secretary General IAP and Syed Daood Ali Shah Secretary & Surveyor IAP- RON.

## WAHGAH BORDER

Wahgah is the only road border crossing between Pakistan and India and lies on the Grand Trunk Road commonly known as G.T Road. The border is located 22 km from Lahore and 28 km from Amritsar which are at a distance of 35 miles from each other. NLC Wahgah Terminal is constructed on a piece of land measuring about 20 acres.

## TRADE THROUGH WAHGAH BY TRUCK

At present, trade between the two countries across the Attari-Wahgah border is permitted both via rail and road.

However, due to the shortage of rail wagons, the road route is preferred. Around 75% of the cargo is moved via trucks / trailers.

Since October 1, 2007, cargo-laden vehicles have been allowed to cross the border up to a designated point in both the countries where the goods are unloaded and then carried to various places by local transport.

<b>Trade through road route at Wagah (April – December)</b>				
	<b>Export</b>		<b>Import</b>	
	2011-12	2012-13	2011-12	2012-13
No. of trucks	11,819	23,405	21,321	19,700
Tonnage	378,000	844,000	409,000	418,000
Value Approx (PKR in Millions)	5,730	10,870	13,630	21,340

On average 150 trucks arrive from India daily. They carry items of four categories as per Appendix G1 of The Import Policy Order 2013. The official time of the trade was from 7 am to 7 pm but the trucks start trading after 9:30 am. Recently the two governments have agreed to extend the time of trade to 24 hours. While crossing border, the driver is issued a single entry permit by the importing country which is valid for 24 hours. The driver by all means has to return to the country of origin within 24 hours time. If for some reason the process is delayed, the truck is parked in the importing country but the driver is sent back to the country of origin.

When the trucks enter the territory, they pass through a scanner. There is only one scanner on the Pakistan side at Wahgah. The total time required by each truck to pass through the scanner is 4 to 5 minutes. After weighing of goods at NLC Weighbridge, the loaded trucks are passed on to a private contractor who arrange unloading of the materials into the storage yard / shed. The custom clearance of the goods is arranged by the clearing agents of the Pakistani consignee. After custom clearance, the Pakistani clearing agent arrange loading of materials onto Pakistani trucks which are then dispatched to the consignees. The clearance time for each truck is 1-2 hours. The highest number of trucks that have arrived per day from India is 315.

While coming from India, there is no bilty or truck receipt but the truck drivers are required to provide the following documents to Pakistan Customs:

- Quarantine certificate for living things and anything produced by a living thing.
- Invoice
- Packing list
- Import manifest

At the outset, the cargo is received by NLC, the custodian of Wahgah, NLC is responsible for collecting freight and maintains log of the cargo into the system and then hand it over to the customs. The customs are required to assign IGM (import general manifest) Number within 24 hours of receiving the cargo. The GD (goods declaration) is filed and the duty is then calculated.

For exports to India, Pakistani trucks enter into India in a similar pattern. Export allowed form is issued by Pakistan Customs. The customs can handle 350 trucks per day although only 150 trucks on average proceed towards India from Pakistan. These trucks offload the cargo at ATTARI. The exports mainly include dry dates, Gypsum and Cement.

### **TRADE THROUGH WAHGAH BY TRAIN**

Only 25% of the trade through Wahgah is carried via train. There is no separate goods train for this purpose and only five to six bogies for cargo are attached with the passenger train. Cargo bogies are made part of the passenger trains on Mondays and Thursdays only.

Number of trains (with cargo bogies) moving between India / Pakistan depends on the stock of goods. Special trains are arranged if need arises but this happens very rare. On the Pakistan side the cargo is offloaded at the T-10 platform at Railway station. Various covered sheds are available at the place. Consignees sometimes delay in taking delivery of the goods. Risk of water damage is minimal in case of movement of cargo by train.



## AFGHAN TRANSIT TRADE THROUGH WAHGAH

As per ATTA 2013 Pakistan only allows movement of Afghani goods to India through Wagah border crossing, but does not allow Indian goods any access to Afghanistan through its territory. India also does not allow other SAARC countries such as Bangladesh, Nepal or Bhutan the use of its Wagah border crossing for trade with Pakistan.

For Afghan transit, the Pakistan customs at Chaman / Torkham seals the consignment. This seal is then checked at Wahgah border by Pakistan Customs to ensure that there is no pilferage.

## MAJOR CAUSE OF LOSSES AT WAHGAH

Because of the limited number of sheds a huge quantity of the cargo is stored in open on the ground. This cargo is neither kept on platforms above the ground level nor is properly covered by Tarpaulin. The rain thus causes huge losses. The cargo mainly damages from rain water flowing under the heaps. The soya bean meal which is one of the big imports from India through Wahgah suffers more losses of rain water.

The major contributory factor to these losses is the delay in lifting the cargo by the consignees. Section 82 of Customs Act says if the consignee does not lift cargo within 2 months, the customs can auction after giving due notice to the party. If the delay lasts for more than 6 days, NLC applies a demurrage. For perishable goods, the demurrage is PKR 4,000/- per truck and for non-perishable, it is PKR 250 per MT. There are only 3 sheds at Wahgah covering very limited area and there are no other arrangements for keeping the cargo secure. They cargo is thus kept on the ground and covered by tarpaulin.

## FUTURE PLANS BY NLC

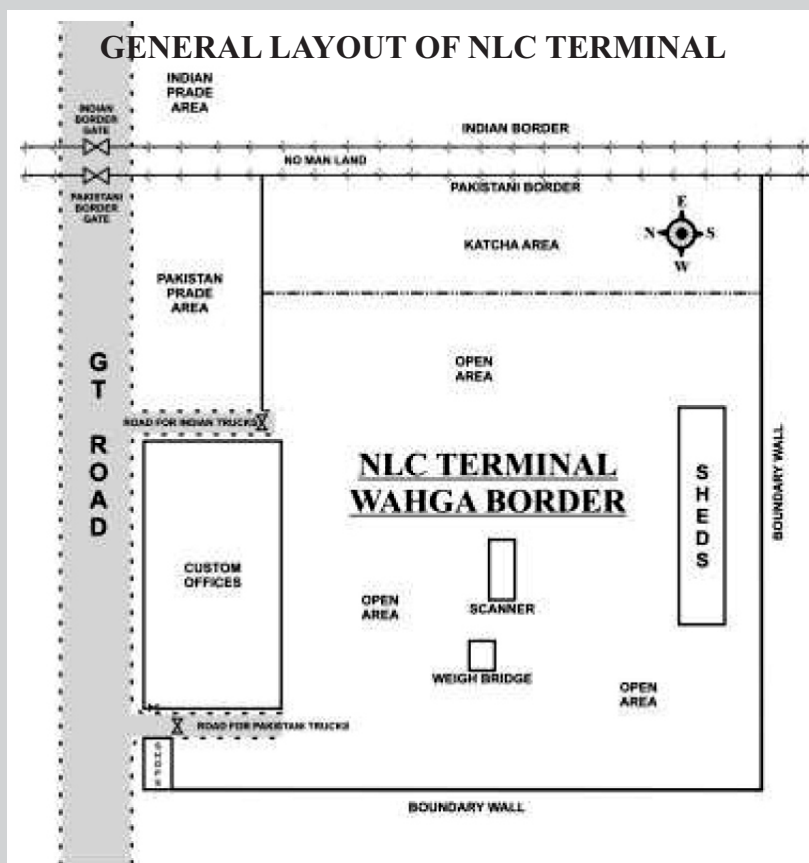
The NLC has approved a plan for construction of sheds / roads / paved areas for storage of cargo. The cost of the plan is estimated to be 2.5 billion and will be completed by Dec 2015.

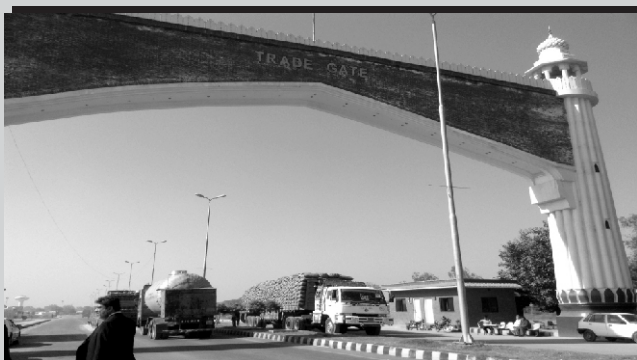
## SUGGESTIONS

The insureds must be persuaded to use Trains instead of Trucks. Usage of trucks can be safe only if the cargo is containerized but currently the two countries do not have any agreement to use containers for the trade. The agreement to use containers for the trade is yet to be signed by the two countries. The customs can however allow, through special permission, the use of containers.

The Marine Technical Committee IAP also suggested NLC to increase demurrage charges to discourage delayed lifting of cargo by the consignees. The commander at NLC agreed to the suggestion but requested the committee to approach them formally.

The insureds should be persuaded to import soya bean meal before or after the monsoon season.







# Best Corporate & Sustainability Report Awards 2013

**EFU General Insurance Limited was awarded 3rd position in the Best Corporate and Sustainability Award this year conducted by joint committee of the ICAP AND ICMAP. The award was received by Deputy Managing Director of EFU General Insurance Limited Mr. Jaffer Dossa from past president of ICMAP Mr. Sher Afghan Malik.**



**Mr. Jaffer Dossa is seen with his team members Mr. Munawar Salemwala, Mr. Arshad Ali Khan, Mr. Aslam Ghole, Mr. Mutaza Noorani and Mr. Rizwan Ahmed.**



## **EFU Life launches corporate campaign 'Life mein Kamal karna zaroori hai'**

EFU Life Assurance Ltd, the leading private sector life insurance company, has launched the second phase of its corporate campaign, 'Life mein Kamal karna zaroori hai'. The campaign builds on to the earlier theme and is aimed at addressing two common myths that people have about Life insurance. The myths are 'I don't really need insurance' and 'Insurance is expensive'.

The concept highlights a common man wanting to secure his and his family's future with a life insurance policy, bringing into focus the dreams and aspirations that many of us hold, whether it is providing your child with the best education, fulfilling the dreams of your child's perfect wedding, saving for your own house, or living a stress free and comfortable life after retirement.

The campaign has been launched on a 360 degree scope, with presence on all mediums—TV including Cable, Outdoor, Print, Radio, Social and Digital media.

EFU life believes that its investment in this mass level marketing campaign will fulfil the larger national cause of creating awareness about the importance and benefits of financial planning and will help bring life insurance to every family in Pakistan.

# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

### General Insurance:

ADAMJEE INSURANCE CO. LTD.		(Rs. In Million)
	2014 (Restated)	2013
Paid up Capital	3,750.000	1,237.045
Gross Premium	5,992.164	5,079.337
Net Premium	3,055.023	2,710.599
Profit Before Tax	929.612	1,711.053
Profit After Tax	842.923	1,510.997
Investment Income	1,017.865	1,673.388
Investments	12,737.194	14,467.946
Total Assets	28,218.831	29,526.592
Claim Expense	1,641.156	3,016.299
Earning / (Loss) per Share - (Rupees)	2.41	4.32

ALFALAH INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	500.000	-
Gross Premium	672.788	610.207
Net Premium	350.612	255.226
Profit Before Tax	69.893	62.538
Profit After Tax	56.894	55.803
Investment Income	48.977	38.149
Investments	1,064.340	-
Total Assets	1,982.914	-
Claim Expense	353.205	-
Earning / (Loss) per Share - (Rupees)	1.90	1.86

ALPHA INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	403.600	-
Gross Premium	110.838	-
Net Premium	47.240	55.171
Profit Before Tax	12.607	70.302
Profit After Tax	12.077	73.453
Investment Income	48.856	111.571
Investments	612.635	-
Total Assets	1,023.043	-
Claim Expense	58.184	-
Earning / (Loss) per Share - (Rupees)	0.30	1.82

ASKARI GENERAL INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	388.344	388.344
Gross Premium	864.059	835.641
Net Premium	464.908	404.653
Profit Before Tax	103.525	75.444
Profit After Tax	85.478	57.931
Investment Income	56.989	30.093
Investments	932.036	712.354
Total Assets	2,395.834	2,152.024
Claim Expense	448.898	327.135
Earning / (Loss) per Share - (Rupees)	2.20	1.49

# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

ASIA INSURANCE CO. LTD.		(Rs. In Million)	
	2014	(Restated)	2013
Paid up Capital	300.000		300.000
Gross Premium	149.879		51.742
Net Premium	78.879		22.061
Profit Before Tax	21.120		6.174
Profit After Tax	16.256		5.956
Investment Income	11.565		20.394
Investments	222.982		198.998
Total Assets	744.009		596.064
Claim Expense	29.970		22.462
Earning / (Loss) per Share - (Rupees)	0.54		0.20

ATLAS INSURANCE CO. LTD.		(Rs. In Million)	
	2014		2013
Paid up Capital	701.614		637.831
Gross Premium	850.910		730.797
Net Premium	410.775		343.405
Profit Before Tax	309.304		262.378
Profit After Tax	252.841		195.880
Investment Income	151.944		106.437
Investments	1,588.346		1,225.480
Total Assets	3,084.418		2,744.327
Claim Expense	184.530		224.523
Earning / (Loss) per Share - (Rupees)	3.60		2.79

CENTURY INSURANCE CO. LTD.		(Rs. In Million)	
	2014		2013
Paid up Capital	457.244		457.244
Gross Premium	413.750		353.875
Net Premium	190.416		140.975
Profit Before Tax	72.910		68.836
Profit After Tax	70.307		66.588
Investment Income	68.204		68.620
Investments	1,167.064		1,011.071
Total Assets	1,949.777		1,772.499
Claim Expense	149.622		81.481
Earning / (Loss) per Share - (Rupees)	1.54		1.46

CRESCENT STAR INSURANCE CO. LTD.		(Rs. In Million)	
	2014		2013
Paid up Capital	620.125		121.000
Gross Premium	164.858		52.574
Net Premium	34.703		22.120
Profit Before Tax	(19.464)		0.551
Profit After Tax	(19.812)		0.316
Investment Income	2.214		1.682
Investments	61.415		18.182
Total Assets	607.259		195.840
Claim Expense	23.951		12.687
Earning / (Loss) per Share - (Rupees)	(0.49)		0.02



# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

<b>EAST WEST INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>	<b>(Restated)</b>	<b>2013</b>
Paid up Capital	365.002		331.820
Gross Premium	618.324		505.506
Net Premium	350.989		278.542
Profit Before Tax	102.858		43.529
Profit After Tax	76.178		35.937
Investment Income	63.510		22.101
Investments	575.182		340.571
Total Assets	1,241.120		890.525
Claim Expense	235.102		171.198
Earning / (Loss) per Share - (Rupees)	2.09		0.98

<b>EFU GENERAL INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>		<b>2013</b>
Paid up Capital	1,600.000		1,250.000
Gross Premium	6,538.367		6,404.347
Net Premium	3,354.443		3,061.057
Profit Before Tax	1,086.413		708.753
Profit After Tax	878.783		585.861
Investment Income	402.731		288.568
Investments	15,277.951		13,572.356
Total Assets	29,024.118		26,692.431
Claim Expense	3,321.287		884.381
Earning / (Loss) per Share - (Rupees)	5.49		3.66

<b>HABIB INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>		<b>2013</b>
Paid up Capital	619.374		495.499
Gross Premium	481.129		485.415
Net Premium	222.606		223.597
Profit Before Tax	195.942		165.911
Profit After Tax	179.000		153.468
Investment Income	187.075		154.589
Investments	1,048.998		990.862
Total Assets	3,126.186		2,063.575
Claim Expense	214.200		201.622
Earning / (Loss) per Share - (Rupees)	1.45		1.24

<b>IGI INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>		<b>2013</b>
Paid up Capital	1,226.895		1,115.359
Gross Premium	1,226.096		1,151.320
Net Premium	549.147		508.464
Profit Before Tax	448.833		309.541
Profit After Tax	377.963		285.340
Investment Income	460.562		413.846
Investments	11,975.838		10,799.791
Total Assets	14,534.919		13,055.944
Claim Expense	615.002		590.048
Earning / (Loss) per Share - (Rupees)	3.08		2.33

# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

<b>JUBILEE GENERAL INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>	<b>2013</b>	
Paid up Capital	1,569.100	1,364.435	
Gross Premium	4,224.681	3,619.412	
Net Premium	1,843.756	1,669.720	
Profit Before Tax	577.494	538.570	
Profit After Tax	505.501	456.899	
Investment Income	406.099	338.136	
Investments	7,110.954	5,764.426	
Total Assets	14,961.468	11,897.913	
Claim Expense	2,272.964	1,256.246	
Earning / (Loss) per Share - (Rupees)	3.22	2.91	

<b>THE PAKISTAN GENERAL INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>	<b>2013</b>	
Paid up Capital	375.000	300.000	
Gross Premium	170.760	173.442	
Net Premium	86.989	108.347	
Profit Before Tax	31.389	53.638	
Profit After Tax	21.912	31.516	
Investment Income	6.622	7.134	
Investments	38.872	98.568	
Total Assets	839.226	849.389	
Claim Expense	75.342	148.980	
Earning / (Loss) per Share - (Rupees)	0.58	0.84	

<b>PICIC INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>	<b>2013</b>	
Paid up Capital	350.000	350.000	
Gross Premium	587.565	401.478	
Net Premium	158.374	174.895	
Profit Before Tax	(57.149)	24.925	
Profit After Tax	(57.229)	24.925	
Investment Income	6.189	5.039	
Investments	75.114	70.442	
Total Assets	930.205	1,117.319	
Claim Expense	152.145	115.820	
Earning / (Loss) per Share - (Rupees)	(1.64)	0.71	

<b>PREMIER INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>	<b>2013</b>	
Paid up Capital	302.821	302.821	
Gross Premium	555.952	454.797	
Net Premium	321.502	299.412	
Profit Before Tax	13.327	22.496	
Profit After Tax	5.935	18.238	
Investment Income	82.553	72.978	
Investments	1,126.453	1,231.145	
Total Assets	3,320.180	3,367.596	
Claim Expense	321.314	466.839	
Earning / (Loss) per Share - (Rupees)	0.10	0.30	

# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

RELIANCE INSURANCE CO. LTD.		(Rs. In Million)
	2014 (Restated)	2013
Paid up Capital	403.459	366.781
Gross Premium	455.362	324.925
Net Premium	135.962	129.022
Profit Before Tax	42.415	30.680
Profit After Tax	39.415	27.780
Investment Income	50.695	39.472
Investments	513.257	449.314
Total Assets	1,517.452	1,413.613
Claim Expense	148.883	100.601
Earning / (Loss) per Share - (Rupees)	0.98	0.69

SAUDI PAK INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	325.000	325.000
Gross Premium	222.822	186.983
Net Premium	186.328	130.766
Profit Before Tax	31.170	16.328
Profit After Tax	18.709	9.959
Investment Income	6.562	5.710
Investments	90.305	97.884
Total Assets	576.105	523.486
Claim Expense	73.171	70.966
Earning / (Loss) per Share - (Rupees)	0.58	0.31

SHAHEEN INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	450.000	300.000
Gross Premium	147.664	205.570
Net Premium	117.808	190.143
Profit Before Tax	11.207	(63.219)
Profit After Tax	13.983	(64.170)
Investment Income	5.380	3.180
Investments	241.266	242.352
Total Assets	882.959	970.057
Claim Expense	86.747	303.585
Earning / (Loss) per Share - (Rupees)	0.36	(2.14)

SILVER STAR INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	305.648	305.648
Gross Premium	190.636	184.840
Net Premium	166.938	158.177
Profit Before Tax	31.127	7.028
Profit After Tax	29.425	4.896
Investment Income	12.670	2.464
Investments	58.897	79.618
Total Assets	1,167.763	975.714
Claim Expense	50.198	165.794
Earning / (Loss) per Share - (Rupees)	0.96	0.16



# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

TPL DIRECT INSURANCE CO. LTD.		(Rs. In Million)
	2014 (Restated)	2013
Paid up Capital	452.313	452.313
Gross Premium	606.378	405.403
Net Premium	494.390	346.594
Profit Before Tax	51.192	50.433
Profit After Tax	36.458	33.257
Investment Income	10.740	3.091
Investments	157.709	149.395
Total Assets	1,247.504	932.727
Claim Expense	354.750	210.138
Earning / (Loss) per Share - (Rupees)	0.79	0.72

UBL INSURERS LIMITED		(Rs. In Million)
	2014	2013
Paid up Capital	1,152.174	-
Gross Premium	557.350	-
Net Premium	187.265	159.301
Profit Before Tax	57.068	27.647
Profit After Tax	31.234	15.789
Investment Income	40.779	34.788
Investments	576.191	-
Total Assets	1,959.118	-
Claim Expense	275.246	-
Earning / (Loss) per Share - (Rupees)	0.27	0.14

UNITED INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	920.000	701.943
Gross Premium	1,010.885	805.709
Net Premium	756.100	498.502
Profit Before Tax	244.844	113.255
Profit After Tax	216.907	97.388
Investment Income	7.570	19.668
Investments	430.857	209.679
Total Assets	3,083.312	2,424.813
Claim Expense	477.420	440.875
Earning / (Loss) per Share - (Rupees)	2.36	1.06

UNIVERSAL INSURANCE CO. LTD.		(Rs. In Million)
	2014	2013
Paid up Capital	370.000	300.000
Gross Premium	36.950	75.557
Net Premium	19.408	65.633
Profit Before Tax	(24.726)	(52.105)
Profit After Tax	(29.934)	(55.386)
Investment Income	2.373	3.331
Investments	154.619	139.122
Total Assets	809.730	900.361
Claim Expense	41.223	94.642
Earning / (Loss) per Share - (Rupees)	(0.97)	(1.85)

# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

### Life Insurance:

<b>EAST WEST LIFE ASSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>	<b>(Restated)</b>	<b>2013</b>
Paid up Capital	594.292		500.456
Gross Premium	89.436		108.025
Net Premium	61.907		83.740
Profit Before Tax	3.593		(5.630)
Profit After Tax	3.528		(6.931)
Investment Income	9.907		7.947
Investments	285.054		214.499
Total Assets	560.789		496.452
Claim Expense	74.788		102.550
Earning / (Loss) per Share - (Rupees)	0.06		(0.12)

<b>EFU LIFE ASSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>		<b>2013</b>
Paid up Capital	1,000.000		1,000.000
Gross Premium	8,715.224		6,506.738
Net Premium	8,375.211		6,174.596
Profit Before Tax	668.132		516.412
Profit After Tax	440.132		346.205
Investment Income	3,658.023		2,893.015
Investments	46,948.583		38,729.188
Total Assets	55,566.501		42,846.770
Claim Expense	2,561.697		1,899.585
Earning / (Loss) per Share - (Rupees)	4.40		3.46

<b>JUBILEE LIFE INSURANCE CO. LTD.</b>		<b>(Rs. In Million)</b>	
	<b>2014</b>		<b>2013</b>
Paid up Capital	721.188		627.120
Gross Premium	10,532.526		8,012.821
Net Premium	10,097.789		7,595.954
Profit Before Tax	880.957		587.164
Profit After Tax	598.145		397.223
Investment Income	2,053.800		1,616.203
Investments	34,621.110		24,527.052
Total Assets	40,808.474		28,101.937
Claim Expense	2,584.533		2,177.772
Earning / (Loss) per Share - (Rupees)	8.29		5.51

# Half Yearly 2014 Important Statistics

## Insurance and Takaful Companies of Pakistan

### Takaful (General):

PAK-KUWAIT TAKAFUL CO. LTD.		(Rs. In Million)	
	2014	(Restated)	2013
Paid up Capital	400.000		-
Gross Premium	421.175		-
Net Premium	147.380		153.167
Profit Before Tax	26.397		23.076
Profit After Tax	22.185		59.636
Investment Income	1.260		1.260
Investments	81.423		-
Total Assets	861.933		-
Claim Expense	206.868		-
Earning / (Loss) per Share - (Rupees)	-		-

TAKAFUL PAKISTAN LIMITED		(Rs. In Million)	
	2014		2013
Paid up Capital	300.000		300.000
Gross Premium	118.587		113.775
Net Premium	90.938		94.703
Profit Before Tax	5.656		11.045
Profit After Tax	6.009		11.445
Investment Income	1.992		4.934
Investments	40.222		39.707
Total Assets	544.848		525.590
Claim Expense	69.267		77.593
Earning / (Loss) per Share - (Rupees)	0.20		0.38



**[Securities and Exchange Commission of Pakistan]**

***Before Tahir Mahmood, Commissioner (CLD)  
and S. Tariq Asaf Husain, Commissioner (LD)***

**CAPITAL INSURANCE COMPANY LTD. ---Appellant**

**Versus**

**SIALKOT INTERNATIONAL AIRPORT LTD. ---Respondent**

Appeal No.49 of 2009 decided on 14th October, 2010

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

---Ss.118, 122 & 130---Securities and Exchange Commission of Pakistan Act (XLII of 1997), S.33--- failure to perform work by contractor--- encashment of performance guaranty issued by Insurance company--- complainant had moved the Federal Insurance Ombudsman against appellant/Insurance company with the complaint that contractor who was awarded contract of external electrical work and for whom appellant Insurance company had furnished a Performance Guarantee in favour of the complainant, had failed to perform his part of contract resulting in huge losses to complainant---Complainant in terms of performance Guarantee called upon appellant/company to encash the same for entire amount--- Appellant contested the complaint on the ground that default was on the part of the complainant as it failed to make necessary arrangements for the work to start---Ombudsman directed the appellant company to en-cash the Performance Guarantee---Appeal filed against directions of the Ombudsman having been dismissed by Executive Director (Insurance) of the Commission through impugned judgment, appellant company had filed appeal under S.33 of Securities and Exchange Commission of Pakistan Act, 1997---Order of Ombudsman had attained finality

after same was upheld in appeal before the Executive Director (Insurance) of the Commission--- Legislature which promulgated the Insurance Ordinance, 2000 was fully aware of provisions of S.33 of Securities and Exchange Commission of Pakistan Act, 1997, order of the Insurance Ombudsman had attained finality, appeal filed by the appellant company was not maintainable--- Appellant was

**Director to encash Performance Guarantee within 24 hours accordingly. [pp.1863,1865] A & B**

**Asjad Saeed for the Appellant.  
Ali Ibrahim for the Respondent.  
Tariq Hussain, Director  
(Insurance), Departmental  
Representative.**

**ORDER**

1) This order shall dispose of Appeal No. 49 of 2009 filed under section 33 of the Securities and Exchange Commission of Pakistan (the "Commission") Act, 1997 against the order dated 31-7-2009 (the "Impugned Order") passed by the Executive Director (Insurance).

2) The facts of the case are that a complaint was lodged by Sialkot International Airport Limited (the "Complainant") before the Federal Insurance Ombudsman, (the

"Ombudsman") against the Capital Insurance Company Limited (the "Appellant") wherein it was stated that a contract dated 15-4-2004 was awarded to Messrs Varrow International (Pakistan) (the "Contractor") for external electrical work at the airport. The Contractor was required to furnish a Performance Guarantee ("PG") in favor of the Complainant. The Appellant as an Insurance Company furnished the aforesaid guarantee of Rs.10 million and executed a PG on 10-6-2004. The Complainant stated that despite extending full co-operation and opportunity to perform the contract, the Contractor failed to perform his part of the contract resulting in huge losses to it. The Complainant in terms of the PG called upon the Appellant vide letter dated 14-12-2004 to encash the aforesaid guarantee for entire amount of Rs. 10 million.

3) The appellant contested the Complaint on the grounds that the default was on the part of the Complainant as it failed to make necessary arrangements for the work to start; and the PG had expired on 30-11-2005 without being called for encashment within the period of its validity.

4) The Ombudsman dissatisfied with the response of the Appellant, passed an order dated 15-4-2009 and directed the Appellant to en-cash the PG of

Rs.10 million along with liquidated damages calculated under section 118(2) of the Insurance Ordinance, 2000 (the "Ordinance")

5) The appellant filed an appeal with the Commission in terms of section 130(2) of the Ordinance. The appeal was heard by the Executive Director (Insurance), who was delegated the powers by the commission to hear the appeal against the orders of the Ombudsman. The Executive Director (Insurance) after hearing the parties dismissed the appeal through the Impugned Order.

6) The appellant preferred the instant appeal against the Impugned Order. The respondent's counsel at the outset took a preliminary objection as to the maintainability of the appeal. The respondent's counsel stated that the Ombudsman's order directing the appellant to en-cash the PG within 30 days from the receipt of its order was challenged before the Commission in terms of section 130(2) of the Ordinance. The Executive Director (Insurance) heard the appeal and upheld the order of the Ombudsman. It was argued that in terms of section 130(3) of the Ordinance, an order passed by the Ombudsman, which has not been appealed against or any order passed by the Commission in appeal, as the case may be, becomes final and operative, therefore, in the instant case the order of the Executive Director (Insurance) passed in the appeal has attained finality. It was further argued that the instant appeal filed under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (the "SECP Act 1997") is not maintainable as the Appellant has availed its right of appeal provided under the Ordinance.

7) The appellant's counsel argued that the order of the Executive Director (Insurance) is appealable before the Appellant Bench (the "Bench") under section 33 of the SECP Act, 1997 since the order of the Executive Director (Insurance) was passed as the

delegate of the Commissioner.

8) We have heard the parties on maintainability as well as on merits. The counsels were informed that the merits would only be touched upon in our judgment if the appeal is maintainable. Section 130 of the Ordinance is reproduced for ease of reference:-

**130. Recommendations for implementation.**---

(1) In the event the Insurance Ombudsman comes to the conclusion that the complaint is justified, in part or in whole, he shall try and facilitate an amicable resolution or settlement by resort to mediation and failing that communicate his finding to the concerned insurance company with the direction.

(a) To reconsider the matter;

(b) To modify or cancel the earlier decision, action or failure to take appropriate action;

(c) To pay reasonable compensation to the complainant as fixed by the Insurance Ombudsman;

(d) To take the requisite steps to improve the functioning or efficiency of the insurance company; or

(e) To take such other remedial steps or actions as may be specified by the Insurance Ombudsman.

(2) Any insurance company, or official of an insurance company or a complainant aggrieved by an order passed by the Insurance Ombudsman may file an appeal with the Commission within thirty days which shall pass any order thereon it deems fit.

**(3) Any order passed by the Insurance Ombudsman which has not been appealed against, or any order passed by the Commission in appeal, as the case may be, shall become final and operative and if not implemented shall render the**

**insurance company concerned liable to such action including the imposition of a fine or penalty as the Commission may deem fit, and in relation to an insurance company officer, to the appropriate disciplinary or other proceedings.**

(4) Nothing contained herein shall prevent a complainant from filing a suit against an insurance company in the event his complaint is rejected. Emphasis added

Section 130(3) in clear and unambiguous terms states that the orders of the Ombudsman which have not been appealed against or any order passed by the Commission in appeal shall become final and operative.

In our view, in this case, the order of the Ombudsman attained finality after its order was upheld in the appeal before the Executive Director (Insurance), who passed the Impugned Order in pursuance of the powers delegated by the Commission vide S.R.O 4 15(I)/2009 dated 27-5-2009. The Ordinance was promulgated in the year, 2000 and the legislature was fully aware of the provisions of section 33 of the SECP Act, 1997. It is pertinent to mention that sections 33 and 34 of the SECP Act, 1997 have been cross-referred to in section 122(2) of the Ordinance. The intent of the legislature is clear and the Impugned Order has attained finality in the eyes of law.

In view of the above, the appeal is not maintainable. The appellant is directed to en-cash the PG within 24 hours of the receipt of this order, failing which the respondent would be entitled to avail remedy under the law.

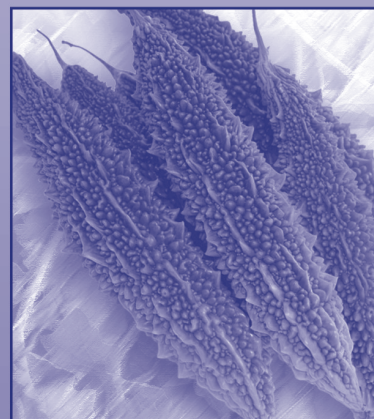
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Appeal dismissed.

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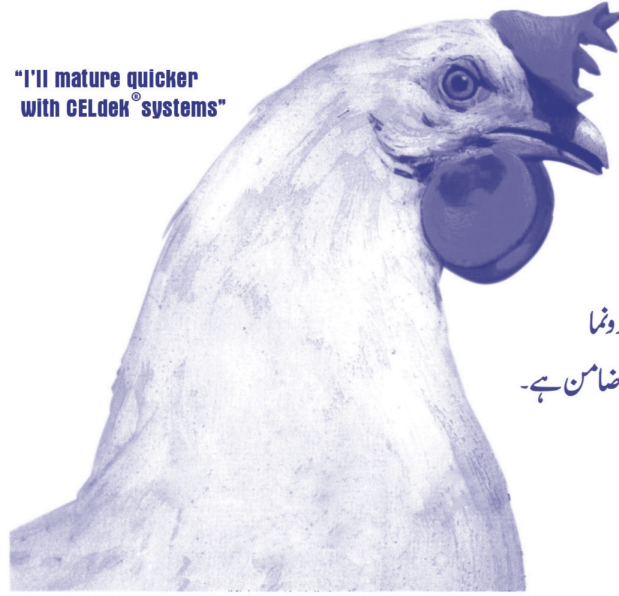
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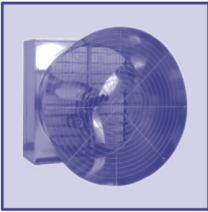
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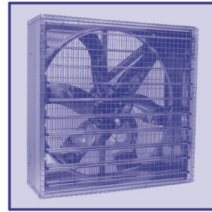
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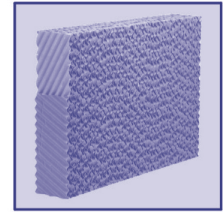
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## A man and a woman are shown from the chest up, looking upwards and to the right with thoughtful expressions. The woman, on the left, has long dark hair and is wearing a green and gold patterned top. The man, on the right, has short dark hair and is wearing a light blue button-down shirt. They are positioned in front of a solid green background. Scattered around them are numerous white line-art icons, including a camera, a house, a key, a cake with '50' on it, a rocking chair, a paint can, a hot air balloon, a vase, and a hammock. The icons are arranged in a way that suggests a variety of choices or options.

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