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# Insurance Journal

July, August, September 2020

## Inside:

- ▶ Insurance Sector on PSX
- ▶ Half Yearly Statistics 2020
- ▶ Construction of Insurance Contract
- ▶ IAP and Modern Technology
- ▶ The Changing Time & Insurance
- ▶ Cyber Risk Insurance
- ▶ Purpose of Underwriting
- ▶ IAP Elections 2020-21
- ▶ Legal Section

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PANDEMIC 2019-20

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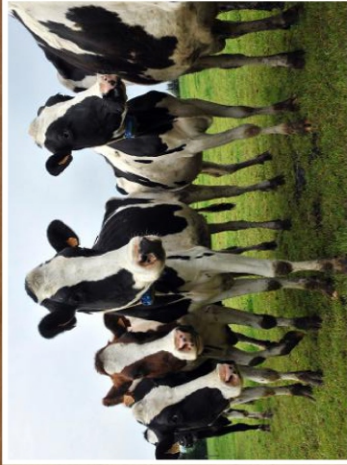
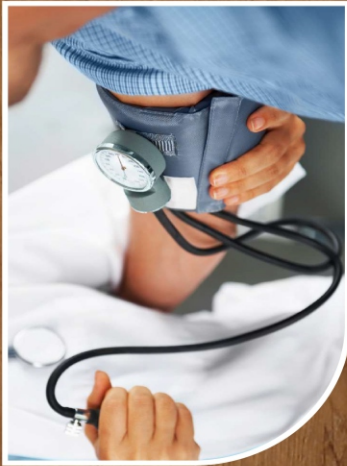
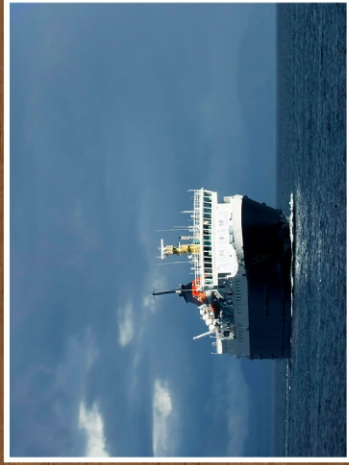




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# INSURANCE SECTOR ON PAKISTAN STOCK EXCHANGE

(Quarter: April, May, June 2020)

Compiled By: Khurram Shahzad

Company	Paid up Capital (Rs. in Million)	Face Value Rs.	Highest Rate Rs.	Lowest Rate Rs.	Turnover of Shares	Announcement During the Quarter
Adamjee Insurance Company Limited	3,500	10.00	35.50	26.00	17,943,000	
Asia Insurance Company Limited	603	10.00	-	-	-	
Askari General Insurance Company Limited	719	10.00	23.00	19.01	307,000	
Askari Life Assurance Company Limited	1,102	10.00	8.80	6.20	121,500	
Atlas Insurance Limited	849	10.00	67.90	51.00	861,500	
Business & Industrial Insurance Company Limited	86	10.00	-	-	-	
Century Insurance Company Limited	503	10.00	19.34	14.06	369,000	
Crescent Star Insurance Limited	1,077	10.00	2.16	1.15	12,242,000	
East West Insurance Company Limited	1,029	10.00	109.00	108.00	500	
EFU General Insurance Limited	2,000	10.00	126.70	78.00	136,500	Dividend = 15%
EFU Life Assurance Limited	1,000	10.00	215.00	190.00	46,800	Dividend = 15%
Habib Insurance Company Limited	619	5.00	10.98	7.28	466,500	Dividend = 10%
Hallmark Company Limited	5	10.00	56.46	56.46	500	
IGI Holdings Limited	1,426	10.00	250.01	138.00	6,685,200	
IGI Life Insurance Limited	1,706	10.00	33.50	15.00	1,496,500	
Jubilee General Insurance Company Limited	1,985	10.00	48.00	34.00	157,000	
Jubilee Life Insurance Company Limited	873	10.00	350.00	215.01	35,700	
Pakistan General Insurance Company Limited	464	10.00	2.69	1.50	125,500	
Pakistan Reinsurance Company Limited	3,000	10.00	29.24	21.00	1,902,000	
PICIC Insurance Limited	350	10.00	1.09	0.50	1,145,500	
Premier Insurance Limited	506	10.00	5.90	3.91	109,000	
Progressive Insurance Company Limited	85	10.00	-	-	-	
Reliance Insurance Company Limited	561	10.00	7.69	3.08	2,394,500	
Shaheen Insurance Company Limited	600	10.00	3.85	2.60	693,500	
Silver Star Insurance Company Limited	306	10.00	-	-	-	
Standard Insurance Company Limited	8	10.00	-	-	-	
The United Insurance Company of Pakistan Limited	2,950	10.00	8.57	6.51	589,500	
The Universal Insurance Company Limited	500	10.00	5.89	3.00	38,000	
TPL Insurance Limited	939	10.00	23.32	16.00	2,997,500	

# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### General Insurance:

<b>ADAMJEE INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	3,500.000	3,500.000
Gross Premium	9,762.363	12,129.819
Net Premium	7,087.341	7,702.132
Profit Before Tax	1,356.643	887.466
Profit After Tax	891.031	465.963
Investment Income	498.805	278.936
Investments	22,170.828	25,125.777
Total Assets	49,653.764	49,538.262
Claim Expense	4,067.327	4,734.885
Earning / (Loss) per Share - (Rupees)	2.55	1.33

<b>ALFALAH INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital		
Gross Premium		
Net Premium		
Profit Before Tax		
Profit After Tax	N/A	N/A
Investment Income		
Investments		
Total Assets		
Claim Expense		
Earning / (Loss) per Share - (Rupees)		

<b>ALPHA INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	500.000	500.000
Gross Premium	32.202	46.505
Net Premium	40.458	22.908
Profit Before Tax	(5.879)	2.448
Profit After Tax	(6.247)	1.743
Investment Income	12.702	12.749
Investments	707.571	654.194
Total Assets	1,059.614	1,111.974
Claim Expense	18.605	4.526
Earning / (Loss) per Share - (Rupees)	(0.12)	0.03

<b>ASKARI GENERAL INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	719.019	719.019
Gross Premium	1,343.972	1,534.078
Net Premium	887.019	1,066.063
Profit Before Tax	283.138	243.706
Profit After Tax	200.594	172.330
Investment Income	154.555	52.461
Investments	2,258.121	2,206.837
Total Assets	5,472.978	5,431.938
Claim Expense	489.202	645.693
Earning / (Loss) per Share - (Rupees)	2.79	2.40



# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### General Insurance:

<b>ASIA INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	603.374	603.374
Gross Premium	289.606	257.690
Net Premium	239.421	218.413
Profit Before Tax	53.612	(14.766)
Profit After Tax	35.769	(17.790)
Investment Income	49.277	16.331
Investments	634.317	573.991
Total Assets	1,732.869	1,603.980
Claim Expense	70.858	61.450
Earning / (Loss) per Share - (Rupees)	0.59	(0.29)

<b>ATLAS INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	848.953	771.775
Gross Premium	1,249.141	1,278.212
Net Premium	649.703	735.157
Profit Before Tax	437.253	430.867
Profit After Tax	311.629	309.341
Investment Income	125.963	53.610
Investments	4,149.056	4,775.442
Total Assets	6,734.231	7,034.120
Claim Expense	170.322	197.944
Earning / (Loss) per Share - (Rupees)	3.67	3.64

<b>CENTURY INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	502.968	502.968
Gross Premium	784.253	774.557
Net Premium	413.429	386.750
Profit Before Tax	135.802	48.783
Profit After Tax	97.025	33.976
Investment Income	22.803	(28.222)
Investments	1,587.193	1,657.440
Total Assets	3,455.633	3,086.221
Claim Expense	150.939	167.663
Earning / (Loss) per Share - (Rupees)	1.93	0.68

<b>CRESCENT STAR INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	1,076.950	1,076.950
Gross Premium	53.604	53.626
Net Premium	56.676	51.118
Profit Before Tax	39.576	20.220
Profit After Tax	33.300	19.453
Investment Income	2.061	2.635
Investments	17.942	17.142
Total Assets	1,300.735	1,254.771
Claim Expense	2.711	10.846
Earning / (Loss) per Share - (Rupees)	0.31	0.18

# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### General Insurance:

<b>EAST WEST INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	1,029.007	1,029.007
Gross Premium	1,349.752	1,505.613
Net Premium	763.271	797.770
Profit Before Tax	178.162	118.257
Profit After Tax	143.244	81.944
Investment Income	37.239	(19.574)
Investments	1,193.055	1,239.093
Total Assets	3,537.429	3,640.209
Claim Expense	320.163	342.333
Earning / (Loss) per Share - (Rupees)	1.39	0.81

<b>EFU GENERAL INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	2,000.000	2,000.000
Gross Premium	9,171.550	8,981.173
Net Premium	4,203.628	3,621.571
Profit Before Tax	2,061.209	1,277.010
Profit After Tax	1,421.099	784.221
Investment Income	1,154.462	902.553
Investments	13,461.595	13,370.354
Total Assets	42,994.554	45,699.246
Claim Expense	1,807.438	1,674.450
Earning / (Loss) per Share - (Rupees)	7.11	3.92

<b>HABIB INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	619.374	619.374
Gross Premium	732.355	783.439
Net Premium	384.069	357.208
Profit Before Tax	50.875	44.764
Profit After Tax	37.606	41.280
Investment Income	27.204	50.092
Investments	1,155.988	1,265.566
Total Assets	3,754.312	3,640.667
Claim Expense	187.567	189.883
Earning / (Loss) per Share - (Rupees)	0.30	0.33

<b>IGI INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital		
Gross Premium		
Net Premium		
Profit Before Tax		
Profit After Tax	N/A	N/A
Investment Income		
Investments		
Total Assets		
Claim Expense		
Earning / (Loss) per Share - (Rupees)		



# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### General Insurance:

<b>JUBILEE GENERAL INSURANCE CO. LTD.</b>	<b>2020</b>	<b>(Restated) Rs. in Million</b>	<b>2019</b>
Paid up Capital	1,984.912		1,804.465
Gross Premium	4,715.300		4,920.337
Net Premium	2,462.585		2,614.781
Profit Before Tax	793.913		671.198
Profit After Tax	563.362		477.347
Investment Income	571.809		281.646
Investments	12,031.474		12,372.180
Total Assets	23,682.918		22,088.924
Claim Expense	1,402.463		1,355.615
Earning / (Loss) per Share - (Rupees)	2.84		2.40

<b>NEW HAMPSHIRE INSURANCE CO. LTD. (PAKISTAN BRANCH)</b>	<b>2020</b>	<b>(Restated) Rs. in Million</b>	<b>2019</b>
Paid up Capital			
Gross Premium			
Net Premium			
Profit Before Tax			
Profit After Tax	N/A		N/A
Investment Income			
Investments			
Total Assets			
Claim Expense			
Earning / (Loss) per Share - (Rupees)			

<b>THE PAKISTAN GENERAL INSURANCE CO. LTD.</b>	<b>2020</b>	<b>(Restated) Rs. in Million</b>	<b>2019</b>
Paid up Capital	464.015		464.015
Gross Premium	-		-
Net Premium	-		(9.187)
Profit Before Tax	(10.160)		(49.726)
Profit After Tax	(10.160)		(49.726)
Investment Income	2.262		1.560
Investments	45.829		46.360
Total Assets	524.781		549.389
Claim Expense	-		-
Earning / (Loss) per Share - (Rupees)	(0.22)		(1.07)

<b>PICIC INSURANCE CO. LTD.</b>	<b>2020</b>	<b>(Restated) Rs. in Million</b>	<b>2019</b>
Paid up Capital	350.000		350.000
Gross Premium	-		-
Net Premium	-		-
Profit Before Tax	1.010		(1.032)
Profit After Tax	1.010		(1.032)
Investment Income	3.061		1.738
Investments	46.616		44.384
Total Assets	73.906		70.818
Claim Expense	-		-
Earning / (Loss) per Share - (Rupees)	0.03		(0.03)

# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### General Insurance:

<b>PREMIER INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	505.650	505.650
Gross Premium	157.081	185.932
Net Premium	92.491	114.761
Profit Before Tax	(70.207)	(219.562)
Profit After Tax	(71.933)	(223.027)
Investment Income	9.493	(150.656)
Investments	674.252	742.852
Total Assets	2,738.941	2,957.300
Claim Expense	51.983	34.542
Earning / (Loss) per Share - (Rupees)	(1.42)	(4.41)

<b>RELIANCE INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	561.413	561.413
Gross Premium	208.624	269.631
Net Premium	116.948	148.073
Profit Before Tax	4.235	(14.546)
Profit After Tax	12.163	(7.563)
Investment Income	7.858	(9.493)
Investments	752.701	777.312
Total Assets	1,594.850	1,595.486
Claim Expense	15.583	36.179
Earning / (Loss) per Share - (Rupees)	0.22	(0.13)

<b>SPI INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	575.000	500.000
Gross Premium	301.569	353.606
Net Premium	256.111	253.733
Profit Before Tax	20.452	42.870
Profit After Tax	17.835	35.404
Investment Income	7.590	8.289
Investments	329.607	393.950
Total Assets	1,403.919	1,399.233
Claim Expense	63.225	62.425
Earning / (Loss) per Share - (Rupees)	0.31	0.62

<b>SECURITY GENERAL INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital		
Gross Premium		
Net Premium		
Profit Before Tax		
Profit After Tax	N/A	N/A
Investment Income		
Investments		
Total Assets		
Claim Expense		
Earning / (Loss) per Share - (Rupees)		



# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### General Insurance:

<b>SHAHEEN INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	600.000	600.000
Gross Premium	139.627	220.416
Net Premium	119.301	162.258
Profit Before Tax	31.046	45.720
Profit After Tax	24.469	32.904
Investment Income	33.448	28.557
Investments	575.304	563.708
Total Assets	1,160.465	1,174.208
Claim Expense	36.128	45.395
Earning / (Loss) per Share - (Rupees)	0.41	0.55

<b>SINDH INSURANCE LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	1,000.000	1,000.000
Gross Premium	43.052	213.879
Net Premium	194.943	182.977
Profit Before Tax	238.429	247.473
Profit After Tax	169.386	174.714
Investment Income	198.614	176.497
Investments	3,468.884	3,296.226
Total Assets	4,561.146	4,640.378
Claim Expense	146.672	85.699
Earning / (Loss) per Share - (Rupees)	1.69	1.75

<b>TPL DIRECT INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	938.663	938.663
Gross Premium	1,208.941	1,236.289
Net Premium	1,090.429	1,042.474
Profit Before Tax	77.223	21.607
Profit After Tax	58.374	12.784
Investment Income	51.691	16.526
Investments	600.270	729.380
Total Assets	3,160.495	2,966.104
Claim Expense	439.375	422.023
Earning / (Loss) per Share - (Rupees)	(0.53)	(0.44)

<b>UBL INSURERS LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital		
Gross Premium		
Net Premium		
Profit Before Tax		
Profit After Tax	N/A	N/A
Investment Income		
Investments		
Total Assets		
Claim Expense		
Earning / (Loss) per Share - (Rupees)		

# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### General Insurance:

<b>UNITED INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	2,950.000	2,601.017
Gross Premium	1,958.788	1,829.518
Net Premium	1,171.747	1,306.746
Profit Before Tax	433.100	423.771
Profit After Tax	333.299	329.686
Investment Income	26.598	29.279
Investments	831.499	731.261
Total Assets	8,162.983	8,183.063
Claim Expense	315.341	590.382
Earning / (Loss) per Share - (Rupees)	1.13	1.12

<b>UNIVERSAL INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	500.000	500.000
Gross Premium	29.132	51.368
Net Premium	29.168	24.374
Profit Before Tax	(60.967)	(31.404)
Profit After Tax	(61.941)	(32.197)
Investment Income	(15.307)	(11.351)
Investments	167.694	185.416
Total Assets	872.007	953.842
Claim Expense	9.737	6.070
Earning / (Loss) per Share - (Rupees)	(1.24)	(0.64)

### Life Insurance:

<b>ASKARI LIFE ASSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	1,101.720	1,101.720
Gross Premium	141.241	83.618
Net Premium	86.056	62.493
Profit Before Tax	(109.030)	(116.668)
Profit After Tax	(109.208)	(116.947)
Investment Income	29.882	34.333
Investments	545.685	510.611
Total Assets	776.585	769.908
Claim Expense	56.221	28.428
Earning / (Loss) per Share - (Rupees)	(0.99)	(1.06)

<b>ADAMJEE LIFE ASSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital		
Gross Premium		
Net Premium		
Profit Before Tax	N/A	N/A
Profit After Tax		
Investment Income		
Investments		
Total Assets		
Claim Expense		
Earning / (Loss) per Share - (Rupees)		



# Half Yearly Statistics 2020

## Insurance Companies of Pakistan

### Life Insurance:

<b>EFU LIFE ASSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	1,000.000	1,000.000
Gross Premium	13,811.923	15,277.157
Net Premium	13,318.830	14,918.224
Profit Before Tax	964.057	770.154
Profit After Tax	683.167	447.824
Investment Income	6,196.498	4,819.975
Investments	126,183.468	116,065.289
Total Assets	139,663.284	129,289.639
Claim Expense	7,110.262	7,973.634
Earning / (Loss) per Share - (Rupees)	6.83	4.48

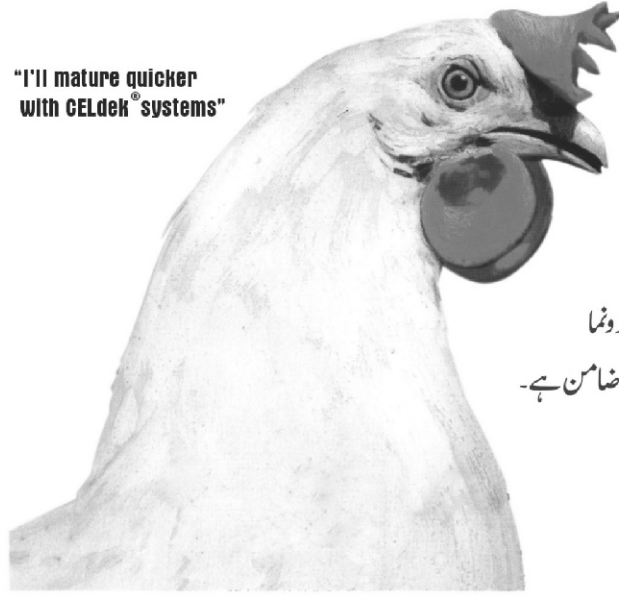
<b>IGI LIFE INSURANCE LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	1,705.672	1,705.672
Gross Premium	409.564	276.707
Net Premium	2,545.843	2,406.983
Profit Before Tax	(66.555)	(250.251)
Profit After Tax	(47.253)	(182.989)
Investment Income	982.607	670.182
Investments	17,907.624	17,350.938
Total Assets	20,841.697	20,144.099
Claim Expense	2,109.116	2,545.012
Earning / (Loss) per Share - (Rupees)	(0.28)	(1.51)

<b>JUBILEE LIFE INSURANCE CO. LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital	872.638	793.307
Gross Premium	20,375.836	24,915.349
Net Premium	19,726.111	24,219.990
Profit Before Tax	2,004.728	1,643.855
Profit After Tax	1,410.330	979.754
Investment Income	6,589.519	5,451.274
Investments	157,844.945	158,690.896
Total Assets	170,302.387	173,360.523
Claim Expense	11,513.700	10,680.757
Earning / (Loss) per Share - (Rupees)	16.16	11.23

### Health Insurance:

<b>ALLIANZ EFU HEALTH INSURANCE LTD.</b>	<b>2020</b> (Restated) Rs. in Million	<b>2019</b>
Paid up Capital		
Gross Premium		
Net Premium		
Profit Before Tax		
Profit After Tax	N/A	N/A
Investment Income		
Investments		
Total Assets		
Claim Expense		
Earning / (Loss) per Share - (Rupees)		

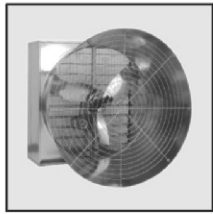
"I'll mature quicker  
with CELdek® systems"



میری بہتر نشوونما  
آپ کے زیادہ منافع کی ضامن ہے۔

When rearing poultry, maintaining a controlled climate is more important to optimal growth than even feed or stocking density. Conventional ventilation systems in poultry houses simply do not compensate adequately for temperature and humidity fluctuations caused by body heat and the sun's radiation. CELdek® system, on the other hand, maintain an optimal temperature and humidity, safely, efficiently throughout the production cycle.

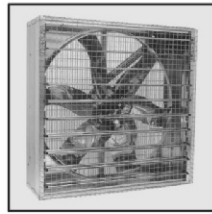
A healthy, unstressed bird is a productive bird. CELdek® systems address the bird's total rearing environment to help eliminate stress and improve weight gain and feed conversion. And the more you do for the well-being of your poultry, the more they'll do for you.



Cone fan



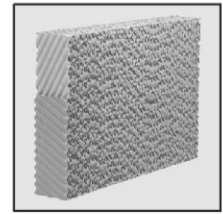
Euroemme fans (EM 36)



Euroemme fans (EM 50n)



Air heaters



CELdek® evaporative cooling pads



ISO 9001-2000  
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Sole Distributors:

**Munters**  
Climate. Controlled.

بہترین نشوونما کے لئے پیپکو پاکستان آپ کو جدید ترین ٹیکنالوجی کے حامل ایمپورٹڈ ایکویپمنٹ اور معلومات مہیا کرنے کے لئے چوبیس گھنٹے حاضر ہے۔



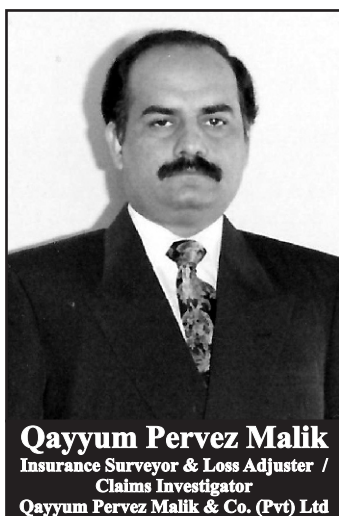
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# Construction of Insurance Contract

Construction/drafting of insurance contract is most sophisticated, technical, complicated and difficult task to be accepted by the underwriters / experts following by the rules, procedures, laws, regulations, practices, feedback / recommendations of the stakeholders / experts. Choosing suitable terms of contract, warranties, conditions, endorsements & clauses of an insurance contract takes months or even years to finalize the task. The span of task is World-wide spread as to make it harmonize, legalize, authenticate, acceptable, interpretative, understandable. That is why the construction is once completed, it is not interfered / disturbed / amended / altered for decades. The criteria of authenticity and legalization is to testify the document in the Court of law, the frequency of ruling about interpretation of its terms. That is why the terms of insurance contract which are in use, practice, interpreted, discussed on a large scale locally as well as Internationally, remain in practice for a long time. The more the terms are interpreted/decided in the Courts, and by the experts, the more authentic and undisputed contract of insurance it comes to be formed. So, it is not like that every individual and/or company, committee etc. should take it into task by altering, changing, amending the terms frequently through computer generated insurance policies, cover-notes, warranties, conditions etc. This kind of practice is detrimental to the insurance industry putting questions on the prudence, legality, authenticity and acceptability of the contract in general.

S.G marine Insurance policy form could be presented as the best example of the seriousness of task which remained in practice World-wide for decades when the struggle was commenced to amend it in 1982. Not only the policy form was changed but also the relevant Institute marine clauses were redesigned from All risk, FPA and WA to ICC-A, ICC-B, and ICC-C. Even after this massive amendment the terminology, wordings etc. was not tempered with due to decades of Courts cases, verdicts, interpretations, meanings, glossaries of insurance, dictionaries of insurance etc. The Marine Insurance Act 1906 is another example. Same is the case with Bill of Lading, Invoice and other documents. Even the standard fire, motor insurance policies and the special additional perils covering clauses etc. Most of the documents are in use unaltered for decades.

The Universality and Uniformity are key factors to construct the contract of insurance while drafting the terms, warranties, conditions, clauses, endorsements etc. It is to be quite relevant with that particular trade, mercantile and business so that it could be made compatible and acceptable for the Insured and Insurers community at large.

Mess-up could create if every individual Insurer would start drafting the insurance contract best suited to them without following the correct procedure and practices for the same. Mostly, more than one Insurer

undertakes the same risk in corporate sector of insurance business and in case of claim where more than one Insurers come up to contribute / settle the loss with the Insured on their individual insurance contracts followed by different terms, conditions, warranties, clauses etc. the claim settlement then turns up so complicated and difficult task for the Insurance loss adjusters / Insurers/ Insured to achieve.

For example, 4 Insurers underwritten the same risk of stocks in a cotton ginning/pressing factory with different contracts of insurance in term of the warranties e.g. cotton ginning & pressing warranties, where the limit of the weight of one unginning cotton heap is fixed at 4000, 4500 and 5000 kilo-mounds, and/or putting limit of distances in storage of stocks, and/or setting different quantity of water storage etc. the settlement of fire claim would most probably go in dispute. The set of cotton ginning/pressing warranties were unanimously agreed by the Insurance Association of Pakistan and Pakistan cotton ginners Association, but no uniformity could be seen in such warranties forms being offered by different Insurers.

Like the Lloyd's wordings, no wording to define/interpret the terms, of insurance contracts are available locally. For example, we have seen the terms of subject matter mentioned in the insurance policies as "Kiryana store", "General store", "procurement warehouse", "Phutty", "cotton", "building" etc. and storage places like

As a guidance, the World-wide rules are set-up for interpretation / construction of insurance contract / policies. Any dispute could be resolved by referring the disputed matter before the Court of Law for proper guideline / interpretation of the disputed term. Prior to that, the available structure i.e. Insurers, Insurers Association, Surveyors, Surveyors Associations is utilized and most of the issues are resolved locally.

Whenever any unresolved dispute is generated as to the meaning of phraseology used in the construction of insurance contract there are certain preset rules to follow in order to resolve it.

The intentions of the parties into

In case where the document is of standard and expressed, then the issue could be resolved easily. In case there is type-written or handwritten words/phrase then this type-written, hand-written word will be considered as expressed and fit to follow.

While presenting an insurance contract, the express term would override the implied term and the dispute may be resolved accordingly.

Plain and ordinary sense is given while construing a word but technical meaning should be given to technical word preferably. Where the word in dispute is scientific and popular both, then the popular meaning should be taken to resolve the issue.

Since it is the Insurer who draft the contract of insurance so in case of any ambiguity / doubt the benefit of doubt would transfer to the Insured.

Contract of Insurance is a legal and important document by which million, billion and trillion are involved which should be worded, handled carefully by

Proper contract form with proper serial numbers properly printed not computer generated with standard form of terms, conditions, warranties, clauses and endorsements must be provided with. Any attachment of the contract must be incorporated in the policy properly and the additional attachments must be authenticated with stamps and authorized signatures.

All the stake holders and experts must be made form of the committees doing all this kind of serious business including the Surveyors / Loss adjusters, FCCIP, Traders Associations, Merchants, Other people related to Mercantile business, Insurance Institutes, shipping companies, transport companies, Industrialists, motorists, and the regulators.

Each and every newly worded, amended, altered and designed contract, warranties, clauses, endorsements and conditions must be circulated to all the experts and stake holders of the Insurance market for consultation.

LET US MAKE THIS MARKET  
PRUDENT, LEGITIMATE,  
STANDARDIZED, COMPATIBLE  
AND WIDELY ACCEPTABLE.







**Atique Ahmed Chishti**  
Sr. Manager & Shariah Compliance Officer  
IGI General Insurance Limited  
(Window Takaful Operations)

# IAP and Modern Technology

No one can deny the importance of modern technology. This has brought about a revolution in all sectors of life. The technology provides people with an access to get not only the information and knowledge but also gives them a platform to remotely meet one another face to face.

Modern technology is widely used to accelerate businesses and trades. IAP has also made use of the modern technology by developing its website for fast communication. It is encouraging to see that IAP continues improving its website. Recently they have launched an online portal for the fulfillment of reinsurance market slips which has indeed been a long awaited breakthrough.

As there is always a room for improvement. IAP as the representative of insurers in Pakistan is expected to provide information and knowledge about Pakistan's Insurance Industry. This objective can be achieved by further improving the website of IAP. Creating some space for record keeping on the website will enable IAP to be the best source of information and knowledge about the insurance industry. In this way IAP would help not only those people who are working within the industry but also newcomers and those who want to do research work on Pakistan Insurance Industry. Some important areas as highlighted below are presented for the kind consideration

of the people at IAP.

As the history of IAP has been 72 years but there are not much details available on the website. Books on insurance written by M.A. Chishti are the treasure of information and knowledge about the history of Insurance Industry in Pakistan. These books must be preserved for future reference. IAP can play a vital role to preserve these important books by making them available on its website.

There are a large number of regulators that keep sending circulars and gazettes having effects on insurance companies. These circulars as well as IAP's ones must be kept in record on the website. Also try to gather previous important circulars on insurance issued by the government departments and make them available on the website. **These documents are most important as, sometimes,**

**required by the insured to produce. For example, the insurer charges different taxes, levies etc., imposed by the regulators on an insurance policy. The insured, sometimes, asks the insurer to provide the written proof establishing that whatever taxes and levies charged from him are as per the requirement of the Government.** It might be a tough job to collect the old stuff but a little effort could resolve this issue. We just need to get in touch with some senior insurance personnel who, hopefully, must have some old documents in their records.

It is equally important to maintain a record of all classes of insurance policies as used by insurers in Pakistan. Availability of all these policies on the website of IAP will help insurance companies to study any insurance policies, if they need, within a short time. Also clauses,



warranties and other important papers which are to be attached with insurance policies should also be made available on the website. Why all these documents on the website because it has been observed that when a person from an insurance company needs any documents such as insurance policy, clause, warranty, proposal form, etc., he has to contact many people working within insurance companies to obtain the required documents. This exercise generally takes a considerable amount of time. Hence availability of the aforesaid documents on the website will help the people in the industry to save their time and energy.

In case there is any legal or ethical issue in placing some specific documents on IAP's website, then a link to those documents should be provided on the website so that anyone looking for the specific documents may approach the website without any wastage of time. There are a number of websites such as WK Webster and Munich Re, etc.,



providing details about insurance policies and clauses. available on the website.

There are a large number of insurance professionals whose services have been numerous for the development of insurance industry in Pakistan. IAP has a record of those people who have rendered services at IAP platform. They deserve to be remembered for a longer time. One of the ways is to place their names with their pictures and years of services on the list to be

Last but not least a team for this specific task may be set up comprising those who may render services towards development of record-keeping on the website. It is hoped that the concerned people at IAP would realize the importance of this matter and take an initiative for developing a proper record-keeping mechanism on the IAP's website.



**On behalf of Anzer Insurance Brokers, I am pleased to inform you, that we have engaged Mr. Khawar Osama as General Manager to strengthen our team at Anzer Insurance Brokers.**

**Mr. Khawar will be responsible for all the Business Development of direct and reinsurance business in Pakistan.**

**Mr. Khawar graduated from University of Karachi in Pakistan with a Degree in Economics & Insurance and is also an Executive MBA & certified from CII London UK.**

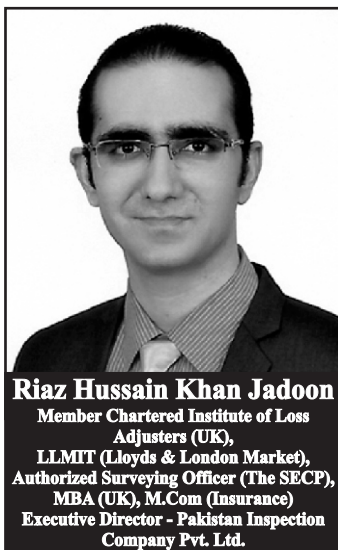
**He brings with him 20 years of International experience, acquired during his career at United Insurance Brokers (UIB) as Country Head and at Willis Tower Watson as the Network Country Manager for Pakistan. With his international exposure, we are confident that it will definitely improve our service levels towards the clients need and will bring in more support on the Facultative and Treaty placement of business**

**emanating from Pakistan insurance market. His experience will definitely be utilized to maximize business growth and success in the business development area by improving client relationship and meeting their requirement.**

**We believe and are confident that Khawar will be a strong asset to the Anzer Insurance Broker which is affiliated to J B Boda & Co (S) Pte Ltd. Singapore, who are well known in the market for Insurance/Reinsurance clients in Pakistan.**

**Ayaz Hussain M. Gad  
Chairman / CEO  
Anzer Insurance Brokers (Pvt) Ltd.  
Affiliated with JB BODA (S) PTE LTD.,  
Singapore.**





# The Changing Times & Insurance

Walking around I.I. Chundrigar and M.A. Jinnah Roads always reminds of my Father, (may he rest in peace) and his wish to keep his office around this place due to the presence of all major Insurers in this area. His Surveying Company Office "Pakistan Inspection Company" was located at a Stone's throw from the Port Area in Qamar House (now EFU House) in Karachi since 1975 and he loved this place very much.

He would meet different officials of the insurance companies almost on a daily basis for the purpose of discussing claims and progress made on them. These meetings would also give him the opportunity to expand his PR network which is always good for getting new leads.

Then came the age of Mobile Phones. It was only after he acquired Mobile Phone that he would not worry much about missing phone calls to get new claim nominations as he would be approached by those who would need him on his mobile number. It was also quite convenient for him to appraise Insurers about loss scenarios from his mobile phone and obtain information about policy coverage if one was not available. He would carry his brick like a mobile phone during field visits as he used to tell us.

With the start of the year 2000, the

internet had already entered into our lives but it appeared more like a tool for fun and entertainment than something of immense utility. The first Email address of our company was created on a yahoo mailing address by one of our team members with my father not even knowing what purpose it would serve.

Moving away from I.I. Chundrigar and M.A. Jinnah Roads in mid 2000s made him a little worried as he thought going farther from the surrounding of this place would make it difficult for him to continuously approach his clientele and might negatively affect his Surveying business. The change of

address and landline telephone numbers was also a big deal at that point of time. His reservations had not been unfounded because out of sight sometimes makes you out of mind as this is what his friends would suggest.

Reluctantly, he moved his office from his desired location of Qamar House (now EFU House) at I.I. Chundrigar to Clifton Center in Clifton with the risk of losing business. However, his business started to grow more with receiving more assignments and Claim nominations through Mobile phones and even on Emails. The same Yahoo mailing address which he did not



know then what to do with. I remember some claims officials would get surprised to know that a Surveyor Company has an email address in the early 2000s. Besides, his sheer hard work, dedication, intelligence, integrity and broad vision made his Surveying Company tremendously grow. We are fortunate to be deriving the benefits of his hard work and enjoying the fruits of the Tree planted by him even after his moving to the eternal world.

Although the working pattern in our industry has not changed much and our reliance on traditional working ways is dominantly the same but it has improved in certain ways. Long gone are the days when Surveyors had to physically visit the office insurance company to get a policy as it is now sent along with claim intimation through email. Similarly, the need to discuss everything face-to-face with copies of Survey Reports and Photographs has also reduced as Preliminary Reports along with Photographs are now emailed to Insurers next day of attending a Survey. The internet really has made our lives more convenient and paperless to a certain extent.

consolidated by some Insurers and Surveyors through development and implementation of innovative processes. Interactive web-based Portals and Apps are the best option available to Insurers and Surveyors to modernize themselves with the changing ways of business as demonstrated by some tech-oriented insurance professionals.

Unfortunately, internal processes of insurance companies are often too complicated and automating them becomes even more problematic. Simplification of these processes would require transformation of our old-fashioned business models into digitally advanced platforms.

To achieve this transformation, we need to somehow lure the new tech-oriented talent into this industry especially those with innovative ideas. If we look around ourselves, the majority of us have joined insurance as a compulsion rather than a choice. Insurance is usually not the first choice of any University Graduate for a career. Young geniuses prefer to join technology, consulting, or even banks rather than Insurance. A Survey company is not even on their list.

down industry innovation and, as a result, companies do not have enough technically-skilled employees to follow changes let alone drive them. The industry has a strong need for technology talents which is crucial for the innovation process. Thus, it is important that new talented young people are inducted who are not only able to use technology but understand insurance with the capability to think out of the box for creating Insurance apps and Software.

Reliance on technologically advanced processes would make physical locations of Insurers and Surveyors less significant and virtual locations more relevant. This is usually the case in developed western markets where nominal claims such as those of Electronic items including, Mobile Phones, Gadgets, Laptops are settled immediately on their online portals without the need to even make a telephone call. The claim settlement amount is directly paid into the Insured's bank account from the records available to Insurers. I am quite optimistic that such a thing would also happen here in our insurance industry, but when and how soon, only time will tell.

The trend is now being further The lack of technology talent slows







**Muhammad Aamir Jamil**  
Dip CII (UK), Deputy Manager (Underwriting)  
Property Division / Ancillary Operations  
Security General Insurance Co. Ltd

Due to encroachment in societies and evolution in IT industry most of the organizations are totally based on information technology systems such as smart devices, PCs and cloud based systems, to maintain and making process through input data and it includes all types and sizes of organizations. Although these organizations implement cyber defences but most of them are prey to cyber-attack and this mostly happen due to the intentional or unintentional act by the internal employees or outside parties like hackers, criminal syndicates etc. It is seen that mostly smaller size business are targeted by hackers due to poor cyber defences. Cyber Risk is the most underestimated risk in the business word.

As per the institute of Risk Management "Cyber risk means the risk of financial loss or damage to the reputation of an organization from some sort of failure of its information technology system".

There are different cyber risks which are common in industry it includes;

- Malicious Act
- Hacking
- Phishing
- Insider threats
- Data leakages

Cyber risk insurance has been an alarm for the industry and the government as far back as the 1990s. The increase in the number of unexpected and expected cyber losses has given consumers a reason to consider their insurance needs. Most organizations have become dependent on technology and the use of

data. Although this represents an opportunity to improve the efficiency and profitability but on the other hand it also brings a host of emerging risk. It is designed to help the organizations fence against the disastrous effects of emerging risks and can be sold as a third party insurance product that covers the organization business and people that are found to be responsible for a breach.

Cyber risk insurance cannot protect the business from cybercrime, but it can keep the business on stable financial footing if a significant security event occur. It can provide support, so these attacks do not weaken the business.

There are number of challenges in relation to the cyber risk which are given as under.

#### Intrinsic Challenges

- Insufficient information on risks
- Lack of specialized underwriters

#### Exogenous Challenges

- Lack of historical data

- Systemic nature of potential events
- wareness gap

#### Outcome Challenges

- Broadness of coverage, terms and conditions
- Difficulties in properly quantifying risks
- Risk of under-pricing
- Lack of appropriate reinsurance coverage
- Improper addressement of silent risks

#### Core challenge

- Need for a deeper understanding of cyber risk

The Securities and Exchange Commission of Pakistan (SECP) has issued directives to the insurance sector for protection against cyber-attacks, saying the probability of cyber risk is greater today than ever before due to increasing reliance on technology for business operations and expansion of financial technology.





# ***Beeta***

*Romance with the Air*

## **BEETA INDUSTRIES**

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**Nasir Siddique**

ACII (UK), CPRM & I (USA), MBA (I & RM)  
AGM / Team Lead (Underwriting)  
IGI Insurance Limited

# Purpose of Underwriting

Insurance companies assume billions of rupees in financial risk annually, risk that is transferred to them from individuals and businesses via the insurance transaction. Insurance underwriters, using the underwriting process and various supporting underwriting tools, are employed by insurer to assess both their new and current business. An insurance company's overall profitability can depend significantly on the quality of its underwriting.

Underwriting has multiple purposes:

- The overarching purpose is to develop and maintain a profitable book of business for the insurer.
- Underwriting is crucial to an insurer's success.
- Underwriting goals flow directly from the insurer's corporate strategies and objectives.
- Favorable underwriting results are necessary for an insurer's ability to sustain profitable growth.

To achieve profitability, the underwriting function serves additional purposes:

- Guarding against adverse selection
- Ensuring adequate policyholder surplus
- Enforcing underwriting guidelines

## *Guarding against adverse selection*

Underwriters are an insurer's guard against adverse selection. These are examples of adverse selection:

- Some property owners in areas prone to coastal storms purchase windstorm coverage or increase their limits only before a hurricane season, when they expect severe losses.
- A disproportionate percentage of property owners in an earthquake-prone zone purchase earthquake insurance, as compared to property owners in areas less prone to earthquakes.

Underwriters minimize the effects of adverse selection by carefully

selecting the applicants whose loss exposures they are willing to insure, charging appropriate premiums that accurately reflect the loss exposures.

## *Ensuring adequate policyholder surplus*

An insurance company must have adequate policyholder surplus if it wishes to increase its written premium volume. An insurer's capacity is limited by regulatory guidelines. If an insurer's underwriting practices generate policy premium that exceed losses and expenses, the policyholder surplus will increase, thereby increasing capacity.

Underwriters ensure the adequacy of



policy holder surplus by adhering to underwriting guidelines, making certain that all loss exposures are correctly identified, and charging adequate premiums for the applications that are accepted.

### ***Enforcing underwriting guidelines***

Underwriting guidelines reflect the levels of underwriting authority that are granted to varying levels of underwriters. Exactly who has what level of underwriting authority varies considerably by insurer and by type of insurance.

Underwriting ensures that applicants accepted adhere to underwriting guidelines. If loss exposures, risks or policy limits on an application exceed an underwriter authority, he or she will seek approval through supervisory and management ranks within the underwriting department.

### **Underwriting Authority**

The scope of decisions that an underwriter can make without receiving approval from someone at a higher level.

### ***Underwriting Activities***

In insurance organization, underwriting responsibilities are delegated to line and staff underwriters who coordinate the day to day risk selection decisions and the management level underwriting activities. There is no standard method to organize insurer underwriting activities. However insurance company normally distinguish between Line underwriters and Staff underwriters.

### ***Line Underwriters***

Underwriter who is primarily responsible for implementing the steps in the underwriting process. The focus of line underwriter is evaluating new submissions and renewal underwriting. Line

underwriter work directly with insurance producers and applicants.

### ***Staff Underwriter***

Underwriter who is usually located in home office and who assists underwriting management with making and implementing underwriting policy.

Staff underwriters work with line underwriters and coordinate decisions with other departments to manage the insurance product, pricing and guidelines.

### ***Line Underwriter Activities***

Line underwriters evaluate individual's accounts for acceptability and execute underwriting policy by following practices and procedures outlined by staff underwriters. The specific tasks line underwriters perform may vary by insurer; however, most line underwriters are responsible for these major activities:

- Select insured
- Classify and price Accounts
- Recommend or Provide coverage
- Manage a book of business
- Support Producers and insured's
- Coordinate with marketing Goals

### ***Select insured***

Line underwriters Select new and renewal accounts that meet the criteria established in underwriting guidelines. Underwriters effective account selection is essential to attaining these goals.

- Avoiding adverse selection
- Charging adequate premiums for accounts with a higher than average chance of loss
- Selecting better than average accounts for which premium charged will be more than adequate
- Rationing an insurer available capacity to obtain an optimum spread of loss exposures by location, class,

size of risk and line of business.

### ***Classify and price Accounts***

Account classification is the process of grouping accounts with similar attributes so that they can be priced appropriately. Line underwriters are responsible for ensuring that all the information needed for classification is obtained and that accounts are priced properly. In many insurance companies line underwriter do not personally perform either the classification or price of risk. However they are responsible for the correct accomplishment.

### ***Recommend or Provide coverage***

Line underwriters supports the producers and policy holder by inquiring about an insured risk management program to ensure that they are using other risk management techniques to address gap in insurance coverage.

Loss of profit coverage not in place along with fire insurance to cover profits.

FG policy not in place along with cash in Transit / cash in safe policy.

### ***Manage a book of business***

The line underwriter works to ensure that each book of business achieves established goals such as product mix, loss ratio and written Premium. An insurer for example may want to limit the number of worker compensation policies it sells that are not go with by an accounts other business.

### ***Support Producers and insured's***

The service that line underwriters are expected to provide to producers and insured vary by insurer. Some insurer relay on customer service departments to respond to routine inquiries and requests. Insurers operating through independent agents



often on their sales forces to perform many policy service function. Because customer service activities and underwriting are often interwoven, line underwriter have an active interest in ensuring that producers and insured needs are met

## ***Coordinate with marketing Goals***

Insurer marketing efforts should conform to the insurer underwriting policy. Producers are discouraged from submitting accounts that are clearly outside the insurer underwriting guidelines. Likewise line underwriters should not reject applications that meet insurer underwriting guidelines simply because of an underwriter bias against a particular class of business.

## **Staff Underwriter Activities**

Staff underwriters work closely with underwriting management to perform activities essential for profitable risk selection. These major activities are common to staff underwriters:

- Research the market
- Formulate underwriting Policy
- Revise underwriting Guidelines
- Evaluate Loss Experience
- Research and Develop Coverage Forms
- Review and revise pricing plans
- Arrange Treaty Reinsurance
- Assist others with Complex Accounts
- Conduct underwriting Audits
- Participate in industry Associations
- Conduct Education and Training

## ***Research the market***

Insurer must continually research fundamental issues such as which markets the insurer should target. Staff underwriters typically share these research responsibilities with actuarial and marketing departments. Research includes an ongoing evaluation of these items:

- Effect of adding or deleting entire types of business.
- Effect of expanding into additional states or retiring from states presently serviced.
- Optimal product mix in the book of business
- Premium Volume goals

## ***Formulate underwriting Policy***

Staff underwriter formulates and implement underwriting policy. An insurer underwriting policy also referred to as underwriting philosophy, guide individual and aggregate decision making.

Underwriting policy translates an insurer mission and goals into specific strategies that, in turn determine the composition of the insurer book of business. Underwriting policy communicated through underwriting guidelines.

Staff underwriter work with employees of other departments to formulate underwriting policy.

No single underwriting policy is appropriate for all insurers. Insurers often develop their underwriting policy within the context of these markets they serve.

## ***Revise underwriting Guidelines***

Staff underwriters are usually responsible for revising underwriting guidelines so that they can accurately reflect changes in underwriting policy. The underwriting guides identify the major elements that line underwriters should evaluate for each type of business.

Guides may identify specific hazards to evaluate, alternatives to consider, criteria to use when making the final decision, ways to implement the decision and method to monitor the decision.

The guides may also provide pricing instructions and reinsurance related

information.

## ***Evaluate Loss Experience***

Staff underwriters evaluate an insurer loss experience to determine whether changes should be made in underwriting guidelines. Insurance products that have losses greater than those anticipated are usually targeted for analysis.

Staff underwriters research loss data to determine the specific source of the excess losses.

Part of this research includes an analysis of insurance industry loss experience that may reveal trends affecting the insurer products.

## ***Research and Develop Coverage Forms***

Insurance advisory organization have a significant role in the development of commonly used coverage forms, Insurance advisory organization developed coverage forms are usually developed by coverage experts who consider the scope of coverage being provided, coverage provided by other policies, and legal restrictions that apply to coverage form development.

Staff underwriters work cooperatively with the actuarial and legal departments to develop new coverage and modify existing coverage forms. Insurers develop new coverage to meet changing customer needs and competitive pressure.

## ***Review and revise pricing plans***

Staff underwriters review and update rates and rating plan continually subject to regulatory constraints, to respond to changes in loss experience, competition and inflation.

Historical loss data are gathered by the insurer or by advisory organizations to develop prospective

loss costs. Then each insurer examines its own operational profit and expense requirements. Staff underwriters combine prospective loss costs with an insurer developed profit and expenses loading to create a final rate used in policy pricing.

### ***Arrange Treaty Reinsurance***

Staff underwriters are responsible for securing and maintaining treaty reinsurance. Their responsibilities include determining the insurer needs for reinsurance, selecting reinsurers, negotiating the terms and conditions of reinsurance treaties, and maintaining the insurer relations with its treaty reinsurers.

Treaty reinsurance limitations are directly reflected in their underwriting guidelines. For example Staff underwriters specify in the underwriting guidelines the maximum coverage limits that can be offered because higher limits of treaty reinsurance were not purchased or treaty exclude some accounts.

**Assist others with Complex Accounts**  
Staff underwriters often serve as consultants to other underwriters. Generally Staff underwriters have

significant first hand line underwriter experience. They regularly see complex and typically accounts, unlike most line underwriters. Staff underwriters also functions as Referral underwriters that is when an application exceed a line underwriter authority a referral underwriter can review and approve the risks.

### ***Conduct underwriting Audits***

Staff underwriters often responsible for monitoring line underwriter activities and adherence to underwriting authority by conducting underwriting audits. The audit focus on proper documentation adherence to procedure, classification, and rating practices; and conformity of selection decisions to the underwriting guide.

Staff underwriters also monitor underwriting activity by analyzing statistical results by type of insurance, class of business, size of loss exposure and territory.

### ***Participate in industry Associations***

Many insurers are members of national and state associations that address insurance industry concerns.

Additionally, insurers often share in the operating of residual market mechanism, such as automobile joint underwriting associations and windstorm pools. Staff underwriters typically represent the insurer as a member of these organizations. Staff underwriters may also serve on an advisory organization committees that study standard policy forms and recommend changes.

### ***Conduct Education and Training***

Staff underwriters are usually responsible for determining the education and training needs of line underwriters. Sometimes, these training needs are addressed through a formal training program that all newly hired underwriters must complete. At other times, the training need is transitory and is provided through classes that address a specific underwriting issues or procedure.

Some training needs are met through programs provided by the insurers human resources department. However staff underwriters often develop courses and serve as instructors in technical insurance subjects.







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

# COVID-19

## Current Situation and Frequently Asked Questions

### CURRENT SITUATION

#### World's Situation:

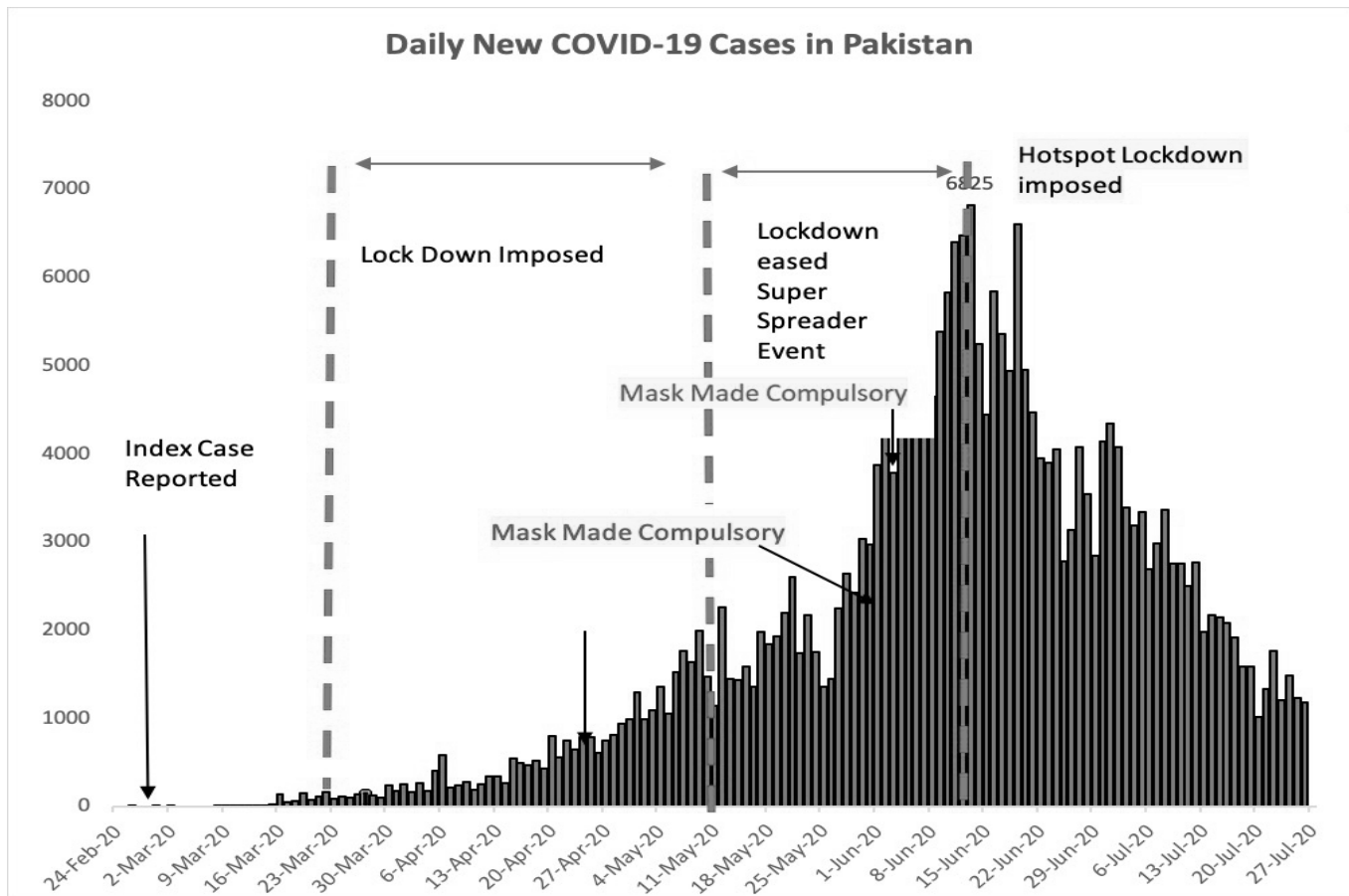
At the end of September 2020, more than 33.4 million cases of COVID-19 have been reported in more than 215 countries and territories, resulting in more than 1 million deaths; more than 23.4 million people have recovered. The 10 countries with the highest number of cumulative cases are:

United States of America (7,077,015), India (6,225,763), Brazil (4,745,464), the Russian Federation (1,167,805), Colombia (818,203), Peru (808,714), Mexico (733,717), Argentina (723,132), Spain (716,481) and South Africa (672,572).

#### Pakistan's Situation:

At the end of September 2020, there are 312,263 confirmed coronavirus

cases, with Sindh being the most affected province with 136,795 cases, followed by Punjab with 99,378 cases and Khyber Pakhtunkhwa with 37,776 cases. Of the total number of confirmed cases, 6,479 patients have died and 296,881 have fully recovered from the disease and have been discharged from the hospital.



## FREQUENTLY ASKED QUESTIONS

### What are the symptoms? How can you tell the difference between the coronavirus and a cold or flu?

The symptoms are similar including fever, cough, and shortness of breath. To diagnose a potential case, your doctor may use a COVID-19 PCR test to rule out flu and other infections. Individuals with COVID-19 have had a wide range of symptoms, ranging from mild to severe illness. Some individuals who are infected may not have symptoms, others require ventilator support, and many have died. Symptoms may appear two to 14 days after exposure to the virus and may include:

- Fever
- Cough
- Shortness of breath or difficulty breathing
- Chills
- Fatigue
- Muscle pain or body aches
- Headache
- Sore throat
- New loss of taste or smell
- Congestion or runny nose
- Nausea or vomiting
- Diarrhea

This list does not include all possible symptoms. If you develop any symptoms and think you have been exposed, call a doctor immediately.

### What are the symptoms in children?

Children with COVID-19 may have mild, cold-like symptoms such as fever, runny nose, cough and some children experience vomiting and diarrhea. Rarely, a child gets really sick after being infected with COVID-19. National Institute of Health advises parents to call a pediatrician if their child has any of the following symptoms:

- A fever that will not go away
- Abdominal pain, diarrhea, or

- vomiting
- Rash or changes in skin color pink or red eyes
- Trouble breathing
- The child seems confused or overly sleepy

### Are individuals transmissible before they develop symptoms?

There is evidence that the COVID-19 can be spread before an individual develops symptoms. This creates a problem because people who do not know they are infected may continue to go to work, school and other public places. People who are sick and have symptoms are more likely to stay home which means fewer chances for the virus to spread from one person to another. When asymptomatic transmission occurs, infection control experts and public health officials may need to take additional measures, such as social distancing, smart lockdowns, isolating patients or using quarantines.

### What should individuals do if they think they may have been infected?

Those who think they may have been exposed to coronavirus, either through travel to an affected area or close contact with someone who has a confirmed case, should call a doctor or helpline 1166 if they have any of the symptoms. It is important to call first, so that the clinic or hospital can prepare and prevent the spread of infection. Stay home and away from other people if you might have been exposed to COVID-19.

### Who is at greatest risk of serious illness due to COVID-19?

Although, anyone can affect but individuals at greater risk of severe illness from COVID-19 include the following:

- People with chronic medical conditions like kidney disease, sickle cell disease, heart disease, type 2 diabetes and lung disease, including chronic obstructive

- pulmonary disease (COPD)
- Older adults (the older people are the higher their risk for severe illness)
- Obese people
- Those who have a weakened immune system from organ transplant
- Others who may be at risk of more severe illness include people who have asthma, high blood pressure, neurologic conditions such as dementia, cerebrovascular disease such as stroke, people who are pregnant or those who are immunocompromised due to cancer treatment and other conditions.

### How does COVID-19 affect pregnant women?

According to available data, pregnant women with COVID-19 may be more likely to experience pre-term birth and are more likely to experience severe illness from COVID-19 than non-pregnant women. Pregnant women should be aware about reducing their risk of getting sick and ensuring that those around them also take steps to minimize risk including proper hand washing, social distancing and wearing a face mask in public.

### How is the COVID-19 transmitted?

The virus that causes COVID-19 is supposed to spread mainly through close contact from person-to-person (within about 6 feet). It can be spread through respiratory droplets when an infected person coughs, sneezes or talks. Recent studies have indicated that COVID-19 may be spread by people who are not showing symptoms which is why face masks are recommended.

### What can individuals do to protect themselves?

Everyone should practice the following healthy habits to help prevent the spread of COVID-19 and other respiratory viruses:

- Stay home as advised by state and local public health officials
- Wear a face mask if you do go out
- Practice social distancing by keeping at least 6 feet distance from other person
- Wash hands with soap and water for at least 20 seconds
- Avoid touching your eyes, nose and mouth
- Cover coughs and sneezes
- Clean and disinfect common objects and surfaces daily

### **How can individuals who have chronic health conditions protect themselves from COVID-19?**

Just follow the recommended preventive steps: Stay home as advised, wear a mask, practice social distancing and wash your hands frequently. If you have a chronic medical condition like heart disease, high blood pressure, diabetes, or lung disease, you should also continue taking your medications and have at least a two-week supply of all prescription (and non-prescription) drugs. Do not delay emergency care because of COVID-19. If you need emergency help, call **state helpline 1166**.

### **What can people with diabetes do to protect themselves?**

People who have diabetes may be at greater risk of severe illness from COVID-19. If you have diabetes, it is important to continue taking your medication and insulin as usual, test your blood sugar as instructed and keep track of the results. Stay home as advised, wear a mask and stay at least six feet away from other people when you do go out in public. Make sure that you have easy-to-fix foods at home and at least a two-week supply of medications and diabetes management supplies.

### **What can people with heart disease do to protect themselves?**

COVID-19 can damage the respiratory system and make it harder

for the heart to function properly. If you have heart disease, it is important to take your medication exactly as prescribed, including medication to treat high cholesterol or high blood pressure. Make sure that you have at least a two-week supply of heart disease medications and continue to manage and control your blood pressure.

### **What can people with lung disease (like asthma) do to protect themselves?**

COVID-19 can cause asthma attacks, may lead to pneumonia and other serious illnesses and might also cause outbreaks of other chronic lung diseases. If you have lung disease, it is important to keep taking your medications and avoid triggers that make your symptoms worse. If you have asthma, it is important to follow your asthma action plan, know how to use your inhaler and keep your asthma under control.

### **Do face masks protect against COVID-19?**

Face masks can help prevent an infected individual from spreading the virus. NCRC and NIH recommends using breathable cloth such as 100 percent cotton with two layers of fabric for optimal filtering. When held up to a bright light, the fabric should not let a lot of light shine through. Face coverings should:

- Fit snugly but comfortably against the side of the face
- Be secured with ties or ear loops
- Allow for breathing without restriction
- Be able to be washed and machine dried without damage or change to shape
- Face masks are not recommended for children less than two years of age or by individuals who have trouble breathing or who cannot easily remove them.
- N-95 respirators should be reserved for healthcare professionals and other first

responders.

Remember that face masks are not a substitute for other preventive measures and continue to wash your hands properly, avoid touching your face and maintain social distancing (stay at least 6 feet apart from others) in conjunction with wearing face masks in public places.

### **How long does the COVID-19 virus live on surfaces?**

Initial reports indicate that the virus can persist for several hours to days in aerosols and on surfaces. It is important to clean and disinfect frequently touched surfaces each day.

### **What are the best cleaners to remove germs?**

It is important to clean and disinfect frequently touched surfaces on a regular basis. Detergent or soap and water can be used to clean surfaces. To disinfect, use diluted household bleach solutions, alcohol solutions with at least 70% alcohol or common household disinfectants, which are effective in killing this virus and can be used safely. Hand hygiene is most important because hands are an important means of transmission for this virus. There are many things that we cannot control but we can wash hands and keep them away from our faces.

### **What tests are available to detect COVID-19?**

There are currently two types of COVID-19 tests in Pakistan i.e. PCR Test (COVID-19/SARSCOV-2 BY PCR) and Antibody Test.

### **Are there any treatments available for COVID-19?**

The Food and Drug Administration has approved the antiviral drug remdesivir for treating certain patients who are hospitalized for COVID-19 specifically, adults and children age 12 years and older who



weigh at least 108 pounds.

In addition, National Institute of Health (NIH) has developed treatment guidelines for COVID-19. The guidelines, which will be updated as experts learn more about the disease include recommendations on antiviral drugs, as well as other treatments such as convalescent plasma and dexamethasone. Talk to your healthcare professional about treatments that may be available for you.

## What is social distancing?

Intentionally increasing the physical space between people to avoid spreading illness. Staying at least 6 feet away from other people reduces your chances of catching or spreading COVID-19.

## care?

Many routine medical visits can be provided virtually via Online Consultations. Other services, such as routine vaccinations may be available in pharmacies or in hospitals.

## Is it dangerous to be outdoors?

Going out for a walk is good exercise and may be psychologically beneficial. But, wear a face mask and maintain at least a 6-foot distance between others. People who have a chronic health condition such as heart disease, lung disease, or diabetes, as well as older adults are at greater risk for complications from COVID-19 and should be extra careful around others, either indoors or outdoors.

## How do outbreaks typically end?

There are several ways that an

outbreak can come to an end. The Severe Acute Respiratory Syndrome (SARS) outbreak was controlled through close coordination between public health officials and paramedics who were able to diagnose cases, isolate infected patients, trace their contacts, and implement strong infection control policies. An outbreak can also end once the virus has infected most of the people who are vulnerable to it, or once there is a safe and effective vaccine available.

## When will a vaccine for COVID-19 be available?

There is currently no vaccine available to prevent COVID-19, but clinical trials are underway and a vaccine for COVID-19 could be available as soon as 2021, if all steps go as planned.

Data Sources : WHO, UNOCHA & COVID.GOV.PK

<b>BE HEALTHY, BE CLEAN</b>			
<b>CLEAN &amp; DISINFECT</b>			
<b>SOCIAL DISTANCE</b>			
<b>PICK-UP &amp; DELIVERY</b>			

## Action in Emergency

As per the government's directives, if anyone suspect that he / she may have the symptoms call the **State Helpline (1166)** or contact the **Designated Hospital / Isolation Ward for COVID-19**.

**MR. SHABBIR GULAMALI****Chairman****The Insurance Association of Pakistan****MR. ABDUL HAYE****Senior Vice Chairman****The Insurance Association of Pakistan****MR. MOHAMMAD ALI AHMED****Vice Chairman****The Insurance Association of Pakistan**

The nominations received for the IAP's Election from Member companies were notified in the IAP's Election circular dated 2nd September, 2020, addressed to all principal representatives. The election of the executive committee members was held to fill up six (6) seats three (3) from non-life and three (3) from life insurance companies.

Ballot was held on 21st September, 2020 in Association's Head office at Karachi and Regional Office at Lahore for the above mentioned seats. The Commission counted the votes and determined the persons who have received the largest number of votes and elected to the above Committee.

No election was held for life insurance companies reserved seats as the nominations received were not more than the number to be elected therefore, the persons nominated by the life insurance companies were elected unopposed.

As regards election of Office Bearers (i.e. Chairman/Senior Vice-Chairman/Vice-Chairman of the Executive Committee) only one nomination each for the Chairman, Senior Vice-Chairman & Vice-Chairman, from Mr.Shabbir Gulamali, Mr.Abdul Haye, Mr.Mohammed Ali Ahmed respectively were received. The aforementioned persons therefore, stand elected unopposed as the chairman, Senior Vice-Chairman & Vice-Chairman of the Executive Committee for the year 2020-21.

The full composition of newly elected/continuing (\*) members of the Executive Committee for the year 2020-21 is as follows:

**Executive Committee 2020-21**

- |   |                                     |
|---|-------------------------------------|
| 1. Mr. Shabbir Gulamali, Chairman           | Habib Insurance Company Ltd.        |
| 2. (*) Mr. Abdul Haye, Senior Vice Chairman | Alfalsh Insurance Company Ltd.      |
| 3. Mr. Mohammed Ali Ahmed, Vice Chairman    | EFU Life Assurance Limited          |
| 4. Mr. Ali Haider                           | Adamjee Life Assurance Co. Ltd.     |
| 5. Mr. Babar Mahmood Mirza                  | Atlas Insurance Limited             |
| 6. Mr. Farhan Akhtar Faridi                 | Jubilee Life Insurance Co. Ltd      |
| 7. (*) Mr. Farrukh Aleem                    | Security General Insurance Co. Ltd. |
| 8. (*) Mr. Kamran Arshad Inam               | EFU General Insurance Limited       |
| 9. Mian Kashif Rashid                       | United Insurance Co. of Pak. Ltd.   |
| 10. (*) Mr. Nawaid Jamal                    | Jubilee General Insurance Co. Ltd.  |
| 11. (*) Mr. Zeeshan Raza                    | UBL Insurers Limited                |



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2018 C L D 289

[Lahore]

*Before Amin-ud-Din Khan and Tariq Iftikhar Ahmed, JJ**Mst. RAZIA AMEER---Appellant**Versus**STATE LIFE INSURANCE CORPORATION OF PAKISTAN**through Chairman and 2 others---Respondents*

Insurance Appeal No.1288 of 2015, heard on 22nd May, 2017.

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

---Ss. 118 & 124---Appeal---Group insurance---life insurance claim---Payment of liquidated damages on late settlement of claim(s)---Appellant (widow) impugned order of Insurance Tribunal whereby her claim for liquidated damages was denied on the ground that deceased was not a member of the group insurance policy, thus his legal heirs were not entitled to liquidated damages under S.118 of the Insurance Ordinance, 2000 made it clear that on completion of all formalities, if a claim was not satisfied/cleared within ninety days without any fault of the claimant, then it was an implied term of every such contract of insurance that liquidated damages had to be granted---Group insurance was designed to provide monetary benefits to family of a deceased employee and during his service period, the deceased, in the present case, had also contributed to the same, and the policy amount had already been received by the appellant, therefore she was also entitled to liquidated damages---Impugned order was set aside, and the appellant (widow) was held entitled to liquidated damages---Appeal was allowed, accordingly.

Liaqat Ali Butt for Appellant.

Faisal Zafar for Respondents.

Date of hearing: 22nd May, 2017.

**JUDGMENT****TARIQ IFTIHAR AHMAD, J.---**

Muhammad Ameer deceased was government employee in Education Department in BS-17 and had retired from service as S.S.T., thereafter, he passed away on 17-10-2008. Appellant Mst. Razia Ameer, being widow of the deceased, filed an application to claim group insurance as liquidated damages. The said application was contested by the respondent, State Life Insurance Corporation of Pakistan. The learned Insurance Tribunal after completing the proceedings dismissed the application to the extent of liquidated damages, as claimed for.

2. Being aggrieved with the said order, the appellant has filed the present Insurance Appeal on various grounds.

3. It is evident that although the learned Tribunal framed five issues, however, on 07-02-2014 passed an order that appellant had received group insurance amount of her deceased husband and pressed her claim only about liquidated damages in respect of which following issue had already been framed on 16-10-2009:-

“Whether the applicant is entitled to liquidated damages as prayed for?”

4. Learned counsel for the appellant contended that learned Insurance Tribunal misinterpreted section 118 of the Insurance Ordinance, 2000 and on

quite illegal ground that since Muhammad Ameer was not party to the group insurance policy, thus, his legal heirs were not entitled to receive the liquidated damages under section 118 of the Ordinance.

5. Learned counsel for respondents defended the impugned order and stated that the same is factually and legally correct and submitted that this appeal may be dismissed.

6. After hearing learned counsel for the parties, we carefully perused the record.

7. A careful perusal of impugned order shows that learned Insurance Tribunal refused to grant liquidated damages to the appellant on two folded grounds. First that the deceased employee, predecessor in interest of the appellant was not party to the group insurance policy and second that section 118 of the Insurance Ordinance, 2000 does not provide grant of liquidated damages. A plain reading of section 118 of the Ordinance provides that it shall be an implied term of every contract of insurance that where payment of a policy issued by an insurer becomes due and the person entitled thereto has complied with all requirements, including the filing of complete papers, for claiming the payment, the insurer shall, if he fails to make the payment within a period of ninety days from the date on which the payment becomes due or the date of which the claimant complies with the requirements, whichever is later, pay as liquidated

damages a sum calculated in the manner as specified in subsection (2) on the amount so payable unless he proves that such failure was due to circumstances beyond his control. Interpretation of the aforementioned provision of law in clear terms provided that on completion of all formalities, if the claim is not satisfied/cleared within ninety days without any fault of the claimant when it becomes due then its implied term of every contract of insurance and that liquidated damages have to be granted.

8. The second reason prevailed with the

Insurance Tribunal to dismiss the grievance application was that since deceased predecessor of the appellant was not party to group insurance policy, which contract was entered into between government and the insurance company was incorrect approach, so found not sustainable. It is plain and straight that group insurance is designed to provide monetary benefits to the family of the deceased employee and during his service period, he also contributed in this respect. It may be added that insurance policy amount had already been received by the, appellant, family of the deceased employee, then,

under section 118 of the Ordinance, as discussed above, they were also entitled to receive liquidated damages under subsection (2) of section 118 of the Insurance Ordinance, 2000. For these reasons, the impugned order dated 18.06.2015 is not sustainable, so, while allowing this appeal same is set aside. Resultantly, the issue as mentioned above is decided in favour of the appellant.

KMZ/R-8/L

**Appeal Allowed.**

**2018 Y L R 2292**

**[Lahore]**

***Before Mamoon Rashid Sheikh and Ch. Muhammad Iqbal, JJ***

***STATE LIFE INSURANCE CORPORATION OF PAKISTAN***

***through Zonal Head/Attorney and another---Appellants***

***Versus***

***Mst. SHAHIDA PARVEEN---Respondent***

**Insurance Appeal No.15 of 2017, heard on 5th April, 2017.**

**Civil Procedure Code (V of 1908)---**

---O.XVI, R.1 & O.XVII, R.3--- Insurance Ordinance (XXXIX of 2000), Ss.118, 122, 123 & 124--- Recovery of insurance claim---Striking of right to produce evidence--- Insurance company was aggrieved of order passed by Insurance Tribunal closing right to produce evidence on the ground that its witnesses had failed to appear in court--- Validity---When a party filed its list of witnesses within statutory period and thereafter regularly deposited diet money and other necessary expenses for summoning of witnesses named in the list through process of Court and had filed application under O. XVI, R.1, C.P.C. for that purpose, then it was for the Court to ensure presence of witnesses by all means available to it including moving its coercive machinery instead of penalizing party

for non-appearance of witnesses--- Insurance Tribunal exercised its jurisdiction illegally and with material irregularity by invoking provisions of O.XVII, R. 3, C.P.C., and closing right of insurance company to lead further evidence---High Court set aside order in question and remanded the matter to Insurance Tribunal for decision afresh after recording of evidence---Appeal was allowed accordingly.

Hakim Habibul Haq v. Aziz Gul and others 2013 SCMR 200 ref.

Mst. Bashir Bibi v. Aminuddin and 9 others PLD 1973 SC 45 and Saleem-ud-Din and others v. Government of the Punjab through Secretary Education and others 2009 MLD 635 rel.

Ibrar Ahmad for Appellants.

Liaquat ali Butt for Respondent.

Date of hearing: 5th April, 2017.

## **JUDGMENT**

**MAMOON RASHID SHEIKH,J---**

The instant appeal under Section 124 of the Insurance Ordinance, 2000 (the Ordinance), is directed against the judgment, dated 14.12.2016, passed by the learned Insurance Tribunal Punjab, Lahore (the Insurance Tribunal), whereby the respondent's application for recovery of Life Insurance Policy (LIP) Proceeds, in respect of LIP bearing No.608034338-9, in the sum of Rs.500,000/- with accrued bonuses, along with liquidated damages, under Section 118, of the Ordinance, has been partially accepted in the following terms:--

“In view of my findings on above issues, the claim of the applicant has been found to be proved. Hence, the

claim application of the applicant under sections 122, 123 of Insurance Ordinance for recovery of insurance claim is accepted in favour of the application and against the respondents amounting to Rs.500,000/- along with liquidated damages as provided under Section 118(2) of Insurance Ordinance, 2000 from the date of death of the insured i.e. 21.03.2008 till its realization at monthly rests @ 5% higher than the prevailing base rate. The respondents will bear the costs of the case...

2. The learned counsel for the appellants has raised a number of grounds to assail the impugned judgment but for the present purposes we are only going to examine the question as to whether the case of the appellants was prejudiced when through the order, dated 02.07.2016, the Insurance Tribunal closed the right of the appellant to lead further evidence under the provisions of Order XVII< Rule 3 of the C.P.C.

3. The learned counsel for the appellants submits that the evidence of some of the appellants' witnesses, as per the appellant' list of witnesses, had been recorded. And for the remaining witness, included in the list, the appellants approached the Insurance Tribunal for summoning the said witnesses through process of the Court. The appellants had deposited the process fee, the necessary expenses and diet money for calling the witnesses, however, the witnesses despite being summoned/served did not appear. As a consequence, coercive measures were adopted by the Insurance Tribunal for summoning the witnesses but the witnesses failed to appear. Ultimately non-bailable warrants of arrest of the witnesses in question were issued but with the same result. The Insurance Tribunal instead of exhausting all the means at its disposal to summon the witnesses proceeded to close the right

of the appellants to lead further evidence by invoking the provisions of Order XVII, Rule 3 of the C.P.C.

4. Further submits that it is settled law that if a party files the list of witnesses within the stipulated period and also deposits the diet money and other necessary expenses within the stipulated period for summoning the witnesses named in the list, through process of the Court, then it is the duty of the Court to summon the witnesses and the party cannot be held responsible for non-service of the witnesses or the failure of the witnesses to appear and adduce evidence. In the instant, case the appellants had performed their duty as required under the law but the Insurance Tribunal in violation of the law as laid down by the superior Courts of the country proceeded to close the right of the appellants to lead evidence. Inter alia relies on the judgment reported as "Hakim Habibul Haq v. Aziz Gul and others" (2013 SCMR 200) to contend that the impugned order has been passed by illegal exercise of jurisdiction.

5. Further contends that by denying the appellants the right to lead their evidence the Insurance Tribunal has prejudiced the appellant' case.

6. The contentions of the learned counsel for the appellants on the factual plane are borne out from the record. The learned counsel for the respondent has been unable to establish otherwise.

7. We are in further agreement with the learned counsel for the appellants that it is settled law that when a party files its list of witnesses within the statutory period and thereafter regularly deposits diet money and other necessary expenses for summoning the witnesses, named in the list, through the process of the Court and files an application under Order XVI, Rule 1, of the C.P.C., for the said purpose then it is for the Court to

ensure presence of the witnesses by all the means available to it including moving its coercive machinery instead of penalizing the party for non-appearance of the witnesses. Reliance in this regard is placed on "Hakim Habibul Haq's case (supra), cited at the bar by the learned counsel for the appellants and the judgments reported as "Mst. Bashir Bibi v. Aminuddin and 9 others (PLD 1973 Supreme court 45) and "Saleem-ud-Din And others v. Government of the Punjab through Secretary Education and others" (2009 MLD 635).

8. It is accordingly held that the Insurance Tribunal exercised its jurisdiction illegally and with material irregularity by invoking the provisions of Order XVII, Rule 3, of the C.P.C. and closing the right of the appellants to lead further evidence. The question posed in para 2 above is answered accordingly.

9. Under the circumstances, the impugned judgment, dated 14.12.2016, passed by the Insurance Tribunal is set aside. The matter is remanded to the Insurance Tribunal for decision afresh. The respondent's suit shall be deemed to be pending before the Insurance Tribunal and shall be decided after recording the appellants' evidence and the respondent's evidence in rebuttal, strictly in accordance with the law, including the judgments cited hereinabove. It is further directed that the Insurance Tribunal shall endeavor to decide the matter within four (4) months from the date of receipt of a certified copy of the order.

10. The office is directed to remit the record of the case to the Insurance Tribunal forthwith.

**There is no order as to cost.**

**MH/S-36/L**

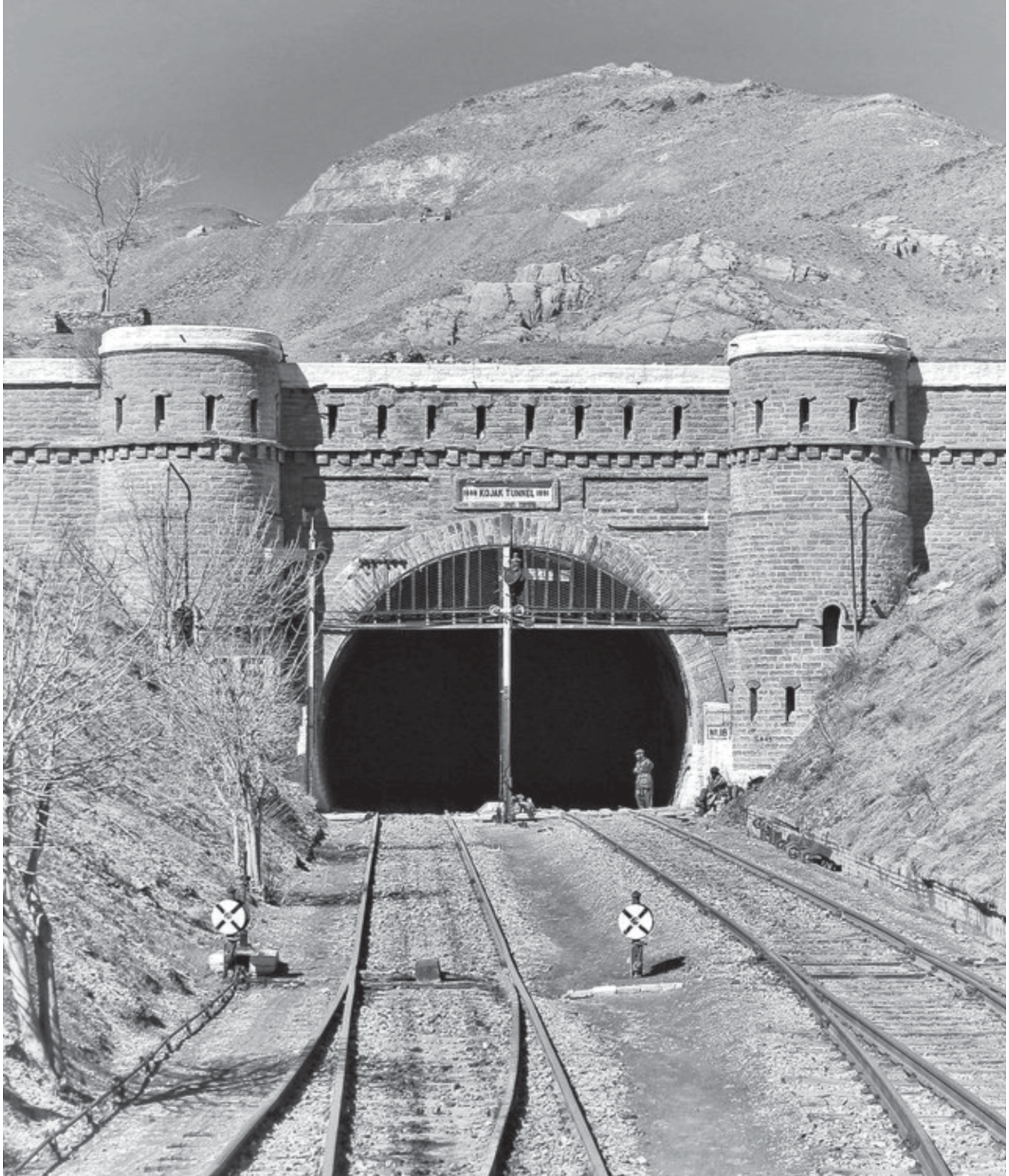
**Case Remanded.**





## Khojak Tunnel (Qilla Abdullah, Balochistan)

The 3.9 km Khojak tunnel in Qilla Abdullah district of Balochistan. It was built by British Empire in 1891. It was the longest tunnel before the Lowari tunnel was built. It was also featured on Rs.5 note of Pakistani currency.





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