



"A great attitude becomes a great day,
which becomes a great month,
which becomes a great year,
which becomes a great life"

Mandy Hale



You can be everything!

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Knowledge, Skill & Attitude

Workshop

August 30, 2016

A workshop was held at Pakistan Insurance Institute focusing on the soft skills for the people associated with the Insurance Industry in Pakistan. The session was for two and a half hours, and the topic selected was "Knowledge, Skill and Attitude".

Learning objectives of the workshop was to:

- Develop soft skills in respect of required knowledge, skills and attitude to succeed in all areas of life.
- Identify skills, knowledge and attitude of successful professionals.
- Differentiate between essential, helpful and unhelpful attributes.

The workshop was conducted by S. Raza Rizvi who heads the Training & Development at EFU Life. Over 50 professionals attended the workshop that included some interactive activities and which helped the participants to differentiate between Essential, Helpful and Unhelpful habits and attributes. The same traits were further divided into Knowledge, skills and attitude.

The first step was to understand the definition and difference of Knowledge, Skill and Attitude.

In simple words;

Knowledge: Information or skill acquired

Skill: the ability to do something

Attitude: a way of thinking or feeling

The next part of the workshop was an activity in which the participants were divided into various groups and required to identify the Essential, Helpful and Unhelpful habits from a list of 45 attributes, used in various working environments, which was provided to them. Once this was done, they were required to identify and place each attribute as Knowledge, Skill and Attitude.

All participants were required to be involved in the discussions and give their own point of view, leading to a common result among the group.

A list of qualities required by an individual being hired by any of the participants was prepared and each was further divided under the above mentioned categories.

A short list of attitudes was shared with the participants and significance and level of the attitude was discussed.



At the end of the workshop participants were required to fill in a feedback form and most of them found the session interesting and highly interactive. Some commented that the workshop gave them an opportunity to learn things that were not considered important and with a renewed perception will provide the ability to work better with the change in attitude.



*Real knowledge is to
know the extent of
our ignorance.*

Confucius

*Excellence
is not a skill,
it's an attitude.*

Ralph Marston

*Ability is what you're capable of doing.
Motivation determines what you do.
Attitude determines how well you do it.*

Lou Holtz

Jubilee

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Takaful, Risk Mitigation in Islam

Seminar at the Department of Statistics

University of Karachi

September 02, 2016

To enhance the understanding of Takaful, and how it works, Pakistan Insurance Institute (PII) organized a seminar for the actuarial science students at the Department of Statistics, University of Karachi. Mufti Zeeshan Abdul Aziz faculty PII, ably presented on the topic of Risk Mitigation in Islam.

Takaful is an arrangement between members of communities where each member mutually guarantees to help the other in times of need. It is based on the golden principles of brotherhood, cooperation, mutuality and solidarity. A family could be troubled by the loss of the breadwinner’s salary either due to death, severe illness or a bad accident or loss/damage caused to any of one’s assets. Imagine the financial distress they would be going through. Takaful is one way of fulfilling this responsibility. The conventional insurance business is marred with socio-economic ills such as Riba, Gharrar, and Maysir, which are also harmful to society.

Takaful, is the Shariah compliant alternative of conventional insurance which is based on “Aqd e Tabbaru” and is supervised by a competent and qualified Shariah Advisor / Shariah Supervisory Board which monitors and regulates every function and process of the operations to keep in line with the principles of Islamic Shariah. Mufti Zeeshan Abdul Aziz shared a slide explaining the difference for Takaful and conventional insurance.

Section	Takaful	Conventional Insurance
Investment of contributions	Shariah compliant investment monitored by Shariah Advisor	No Islamic regulatory restriction
Underwriting Profits	No provision for underwriting profit	Insurance companies will make profit if the claims are lesser than the premium
Claims	Payable from Participant’s Takaful Fund	Payable from overall fund of the company
Surplus	Could be share among the Participants	Belongs to Company Shareholders
Deficit	Qardh-al-Hasan is given to the Participants Takaful Fund	Financed from shareholders fund i.e. company

Takaful, is a perfect loss-mitigation tool that can be used both by individuals and businesses alike, to meet their specific needs and requirements. Family Takaful deals directly with protecting a person from life-related financial losses whereas General Takaful deals with the non-life financial losses like theft of a car, fire or mishaps at home etc.

This is the basic foundation of Takaful. When you decide to become a member/participant, you regularly contribute a small amount called Contribution from your savings as “Taburru” or donation which is pooled into a Waqf Fund, also known as Participant Takaful Fund (PTF). This is like the Waqf of a Masjid that provides a place of worship and education to thousands of people and children. Whenever a member’s family is in financial trouble or any damage has been caused to member’s assets, the Waqf Fund comes to the rescue by compensating for the loss. This way it helps them to get over their immediate trouble and move on with their business activities and lives.

Obviously, as more and more people join Takaful, and the Waqf Fund gets bigger and bigger, we would need a professional management to look after it who would manage the Waqf Fund (PTF) on the basis of Wakalah and would charge a certain Wakalah Fees as their service charges. It is important to know that Takaful is not only about protection. Yes, while Waqf Fund protects members/participants from financial losses incurring from untoward exigencies, a separate fund known as Participant Investment Fund (PIF) existent in Family Takaful Operations also provides them with opportunities of making Shariah compliant investments and earning Halal returns at the same time. The Takaful Operator prudently invests in Shariah compliant business avenues with the objective to increase the value of the Fund and also to give returns to its members/participants for their investments made into this particular Participant Investment Fund (PIF).

At the end of each year, the Waqf Fund (PTF) is evaluated and if there is any surplus (amount remaining in the Waqf after meeting all the expenses and the claims) in it, than that amount may be distributed among the members/participants as per the advice of Shariah Advisor.

The session was very well received by the participants and at the end of the seminar students raised questions to seek clarification / understanding of the topic which was ably handled by the speaker.



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higher, it's good to have
the ground covered.



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Impact of Climate Change on Insurance

Introduction and Background:

First let's give voice to the brief introduction about what is climate; what is climate change and what is the relationship between them:

Climate is defined as the study of collection of weather data for long term patterns and trends. Climate change is therefore defined as "long-term weather patterns and trends becoming different over an extended period of time". Changes can arise from both natural events and human activities. Examples of natural causes of climate change are volcanic eruptions, variations in the earth's orbit around the sun, and variations in solar output. Examples of human activities include industrial pollutants, warming of average annual temperatures due to urbanization, and changes in the earth's reflective power due to deforestation of tropical rainforests especially as these changes relate to the issue of global warming.

Pakistan is among the most endangered countries facing climate risks. The Indus river, starting on the Tibetan Plateau and flowing for nearly 2,000 miles through the territory of Jammu and Kashmir and then down to the province of Sindh and out into the Arabian Sea, is the main source to life in Pakistan. The majority of people are involved in agriculture: the Indus, fed by glaciers high up in the Hindu Kush-Karakoram Himalaya mountain range, provides water for 90% of the country's crops.

Impact of climate on Insurance:

The following are the most dangerous climate changes that directly affect the insurance all over the world.

Heat waves & Hot days:

This directly affects the health, life, property and crop insurance. Heat caused at least 700 deaths during a searing five-day heat wave in Chicago in 1995, when temperatures hit 104°F.

Intense rainstorm events:

These events lead to flooding, inundation, and mudslides that affect property, flood, crop, vehicle, life, health, and business interruption insurance. In January 2005, mudslides in California caused more than \$150 million in damages.

Wildfire and severity:

These events affect crop, property, life, and health insurance. The Department of Energy recently concluded that global warming is likely to increase the risk of rainstorms.

Crop failure:

This could result from rising temperatures, drought and flooding from more intense rainstorm events. Global warming's effects could also result in the spread of invasive species and diseases.

Coast line erosion:

The rise of sea levels affects property, flood, business interruption, and life insurance lines. Climate scientists predict that during this century global warming could cause sea levels to rise by up to 3 feet.

Increased hurricane intensities and storm duration:

This could devastate coastal communities, affecting many insurance lines. Increasing sea surface temperatures have been linked to increased hurricane intensity over the past 35 years; since the 1970s, the number of storms intensifying to category 4 or 5 hurricanes has almost doubled.

We can, and we must, take immediate action to prevent the worst effects of global warming by developing new products and practices that help encourage reductions in global warming.

Recommendations for adapting insurance to climate change:

The insurance industry can't solve the climate crisis on its own risk but insurers have different tools to help reduce the climate change losses for businesses, consumers, governments, and insurers themselves. Changing weather patterns are affecting many insurance lines, including property liability, flood, crop, business interruption, vehicle, health, and life.

The insurance companies can adequately prepare their customers against the effects of global warming by:

Plan for the future not for the past:

Traditional risk models only predict the future weather events by using past experience. The current decisions based on past events and incomplete models are obscuring insurers' risk exposure thus the insurance companies need to create dynamic risk models that account for the uncertainty of a changing climate. The industry should re-assess their risk exposure based on new and emerging climate data, and share these findings with regulators and policyholders.

Building communities:

The increase in extreme weather events threatens communities and basic infrastructure such as roads, bridges, airports, water treatment facilities and dams. The insurance companies can work to strengthen the climate resiliency of communities, they can influence the creation and enforcement of stronger building codes so that property is secured against high winds, flooding, power losses and extreme heat. They can also lend their expertise to use planning, ensuring that markets are more resilient against the impacts of climate change and are rebuilt to withstand environmental catastrophes.

Policies favouring reduction of carbon pollution:

The insurer should play a role in addressing the threat of climate change that mainly focuses on the carbon pollution. They have an opportunity to lead the way in advocating policies that limit greenhouse gas emissions.

Promote energy insurance policies and incentives:

Insurers can also enable to scale up the products and services that promote clean and efficient energy use. They should educate homeowners and businesses about weather-resilient building materials and techniques such as wind farms and solar power arrays, while offering incentives for implementation. By developing these new products and underwriting they have an opportunity to not only speed up the transition to a low-carbon economy, but profit from it as well.

Investing on climate risks:

The insurers can choose to invest in corporations that are leading the way in water conservation; energy efficiency and environmental responsibility. Climate change is no longer an irrelevant, non-material financial concern for insurers, or for the firms they invest in. It has a major risk that must be managed responsibly.

Conclusion:

The extreme climate change may prove a threat to those insurers which do not incorporate the risks and opportunities. Society as whole has a interest in maintaining a strong insurance sector able to adapt to the climate change and should demand all stakeholders within the insurance sector to weatherproof the insurance industry. We are not in a position to ignore these changes as it directly affects the economic development of the country that may result to bankrupt. The reinsurers should pay attention towards the climate change occurring mainly in developing countries as they depend on agriculture that can affect the overall global market.

*Muhammad Rehmanullah Qadri
Customer Experience, Marketing & Product Department
Jubilee Life Insurance Company Limited*

In celebration of 'Insurance Day' in April 2016 IAP held an essay competition and the topic selected was **'Impact of Climate Change on Insurance'**. The essay declared 1st position is reproduced for the interest of our readers.

Courtesy: Insurance Association of Pakistan (IAP)

Agents Foundation Course

Following candidates have been declared successful:

40th batch (July 20 to 27, 2016)

Karachi

S.No.	Registration No.	Name	S.No.	Registration No.	Name
1	AFC-B-40/2016-01	Shaikh Murad Afzal s/o Shaikh M. Afzal	12	AFC-B-40/2016-12	Furqan Ahmed Qureshy s/o Farooq Ahmed
2	AFC-B-40/2016-02	Shaikh Waris Murad s/o Shaikh Murad Afzal	13	AFC-B-40/2016-13	Sarah Ahmed w/o Ahmed Kamran
3	AFC-B-40/2016-03	Shahab Ahmed Khan s/o Shafi Ahmed Khan	14	AFC-B-40/2016-14	M. Irtaza Saqib s/o Najam-us-Saqib
4	AFC-B-40/2016-04	Sana Shahid w/o Shahid Ali Shaikh	15	AFC-B-40/2016-15	Mahinder s/o Viram
5	AFC-B-40/2016-05	Kamal Ahmed s/o Muhammad Idris	16	AFC-B-40/2016-16	Naeem Ahmed s/o Lateef Ahmed
6	AFC-B-40/2016-06	Huzaiifa Salim s/o M. Salim Razak Bramchari	17	AFC-B-40/2016-17	Syed Mazhar Abbas s/o Syed Tanveer Abbas Zaidi
7	AFC-B-40/2016-07	Rida Hasan d/o Mazher Hasan Qureshi	18	AFC-B-40/2016-18	Erum Naz w/o Ashraf Ali
8	AFC-B-40/2016-08	Syed Fauz Hasan s/o Syed Tariq Hasan	19	AFC-B-40/2016-19	Robinson s/o Samuel
9	AFC-B-40/2016-09	Hajiani Saniya Naveed w/o Naveed	20	AFC-B-40/2016-20	Shabana Zahid w/o Zahid Akhtar
10	AFC-B-40/2016-10	Arshiya Hanif w/o M. Owais Memon	21	AFC-B-40/2016-21	Hafsa Salim d/o Salim Razak
11	AFC-B-40/2016-11	Mahin Sohail d/o Syed Sohail Ahmed			

5th Batch (August 20, 2016)

Rawalpindi / Islamabad

S.No.	Registration No.	Name	S.No.	Registration No.	Name
1	AFC-B-5/2016-01	Nida Agha d/o Agha Ali Khan	9	AFC-B-5/2016-09	Salma Ikram w/o M. Ikram
2	AFC-B-5/2016-02	Faryal Agha d/o Agha Ali Khan	10	AFC-B-5/2016-10	Saira Zubair w/o M. Zubair Shaheen
3	AFC-B-5/2016-03	Andleeb Hassan w/o Faraz Javed	11	AFC-B-5/2016-11	Muhammad Mushtaq s/o M. Yousaf
4	AFC-B-5/2016-04	Saman Haider w/o Syed Rizwan Javed	12	AFC-B-5/2016-12	Shumaila Munir d/o M. Munir Awan
5	AFC-B-5/2016-05	Aurang Zaib s/o Abdul Rehman	13	AFC-B-5/2016-13	Jan Alam s/o Lal Jan
6	AFC-B-5/2016-06	Farhat Ejaz s/o M. Naseem Ejaz	14	AFC-B-5/2016-14	Mehreen Manzoor w/o M. Haroon
7	AFC-B-5/2016-07	Ch. Munawar Hussain s/o Hajji Rehmat Khan	15	AFC-B-5/2016-15	Syed Umair Ahmed Zaidi s/o S. Atiq-Ur-Rehman
8	AFC-B-5/2016-08	Faiza Kashif d/o Zahoor Ahmed			

*Ability may get you to the top,
but it takes character to
keep you there*

John Wooden

*I have not failed. I've just
found 10,000 ways
that won't work*

Thomas Edison

*You miss 100% of the shots
you never take*

Wayne Gretzky

*Life is either a daring
adventure or nothing*

Helen Keller



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The Insurance Association of Pakistan

Annual General Meeting

September 24, 2016

Executive Committee Members elected for the year 2016 – 2017 announced at the Annual General Meeting held on September 24, 2016

- Mr. Hasanali Abdullah (Chairman)
- Mr. Arshad P. Rana (Senior Vice-Chairman)
- Mr. Atiq Anwar Mahmudi (Vice-Chairman)
- Mr. S. Shahid Abbas
- Mr. Abdul Razak Ahmed
- Mr. Fredrik Coenrard De Beer
- Mr. Mohammad Hussain Hirji
- Mr. Nasar us Samad Qureshi
- Mr. Zain Ul Haq Qureshi
- Mr. Abdul Waheed
- Mr. Muhammad Rahat Sadiq



Annual Dinner and Musical Evening



In celebration of 'Insurance Day' in April 2016, IAP held an essay competition and the topic selected was 'Impact of Climate Change on Insurance'. The competition was open to all professionals working in the insurance companies and 55 entries were received which were judged by a panel.

Cash Prizes and mementos were awarded to the three top positions at the IAP Annual Dinner held on September 24, 2016 in Karachi.

The winners:

1st Prize Rs.50,000 Mr. Rehmanullah Qadri (Jubilee Life Insurance Company Ltd.)

2nd Prize Rs. 25,000 Mr. Nafeesul Haq (EFU Life Assurance Ltd.)

2nd Prize Rs. 25,000 Mr. M. Usman Naveed (EFU Life Assurance Ltd.)

To encourage young insurance professionals, special prize for Rs.10,000 was awarded to Mr. Hassan Makhdum (Jubilee General Insurance Company Ltd.)



1st Prize



2nd Prize



Special Prize

As per tradition of IAP, plaques were presented to members of the insurance fraternity who have made a valuable contribution to the insurance sector. They are:

Mrs. Rukhsana Saleem, Dr. Mumtaz A. Hashmi, Mr. Salim Rafik Sidiki, Syed Muneer Hussain Rizvi, Syed Mohammad Baqar Naqvi.



Dr. Mumtaz A. Hashmi



Mrs. Rukhsana Saleem



Mr. Salim Rafik Sidiki

Announcement

Pakistan Insurance Institute (PII) is pleased to announce that SECP vide File. No. ID/TAKAFUL TRAINING/2015/6976 dated October 3, 2016 have granted approval to PII to impart training to managerial level personnel and sales force of Takaful Operators and Window Takaful Operators.

Pakistan Insurance Institute felicitates Investment & Marketing International (I&M) for achieving a milestone of 50 years of publication.



Syed Murad Ali Shah, Chief Minister Sindh presenting medal to Mr. S.B. Hassan, President Investment & Marketing (I&M) in recognition of meritorious services rendered to Trade & Industry.

Date of submission of
Case Study Competition
extended to

30 Nov, 2016

**1st Prize
Rs.35,000**

**2nd Prize
Rs.15,000**



Case Study Competition in Insurance

Pakistan Insurance Institute (PII) is pleased to announce a competition to develop case studies for further teaching, training and research in insurance.

This competition aims to create a repository of cases that help to understand how issues / problems in the vast and complex field of life and non life insurance arise and can be resolved.

The Case Study Competition is an opportunity for students, researchers and professionals to show their skills, knowledge of the field and innovations in resolving the issue.

The objectives of this competition are –

- To introduce use of the practical applications of the basic insurance principles and innovations in solving cases.
- To encourage research that contributes to professional knowledge and provides solutions.

Guidelines:

Case studies will be expected to include the following -

1. Introduction: The essential question to be discussed and a description of the problem to be analyzed.
2. Key parties: Descriptive analysis of the key parties and their objectives.
3. Background of the case: Narrative description of the case including important factors and events.
4. Details, if any
5. Solutions adopted by the company / organization which can be shared for academic purpose.

Case may be based on issues and experiences from companies – Private / Public, Insurance Agent / Broking Company / Surveyor firms etc.

The contribution should be original and should relate to any topic of insurance and related subjects. It should not be submitted elsewhere.

The case study must be written in Microsoft word. There is no limit on number of pages / words.

If case study is selected, then it will be copyright of PII.

Competition is open to all professionals working in the insurance industry.

Prize will be awarded to the two best case studies.

All case studies should reach the Institute on or before October 15, 2016.

Also send the soft copies of the case study to **customer.service@pii.com.pk**

For further enquiries you may contact the office of the Institute located at 30-B, Lalazar Drive, M.T. Khan Road, Karachi Phone: 35611063-64

POST GRADUATE DIPLOMA IN INSURANCE

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Admission for 7th Batch from
**January 2017 to
December 2017**

Last date for Submission of Application
December 15, 2016

