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Best Wishes 2017

YOUR YEAR TO SPARKLE

Project Insurance Workshop November 17, 2016

Pakistan has been witnessing massive infrastructural development projects all over the country from Azad Kashmir to Thar and from Himalayas to Gwadar, understanding the need of the hour, Pakistan Insurance Institute (PII) organized a half day workshop on Project Insurance on November 17, 2016.

The workshop was jointly conducted by Mr. Karim Merchant, EVP Jubilee General Insurance who presented the insurers' perspective and Mr. Ahsan Jamal, Risk Engineer, Unique Insurance Brokers who presented the Brokers' perspective.

Mr. Karim Merchant was invited to present first and before starting his formal presentation, with the help of a map shared few facts about the China Pakistan Economic Corridor (CPEC), the major driver behind many of projects recently started, and stated that trade route with China will be reduced by approximately 40%, hence reducing the freight cost substantially.

He also shared a slide showing various projects, which will be part of CPEC including roads, power plants, economic zones and ports.

Discussing the various parties for "Project Insurance" Mr. Merchant listed contractor, subcontractor, employer / owner, lender and consultant who would be interested to take insurance for their project. Generally, contracts are based on FIDIC wordings for insurance requirements which require All Risk Insurance including Marine, Third party liability and Workmen compensation cover. At times, Employers' liability, Terrorism and Professional liability (Engineers/ Architects) cover is also sought.

He continued and stated that usually, foreign contractors request for foreign insurances program. However, in this respect local law i.e. insurance ordinance is very clear which states that "All the policies have to be issued by a company operating in Pakistan", although, in some cases reinsurance is arranged as per insured's requirement.

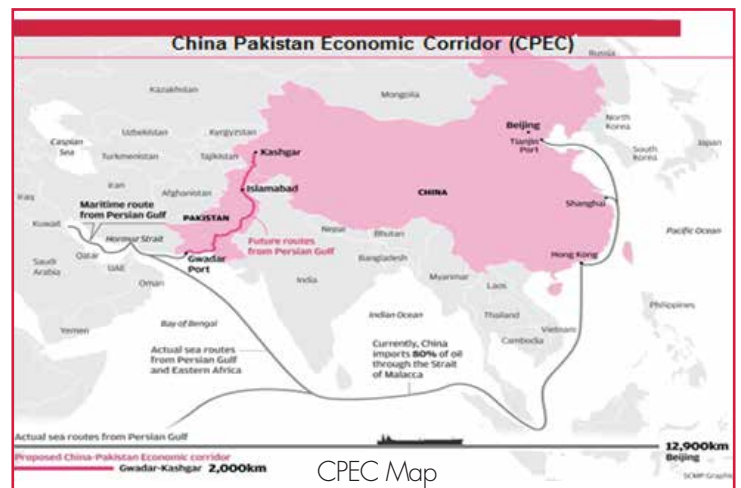
Describing the project insurance policy he stated that sum insured / limit of liability should be based on reinstatement cost and is generally contract value plus 10% - 30% additional to cater for contingency / replacement cost.

Policy periods are usually:

- Pre - Storage
- Erection / Construction
- Testing / Commissioning
- Maintenance period
- Indemnity Period (ALOP)

Or cut off dates

- Date of Completion as stated in the policy
- Completion of successful testing / commissioning
- Commencement of commercial production (put into operation)



Insurance policies consist of various sections where material damage section covers any foreseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement. Third party liability section covers accidental bodily injury to or illness of third parties (whether fatal or not) and accidental loss of or damage to property belonging to third parties occurring in direct connection with the construction or erection of the item. Advance loss of profit section covers loss of gross profit sustained due to the reduction in turnover and the increased cost of working. Exclusions, extensions and general conditions are also very important part of the insurance policy.

Towards the end of his presentation Mr. Merchant shared various underwriting requirements prior to issuance of the policy to assess associated hazards and exposures etc. He concluded by mentioning policies forms i.e. Munich Re CAR, EAR, CPI and specialized All Risk Cover, used in the market.

Mr. Ahsan Jamal took the debate further and covered following key aspects:

- What is Project Finance
- Project Risk Transfer
- Project Insurance – Brokers’ Perspective
- Project Risk Engineering

Explaining project finance he stated that lenders usually review the anticipated cash flows and earnings of that project as a source of funds and collaterals from which the loan will be repaid. The major difference between conventional and project finance is that “The borrower is responsible for debt not the project in conventional financing” whereas in case of “Project finance project is an independent business enterprise and is responsible for the debt.”

Main stake holders in project finance are sponsors Project Company, Operator, Lender, Financial Advisor, Lender’s Insurance Advisor (LIA) and Sponsor Insurance Advisor (SIA). He mentioned the key risks which may threaten the objectives of a project & its stakeholders and also suggested possible mitigation plans.

Mr. Jamal continued highlighting the very important role of broker as they usually review bid documents, finance agreements, Engineering Procurement Construction (EPC) contracts, setting budgets, engaging with lenders, designing the programme, insurance marketing, binding and closing.

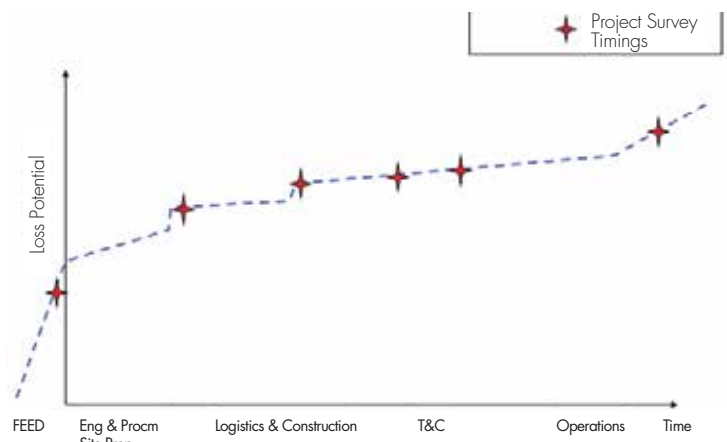
In the last part of his presentation he explained the Project Risk Engineering as a process to undertake surveys at regular intervals during different phases of construction project in order to prevent the losses by assessing the performance & progress of construction activities. After identification of key areas of risks suitable recommendations are provided. Surveys have manifold advantages for both insurer and the insured and these are:

- Loss estimates can be calculated
- Update with continuation of program and any change occurs
- Insured’s response to project delays, problems and previous risk recommendations.

A slide containing detailed construction project risk profile presented in simple terms gave a clear idea of project survey timings.

He concluded the presentation explaining survey methodology, project engineering, construction, commissioning, and quality control and safety hazards. He also explained key contents of construction survey report, which should consists of project description, status management and suitable risk recommendations.

It was a very interactive session, where participants asked various questions and showed their keen interest particularly in CPEC projects, coverage of policies, project risk engineering and project financing.



Construction Project Risk Profile

On conclusion of the workshop, feedback forms were distributed and the participants found the workshop a productive initiative and a very useful session which provided critical knowledge regarding project insurance.

ED, PII thanked the presenters for their time and effort for sharing their expertise and conducting an excellent and interesting workshop.



When you invite people to share in your miracle, you create future allies during rough weather

Shannon L. Alder

It does not take much strength to do things, but it requires a great deal of strength to decide what to do

Elbert Hubbard

The more people you have to ask for permission, the more dangerous a project gets

Alain de Botton

If you undertake projects in mind, never leave for tomorrow

Sinelo Caliché

Jubilee

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TOP 10 THINGS YOU WILL NEVER HEAR FROM A PROJECT MANAGER



TOP 10 THINGS A PROJECT MANAGER SHOULD NEVER SAY TO A CUSTOMER



Don't live the same year
75 times and call
it a life



JAN

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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2017

Live life to the fullest
because it only
happens once



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2017

Be happy with what you have while working for what you want

2017

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What if you simply devoted this year to loving yourself more

2017

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Lahore Insurance Institute Health Insurance in Pakistan Opportunities & Challenges November 30, 2016

A full day seminar on the topic of 'Health Insurance in Pakistan – Opportunities and Challenges' organized by Lahore Insurance Institute (LII) was held on November 30, 2016 at Lahore.

A large number of participants from different market segments including professionals of the insurance industry, university students, corporate staff of hospitals, brokerage houses, aggregators etc. attended the event.

First session commenced with the recitation of a verse from the Holy Quran followed by the national anthem. Chairman LII Syed Imran Rabbani, in his opening address welcomed the guests and stressed the importance of organizing such seminars for the benefit of all concerned.

Mr. Nadeem Irshad Head of Health Insurance in Jubilee Insurance gave an overview of health insurance in Pakistan.

Chief Executive Officer, Alfalah Insurance Mr. Nasar us Samad Qureshi who has been an active member of the insurance industry for the last 3 decades, was invited to share his views on the Government funded schemes for health insurance. He discussed the structure of the current micro insurance health schemes and the eligible lives for these programs.

The working of Third Party Administrators (TPA) and its scope in Pakistan was elaborated by Mr. Ahmed Salahuddin, CEO of Health e-Connex. Mr. Shayan Ahmed, Co-founder and director of Meri Policy (a web based aggregator) was invited to share his views on web based IT solutions for health insurance. He enlightened the participants with growing trends of aggregators globally and how they work.

In the second half, 2 working sessions on health insurance underwriting and claims were conducted. Dr. Fawad Sarwar moderator for this session discussed at length the technical areas of health insurance.

At the conclusion of the seminar Mr. Hisham GM, IGI and Vice Chairman, Regional Committee North, Insurance Association of Pakistan presented vote of thanks to all the respected speakers for sharing valuable insights on health insurance industry and all those who assisted in organizing such a knowledgeable session.



IAP Regional Committee North Annual Dinner November 19, 2016

Regional Committee North IAP organized an Annual dinner that was attended by elite of the insurance industry of Lahore.

Chairman RCN IAP Mr. Abdul Haye while welcoming the august audience highlighted the significance of this event which provides an opportunity to professionals from various companies to meet one another and on this occasion Meritorious Service Awards were presented to the following:

Late Mr. Agha Jamal Haider received by his son Agha Shahbaz Haider.
Late Ch. Muhammad Sadiq received by his son Mr Rahat Sadiq.
Late Mr. Mubarak Ahmed Malik

The living legend of our insurance industry Mr Mohammad Ishaque Khan also received Meritorious Service Award.



Insurance Journal

The 2nd Insurance Journal Performance Awards 2016 ceremony was held at Karachi on November 22, 2016. Mr. Raeesuddin Paracha Federal Insurance Ombudsman was invited as Chief Guest.



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

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Chartered Insurance Institute

Closing dates for April 2017 CII examination for Diploma / Certificate in Insurance for all applications /entry to reach PII is February 10, 2017.

Following revised updates / editions of CII study text are now available with Pakistan Insurance Institute:

Certificate

I11 Introduction to Risk Management

Diploma in Insurance

P63 Long term insurance business

Advanced Diploma

530 Economics and business

930 Advanced insurance broking

945 Marketing insurance products and services

960 Advanced underwriting

990 Insurance corporate management

992 Risk management in insurance

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Agents Foundation Course

Following candidates have been declared successful:
41st batch (November 19 to 26, 2016)

Karachi

S.No.	Registration No.	Name	S.No.	Registration No.	Name
1	AFC-B-41/2016-01	Ali Nawaz Khasheli s/o Abdul Subhan Khasheli	6	AFC-B-41/2016-06	Syed Haseeb-ul-Haq s/o Syed S. Habib-ul-Haq
2	AFC-B-41/2016-02	Syed K. Abbas Zaidi s/o Syed Irtiza Hussain	7	AFC-B-41/2016-07	Syed Asad Hasan s/o Syed Sibte Hasan
3	AFC-B-41/2016-03	Hasnain Saleh s/o Syed M. Saleh Jafri	8	AFC-B-41/2016-08	Iffat Batool w/o M. Adnan Junaid
4	AFC-B-41/2016-04	Mahfooz Ali s/o Mahboob Ali	9	AFC-B-41/2016-09	Reema d/o Abdul Ghafoor
5	AFC-B-41/2016-05	Majid Iqbal s/o M. Iqbal Javed	10	AFC-B-41/2016-10	M. Shafi Chiniwala s/o Irfan Ahmed Shafi

General Takaful Course

Following candidates have been declared successful:
1st batch (October 31 to November 5, 2016)

Karachi

S.No.	Registration No.	Name	S.No.	Registration No.	Name
1	GTK-B-01/2016-01	Asif Ahmed s/o Raees Ahmed	14	GTK-B-01/2016-14	M. Ghayyur Baig Chughtai s/o M. Z. B. Chughtai
2	GTK-B-01/2016-02	Fahad Ahmed s/o Rashid Ahmed	15	GTK-B-01/2016-15	Abdul Rehman s/o Mohammad Umer
3	GTK-B-01/2016-03	Mohammad Feroz Wakil s/o Abdul Ghaffar Wakil	16	GTK-B-01/2016-16	Omer Abdullah Siddiqui s/o Rafiullah Siddiqui
4	GTK-B-01/2016-04	Mohammad Hanif Ismail s/o Mohammad Ismail	17	GTK-B-01/2016-17	Salman Sadruddin s/o Sadruddin
5	GTK-B-01/2016-05	Shaista Batool d/o M. Anwar	18	GTK-B-01/2016-18	Ibrahim Kapadia s/o Haji Sattar Kapadia
6	GTK-B-01/2016-06	Abdul Quddus Baig s/o Ameer Baig	19	GTK-B-01/2016-19	Umer Shahzad Yousuf s/o Muhammad Yousuf
7	GTK-B-01/2016-07	Arsalan Ali Khan s/o M. Masood A Khan	20	GTK-B-01/2016-20	Tameezuddin s/o Bashir Ahmed
8	GTK-B-01/2016-08	Tousif Siddiqui s/o Lutfullah Siddiqui	21	GTK-B-01/2016-21	Arham Rahim s/o Muhammad Rahim
9	GTK-B-01/2016-09	Waseem Arif s/o Abdul Halim	22	GTK-B-01/2016-22	Muhammad Jawaid Sharif s/o Muhammad Sharif
10	GTK-B-01/2016-10	Sheikh Mohammad Nayyab s/o Ishtiaq Ahmed	23	GTK-B-01/2016-23	Saeeduddin s/o Muhammad Zafiruddin
11	GTK-B-01/2016-11	Abdul Rashid s/o Ahmed	24	GTK-B-01/2016-24	Muhammad Kaashif Khan s/o Saeed Jauhar
12	GTK-B-01/2016-12	Asif Mehmood s/o Noor Muhammad	25	GTK-B-01/2016-25	Saad Ibrahim s/o Ibrahim Kapadia
13	GTK-B-01/2016-13	Abid Raza Isfahani s/o M. Ali Mirza Isfahani	26	GTK-B-01/2016-26	Syed Asad Hasan s/o Syed Sibte Hasan

What we see depends
mainly on what we look
for

John Lubbock

No one can make you feel
inferior without your
consent

Eleanor Roosevelt

A good sense of humor is
essential to deal with the
world's reality

Anonymous

Things work out best for
those who make the best of
how things work out

John Wooden

Character is not
made in a crisis – it is only
exhibited

Robert Freeman

The smallest good deed is
better than the grandest
good intention

Duguet

Remember that wherever
your heart is, there you will
find your treasure

Paulo Coelho

Yesterday I was clever, so
I wanted to change the
world. Today I am wise, so
I am changing myself

Jalaluddin Rumi

International Insurance Conference



Our World Our Turn
Climate Change & Emerging Risks
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