

B++
A.M. Best

AA+
PACRA

AA+
JCR - VIS

FORWARD

Vol 7 / Issue 4

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The above ratings, position us as the highest rated general insurance company of Pakistan.

Our Managing Director's New Year message urges us to blaze a trail for others to follow and for us to continue to be a beacon of innovation, reliability and integrity.

Jubilee is proud of its sponsorship of Snooker and Mohammad Asif winning the World Championship this year.

As responsible citizens we were involved in couple of CSR projects, and hope you will enjoy reading about Pakistan's rich diversity of people which we intend to make a regular feature.

MANAGING DIRECTOR'S NEW YEAR MESSAGE

Dear Friends & Colleagues

By the grace of Allah, you achieved Rs 6 billion in gross written premium for the outgoing year 2012 as well as the collection target of 85%.

Our target for 2013 is Rs 7.25 billion with collection of 86.5%. Insha'Allah! Despite the challenges and difficulties, we will overcome all obstacles to reach the magical figure. Over the years you have consistently achieved Company targets and this has been acknowledged by A M Best and now by JCR-VIS and PACRA who have up-graded Jubilee General's rating to 'AA+' (Stable Outlook). While this has made us the highest rated general insurance company of Pakistan but also raises the expectations of our customers and other stake holders and inspires us to exceed their expectations and achieve our targets year after year.

As the beacon of innovation, reliability and integrity, it is our obligation to develop and market products to the segments of population which hitherto have remained without the security of insurance and who need our products to maintain and improve their life styles. Jubilee General should play its role and blaze a trail for others to follow. New products and new channels will not only carry the momentum of profitable growth but will also entrench Jubilee General as the best insurance company.

Happy New Year to all of you and happy selling.

Tahir Ahmed

Managing Director & Chief Executive

JCR-VIS and PACRA Upgrade IFS Rating of Jubilee General to AA+

JCR-VIS Credit Rating Company Limited has upgraded the Insurer Financial Strength (IFS) rating of Jubilee General Insurance Company Limited (Jubilee) to 'AA+' (double A plus) from 'AA' (double A). Outlook on the assigned rating is 'Stable'. Rating takes into account robust financial strength of Jubilee as demonstrated by its strong capitalisation and liquidity indicators.

Healthy profitability trends and sound dividend payout policy have facilitated the company in improving its equity base in line with growth in underwriting operations; thus, maintaining leverage indicators within prudent limits. Given the sizeable equity reserves of the institution, capacity to absorb losses falling within priority limits, is considered sound. Moreover, downside risk emanating from the current investment portfolio mix on account of market or credit risk is considered manageable in relation to equity base of the company.

Liquidity profile of the institution also depicts strength, with liquid assets providing coverage of more than 100 percent against outstanding liabilities. Market share of Jubilee has enhanced over time and the company has maintained its position as the third largest general insurance company in the private sector. Strong growth has been witnessed in the company's gross premium base on a year on year basis and compares favourably to the industry growth rate. Overall results from underwriting operations for the year 2011 and the on-going year have remained positive.

However, products of FIs and engineering continue to be loss making segments for the institution. Underwriting guidelines for certain business segments have been revised in view of past claims experience; impact of these changes will be meaningfully tested over time.

Future trends in underwriting performance will continue to be tracked by JCR-VIS. Investment income lends strong support to overall operations of the company with operating ratio averaging around 85 percent in the past three years. With decline in policy rate, there may be some pressure on the yield of the investment portfolio with income and money market funds comprising two-thirds of the portfolio.

Higher allocation to equities is on the anvil, if favourable expectations regarding the stock market persist; though the exposure is not expected to exceed 30 percent of the investment portfolio. Major sponsors of the company comprise reputed institutions with sizeable shareholding of Aga Khan Development Network. Senior management team has remained stable and comprises seasoned professionals. Overall governance infrastructure at the organisation is considered sound. Efforts to further improve control environment and operational efficiency are on-going at the institution. Upgrade of IT system is in process and is envisaged to be completed by next year.

The Pakistan Credit Rating Agency (PACRA) has upgraded the IFS rating of Jubilee General Insurance Company Limited (Jubilee) to "AA+" (Double A Plus) [previously AA]. The rating denotes a very strong capacity of the company to meet policyholder and contract obligations. At the same time, risk factors are considered modest, and the impact of any adverse business and economic factors is expected to be very limited.

The rating reflects Jubilee General's robust risk management framework facilitating the company in sustaining sound underwriting practices despite volatile socio-economic fundamentals. The rating recognizes the management's persistent efforts of penetrating relatively untapped segments, also reflected in its relatively more diverse premium mix compared to peers. Moreover, the rating takes into account Jubilee General's sound equity base and sufficient liquidity engendering strong risk absorption capacity. The company's efforts for improving the overall quality of control environment are appreciated. The ability of key sponsor, Aga Khan Development Network (AKDN) group, to foster synergies amongst its financial institutions operating in Pakistan - HBL, Jubilee General, and Jubilee Life - and in the group's different insurance companies across the globe, is also a key rating factor.

The rating is dependent upon sustained competitiveness of the company without compromising the underwriting profitability. Meanwhile, smooth implementation of real time IT infrastructure along with advanced MIS by the stipulated time would be tracked. This is expected to, among others, strengthen the claims handling system, which must enable the management to exercise enhanced level of vigilance and control over the turnaround time. At the same time, development of the investment management function to an independent level would remain important.

IAP's Property Committee

The ultimate aim of IAP is to provide a platform to all its member companies for an active exchange of views and information on matters relating to insurance business in Pakistan and to endeavor to increase insurance awareness and insurance penetration in the country.

Major tasks achieved by the property committee during the year 2010-2011

The property committee observed that the wording of fire policy was very old and outdated. In view of numerous changes taken place locally and globally particularly due to technical advancements, certain terms and conditions of Fire policy did not match the requirements of insurer and insured.

The committee resolved that there was a need to review the fire policy wording and soon embarked upon this task. This was a challenge as the revised fire policy wording was to be considered keeping in view its legal implications as well as the re-insurer's perspective. Due considerations were also given to the fact that revised policy wording should be easy to read and understandable document to the policy holder.

The property committee takes pride in achieving this uphill task. The new standard fire policy wording now clearly mentions the exact nature of the risk it covers along with policy exclusions and conditions clearly defined.

What would you consider to be the unexplored areas where the property committee can have an impact on the industry?



The following two areas need to be explored in the best interest of the insurance industry:

A Risk Management

The property committee can play a major role in the future in creating awareness, through its member companies, amongst all policy holders in understanding the importance of risk management.

The concept of risk management is an important area where our insurance industry can play a vital role in making business enterprises/policy holders understand that it is in their own interest to protect the business assets/business values that their businesses create over a period of time. Unless appropriate risk management procedures are in place to mitigate the loss/ damage after the occurrence of the fire incident, it will continue to destroy business assets/business values and as a result, adversely affecting their market shares.

B Responsible Pricing

The insurance industry as a whole can avail enormous benefits through quality underwriting. Besides, other factors, responsible pricing is very critical to each risk underwritten by companies. Cut-throat competition is prevalent in all industries, however, only the careful, patient and experienced managers are able to draw a sustainable balance between the top and the bottom lines.

Mohammed Safdar
Executive Vice President

The Insurance Fraternity

Insurance Association of Pakistan

Mr Tahir Ahmed, our CEO has been elected unopposed, the Chairman of Insurance Association of Pakistan for 2012-2013.

He held the same office in 2006-07 and 2009-10, and was the

Vice Chairman in 2005-6.

The traditional annual dinner to welcome the new Committee was held in October 2012 when stand-up comic Hanif Raja had the entire audience in splits of laughter.

The entertainment also comprised a live band and famous singer Hadiqa Kiyani.

The programme was neatly woven together by the host of the evening Dr Muzina.



Pakistan Insurance Institute

Mr Tahir Ahmed, has also been nominated as the Chairman of Pakistan Insurance Institute for 2012-2013 and under his stewardship the Institute has crafted a 5-year plan with the aim to start producing APIIs (Associates of Pakistan Insurance Institute) by 2018. The Institute has also launched its 4th batch of Post Graduate Diploma in Insurance, with a focus on day-time learning to interest fresh graduates to pursue the study and make a career in insurance.

The Institute will also assist successful candidates of the PGD with job placement in the insurance industry, to induct qualified persons and raise the bar of competence. Jubilee General plans to prefer PGD qualified inductees in future.

Best CFO Award



Mr Atiq A Mahmudi is seen on the right, receiving a certificate & medal from Dr Farooq Sattar, the MNA

Our CFO Mr Atiq A Mahmudi was selected as the Best CFO in the Non Life Insurance Sector and was given an award at the 2nd CEO/CFO/CIO Conference organised by Mass Human Resource Services, Karachi Stock Exchange and Pakistan Standard Quality Control Authority.

CFOs of Pakistan's reputed organisations in various sectors of the economy were assessed by an independent jury who analysed their accomplishments over last three years despite global economic recession and financial downturns.

Jubilee General congratulates Mr Mahmudi.

Risk Management

- Reinsurance Perspective

Our previous write-up published in last issue of forward, was about Risk Management's underwriting perspective, elucidating how a risk survey helps an underwriter to write the risk in appropriate manner. There are other perspectives as well where risk survey assists insurance companies to underwrite risk prudently as well as it also facilitate in managing the whole risk portfolio. One of the other aspects is Re-insurance perspective of risk management.

While placing the risk in international market through facultative reinsurance, any risk exceeding the company's treaty capacity has to be re-insured. In other words insurance company has to share the premium of every risk for the amount (sum insured) exceeding the treaty capacity.

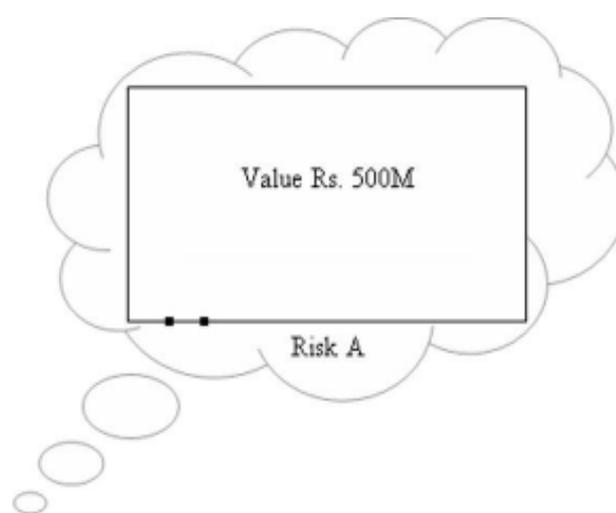
At times, the factual situation turns out to be such that even in worst case scenario single risk (client) is not likely to be damaged completely in a single event. By establishing that fact, the company will be able to obtain reinsurance only on the amount likely to be affected by a single event and retain the premium that probably would have been given away to re-insurers. This is achieved by calculating Maximum Probable Loss (MPL) and the Risk Managers are considered the best judge to calculate it.

Risk Managers look for various things including constructional class of structures, segregations of structures by adequate distances, segregations between structures through constructional solutions e.g, perfect party wall or fire break, layout of the premises, sum insured break-up, process chains, nature of process, type of materials etc. All these things are obtained and closely observed while calculating MPL.

Usually, MPL is represented as a percentage of the total sum insured. To highlight how risk management helps reinsurance department for smart and profitable placing of risk in international market, below is a case study.

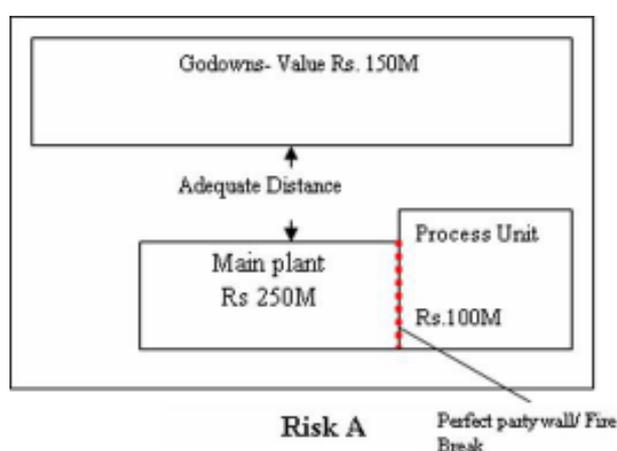
Suppose a manufacturing unit 'A', having total sum insured of Rs 500M is insured by a company whose underwriting capacity is of Rs100M. The risk assumed

by the company without risk survey is depicted in image below:



The above figure represents 'Risk A' as a single entity having total value of Rs 500m which is very reasonable thinking and using conventional practice, 100M out of 500M which is 20 % of the TSI is retained while rest will be reinsured as per treaty.

However, with the involvement of Risk Management department, a different picture can be revealed, which could be as below



Now the above situation is different from what is assumed, which reveals that main plant having value Rs 250M is completely segregated from the other process unit worth Rs 100M with a perfect party wall/ fire break and located at adequate distance from the godowns having value Rs 150M.

If risk manager estimates that fire will not pass through the segregation constructed between main plant and process unit, the maximum loss will occur when a fire completely damages the main plant which is 50% of

the total value at the premises.

Having considered that the MPL is 50% of total sum insured, the reinsurance underwriting will be on the basis of Rs 250M. In that situation, the company will retain Rs 100M risk out of Rs 250M and Rs 150M will be reinsured. Therefore, 40% of the same risk is retained.

The case cited above, very simply shows how a risk manager through MPL facilitates a company to increase the underwriting capacity.



Two separately insured risks of same group, having different names and having individual sums insured falling under underwriting capacity of the company. However, after survey, they turned out to be closely located to each other and considered as a single risk. Consequently, the accumulated sum insured became well above the underwriting capacity and the MPL as well.

Mr Yassir Al Baharna, CEO, ARIG Visits Paksitan



Mr Yassir Al Baharna, Chief Executive Officer of ARIG is seated 4th from left

Mr Yassir Al Baharna, Chief Executive Officer of Arab Insurance Group (ARIG) visited Pakistan after a gap of more than 10 years. He and Mr Hameed Al Ammadi, Account Executive - Pakistan hosted a grand reception for the Pakistani insurance market at Sheraton Karachi Hotel on 12 November 2012. A large number of senior executives and the eminent personalities of the insurance industry including the Commissioner-Insurance SECP and the Chairman IAP attended the event.

Mr Baharna in his speech while lamenting that he is visiting Pakistan after a long time underscored the importance of this market to ARIG. He reiterated ARIG's

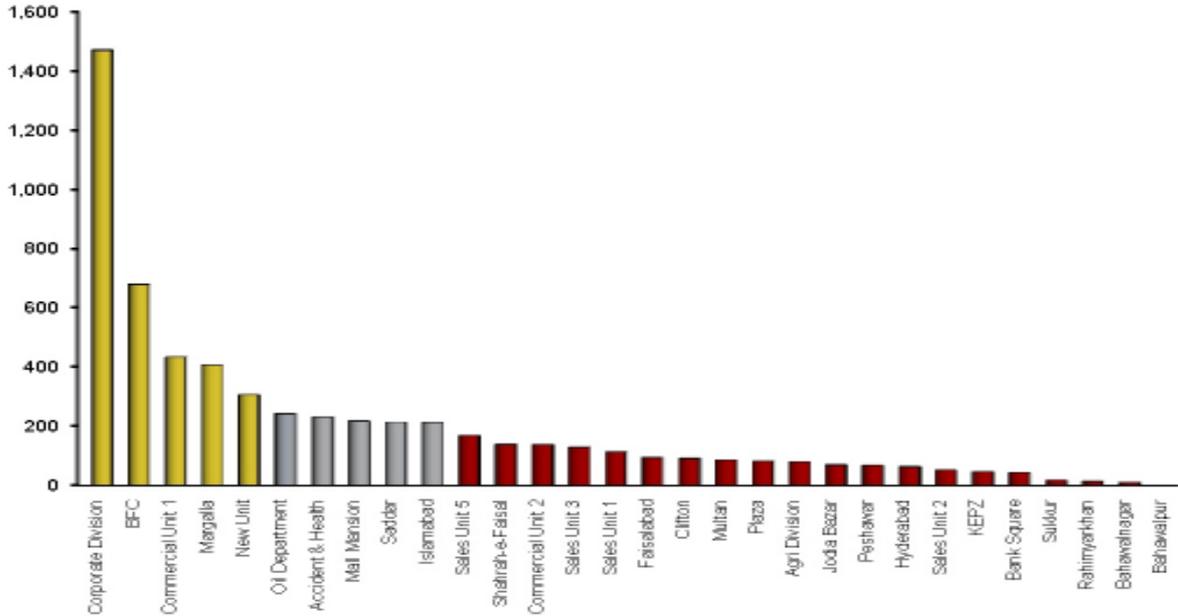
commitment to support our market through thick and thin. His affection for Pakistan was evident as he reminisced about various friends (some no more) he has made in our industry and praised Pak professional standards.

ARIG is the largest Arab owned re-insurer and comprises a team of qualified international insurance professionals. The Company offers a broad range of treaty and facultative reinsurance services for Property & Casualty, Specialty as well as Life and Medical lines to its clients from the region and beyond.

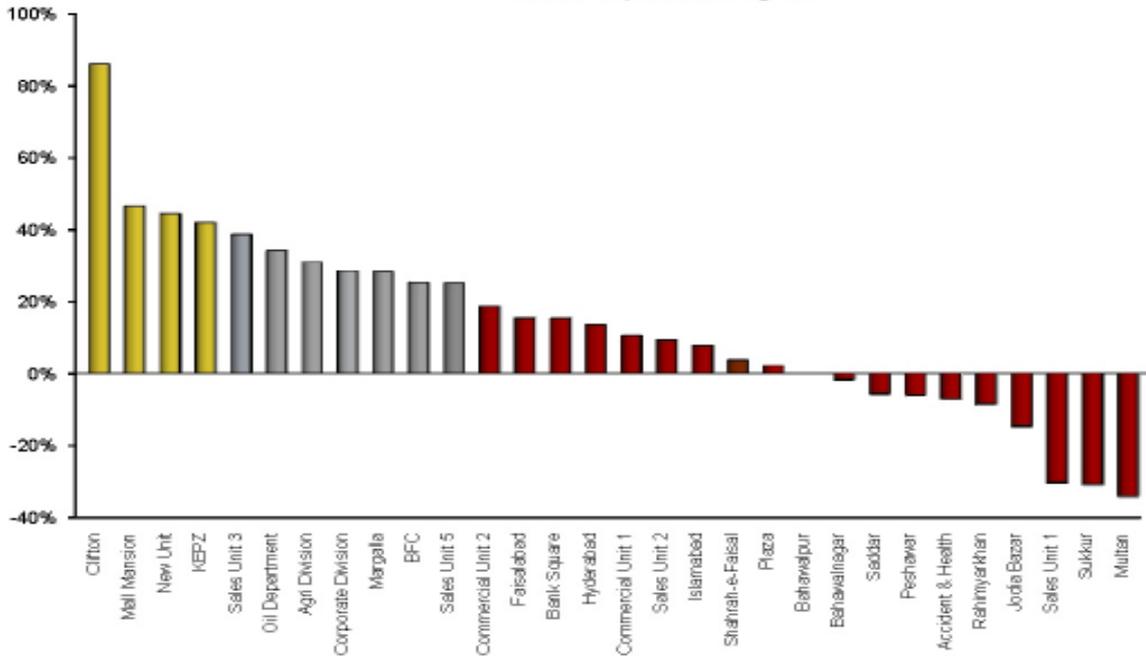
Under the leadership of Mr Al Baharna the company's business is growing rapidly around the world.

Branch Performance as at December 2012

Branch Growth Performance as at December 2012
Based on provisional figures - Rupees in million

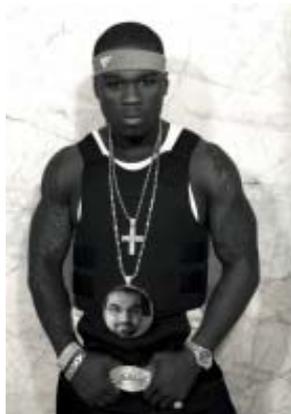


Branch Growth Performance as at December 2012
Based on provisional figures



Sheedis- Our Indegenous African Community

Making a start from this issue, we hope to cover the rich diversity of our people, places and culture in the newsletter, some of which may even surprise an average Pakistani.



In Pakistan, locals of Black African descent are usually called "Sheedi". Their predecessors arrived in this part of the world in the 7th century AD during the reign of Great Omar Bin Khattab (may Allah be pleased with him), the second Right Caliph of Islam. Most of them came with the Arab Trading Missions.

They live primarily along the Makran Coast in Balochistan, and lower Sindh. In the city of Karachi, the main Sheedi centre is the area of Lyari and other nearby coastal areas.

The sufi saint Pir Mangho is regarded by many as the patron saint of the Sheedis, and the annual Pir Mangho

Urs festival, marking his death anniversary, is the key event in the Sheedi community's cultural calendar, featuring songs and dance clearly derived from Africa.

Sheedis are also well known for their excellence in sports, especially in football and boxing.

Pictures clockwise from top left:

The Jamia Masjid Sheedi which is a local landmark

Sheedi girl with traditional ornaments

Sheedi mela with African rhythms

Sheedi riders at traditional annual donkey race

Sheedi boxer

A historic picture of international football player Abdul Ghafoor shaking hands with the chief guest

Mohammad Asif Becomes World Snooker Champion



Forward spoke to Mr Alamgir Shaikh, the President of Pakistan Billiards and Snooker Association (PBSA) on the promotion of the game and Mohammad Asif's victory at the World Snooker Championship in Sofia, Bulgaria on 1st December 2012.

How does PBSA see Jubilee's role in promotion of Snooker in Pakistan?

I am not only the President of PBSA by also the Vice President-Marketing at Jubilee General. The role of Jubilee as the prime sponsors of national and international snooker matches has, I would say, led to Mohammad Asif's victory at World Snooker.

Jubilee commenced their sponsorship of the game from 23rd Asian Snooker Championship which was played in Pakistan in 2007. Since then we have counted on their support every year for national and international events. In March 2012 they sponsored 7-Nation Snooker, in addition to the National Snooker Championship a month earlier.

Mr Tahir Ahmed's keen interest in the game and Mr Javed Ahmed's equal support have meant a great deal in the promotion of the sport in Pakistan and we are confident this support will continue.

Can you trace for us Mohammad Asif's career in Snooker and his victory at Bulgaria.

Mohammad Asif hails from Faisalabad and started playing snooker in 2004. In 2009 Pakistan was represented for the first time by him in the Asian Championship which was played in China.

However, at the Asian Championship in Doha in November 2012 Asif's game showed a quantum leap and he became the first runner up in the tournament. This gave a huge boost to his confidence and he peaked to the World Title in International Billiards and

Snooker Federation's World Snooker Championship in Sofia, Bulgaria.

I will also say that England's Gary Wilson is invincible and perhaps it was just not his day that the victory was for Asif. On the other hand, great credit to Asif for having clinched the trophy against an indomitable opponent.

What are PBSA's plans for promotion of the game?

There are three areas in which it is planning to improve the facilities and develop the talent of our national players.

First is to build Snooker Academies in Karachi, Lahore, Faisalabad, Islamabad and Peshawar where players can play on standard tables to maintain a good form and, international standard tables are available for the international circuit players.

Next is to create jobs for our talented players who number from 12-16 individuals. Progressive and national-minded companies can employ them whereby they receive decent honorarium to support their families and concentrate fully on the game. PBSA is making this appeal and also working on building funds for the purpose.

The other great need is for coaches and paying them competitive salaries. Only then the game can really be served by PBSA. In this we need the support of the government because like cricket this game has potential to bring the country laurels which we have already proved this year.

If these three goals are achieved, I believe that we can produce more Asifs, in fact have a team of world-class players for international games.

Long Service Awards and Eid Milan at Lahore Zonal



Eid Millan/Long Service Awards Ceremony was held on 30th Oct 2012 at Lahore Zonal Office where employees from the entire Zone participated.

Mr Mahboob Parvez, JEV & Acting Zonal Head appreciated the long service and dedication of the Award recipients upon completion of their 10 years and 35 years service with the company. He then presented them plaques of appreciation.

Mr Mahboob Parvez thanked the management for enabling an environment of deep satisfaction and celebration of such events. At the end of ceremony, traditional Lahori breakfast was served.

Picture of the Awardees: **1st row from left:**
35-years Muhammad Razzak Ch, SVP/Branch Head, LSU V

10 Years (all remaining)
Assim Aleem Qureshi, DM, LSU I
Javed Mustafa, SM, Faisalabad Branch

2nd row from left:
Kamran Rasheed, SM, LSU I
Khalid Farooq, VP, LZO
Tabassum Bashir Qureshi, VP, MM Branch received award of Mr Waseem Fahmi, Manager, who was on Hajj leave.

3rd row from left:
Tahir Aslam, Manager, Mall Mansion Branch
Syed Imran Ali, Asstt Manager, Mall Mansion Branch
Syed Israr Ali, Asstt Manager (Mktg), Mall Mansion Branch



An Appreciation



Mr Mohammad Afzaluddin, EVP-Accident & Health was felicitated and his contribution to Jubilee General was appreciated by our Managing Director, Mr Tahir Ahmed, who also presented a plaque to mark the occasion.

Mr Afzaluddin reminisce his career in insurance and shared an informal tea with his senior colleagues.

Jubilee General's Annual Cricket Tournament 2012



The winning Team - Tigers with the Trophy

The 7th Jubilee General inter-departmental cricket tournament ended with a marvelous victory by Tigers who beat the defending champions Cheetas by 5 wickets in a thrilling final played at the historical K.P.I Grounds in Saddar, Karachi. The man of the match for the final was Syed Muhammad Zia who performed excellently at the Bat with 44 runs of 44 balls which included the winning shot by hitting a Towering Six.

The Tournament

Initially the league matches were played at the Syed Adil Akhtar Jafri Cricket Ground Nazimabad. Total 8 Teams participated divided between two Groups A & B. Group A comprises of Cheetas, Falcons, Tigers and Eagles. While Group B comprises of Zebras, Hawks, Lions and Panthers.

After the completion of league matches the four teams qualified for the semi finals. The first semi final was played b/w Cheetas and the Lions which was won by the Cheetas, thanks to the fabulous batting by Mr Khalid Jamil, who himself rode his team to the finals. He was also awarded Man of the match.

The second semi final was played b/w the Tiger and the Hawks which was won by the Tigers due to excellent knock by Tiger's Proud Batsman Faisal Khan. Whose powerful innings of 49 runs, march his team into the final.

The Final

The final was arranged at KPI on the 15th December 2012. The contest was b/w the defending champions



Runners-up - Cheeta

Cheetas and their opponent Tigers (who have won the tournament twice before). Everyone was expecting a tough contest as both the teams have some well known players. Tigers won the Toss and put Cheetas into bat, who made 91 in the allotted 10 overs and set the target for the Tigers 92 to win.

Initially it was not an easy target but Tigers opening batsman Syed Muhammad Zia made it convenient



for his team with his extraordinary performance, and when he hit the winning Six, all the Tiger players ran into the ground.

Prize Distribution

The prize distribution ceremony was held after the final on a very cold evening where everybody was feeling the chilled Quetta Waves. Mr Iqbal Qazi received the winning trophy from the chief guest, Managing Director of Jubilee General, Mr Tahir Ahmed while



the runner up trophy was received by Mr Ather Abbas the captain of the Cheetas. There were also many prizes of Man of the match awards (league matches) distributed by Mr Karim Merchant, Mirza Ali Mehmood, while the prize for the man of the match for the semi finals was distributed by ED finance Mr Atiq Mahmudi.

Main categories of prizes distributed were :

1. Man of the Match (Final): Syed Muhammad Zia (Tiger)
2. Man of the Tournament: Syed Muhammad Zia (Tiger)
3. Best Batsman: Khalid Jamil (Cheeta)
4. Best Fielder: Salim Hashim (Tiger)

Gym and JGI Cricket Team

A luncheon ceremony was hosted for the participant by the Jubilee Sports committee on 19-12-2012, at the roof top of head office at which Mr Tahir Ahmed the Managing Director, announced shortly opening of a Gym at the Head office for the physical fitness of the employees. He further suggested that Jubilee General cricket team be formed from the best players in our tournament to participate in the IAP Cricket tournament.

The decision for making a Gym delighted Mr Imran Mughal, Mr Aziz Surani and the writer of this account.

Munirul Haq
Branch Head - Saddar Branch

Table Tennis

2nd Ali Shan Open & 4th Dr Essa Muhammad Table Tennis Championships 2012

Mr Farrukh Kamal, Manager, Saddar Branch participated in the 2nd Ali Shan Open Table Tennis Championships 2012 held at Pakistan Sports Board



Karachi Centre from 13th October to 19th October 2012. He played in the Men's Doubles Final of this tournament and now his doubles ranking is No.2 in Sindh Province. He also beat Pakistan Table Tennis Men's Team Member (tour of India 2012) in 2nd round of Men's Single by-3-0. Mr Moin Khan (former captain of Pakistan Cricket team) was the Chief Guest and Jubilee General sponsored the event.

In Dr Essa Championship he secured the 3rd position in the Men's Double.

Corporate Social Responsibility

What better way to demonstrate corporate social responsibility than to inculcate the spirit among our own officers. With this in view two projects were run in December.

Beach Cleaning



This was with a view to inculcate spirit for environment protection. Mr Munir Ul Haq, our head of Saddar Branch with the officers of his branch trooped up to the Clifton Beach on Sunday 2nd December 2012 to clean half a kilometer of the area.

They put on Jubilee T-shirts and caps, orange gloves and especially designed sticks for collecting garbage and collected pieces of foam, bottles, empty cans, polythene bags, pieces of wood and empty wrappers. The collected garbage was handed over to the cantonment personnel for disposal.

The exercise invigorated all who felt they would like to do it again at a future date. That was an environment protection milestone for Jubilee General.

Eye Camp



Our next thoughts were for community service and an Eye Camp was planned the following Sunday 9th December 2012.

Dr Dorab Hoshang Anklesaria with his team of technicians came to Rehmat ul Iqra Welfare Centre at New Karachi to check 100+ patients for cataract and a representative from ALCON for Intra Ocular Pressure.

Our BFC Branch who arranged the location and supervised the camp, took the initiative to invite a general physician and an ENT & Dermatologist, as well as an optician who also checked 50 patients.

Our colleagues at BFC Branch under the stewardship of SVP Adnan Junaid delivered a meaningful community service for others to emulate.