

SUMMARY OF THE ACTIVITIES OF MARINE COMMITTEE



Sitting from Left to Right:

Mr. Rehan Fasih, Mr. Jamshaid Hussain (Vice-Chairman), Mr. Mohammed Sohail Nazir (Chairman),
Mr. Kamran Arif and Mr. N.A. Usmani (Secretary General)

Standing from Left to Right:

Mr. Muhammad Naveed Fayyaz, Mr. Usman Arif, Mr. Jahanzaib Hussain and
Mr. Nabeel W. Sabir (Deputy Secretary General)

Not seen in picture: Ms. Huma Waheed (EC Observer)

- The Committee continued collection of inland transit losses data. The data included comparison for the past four years highlighting top 5 commodities, concerned cities, transporters engaged and incident time. The comparison was circulated to members and uploaded on IAP website.
- On Marine, Aviation and Transport Business
- data collected from members for the year 2019 was reviewed by the Committee and circulated to member companies and uploaded on the website for information. The Committee had decided to request Takaful / Window Takaful Operations data in addition to the conventional data being collected for the year 2019.
- On 29th April 2019 the Marine Committee had

visited the Torkham Border in KPK to examine and learn more about the Torkham border trade activities, Pakistan Customs, cargo handling and challenges faced (if any) at the border for imports, exports and transit trade through this route.

The post visit report was prepared by the Committee and shared with all member companies for information.

- The Committee continued discussion on the Increased Stamp Duty imposition in Punjab effective from 1st November 2018 which although affects the entire industry but remains a major concern for marine policies since the revised duties are on sum insured not premium making marine policy stamp duty in some cases more than the premium charged.

The Committee finalized a note for EC highlighting different provincial rates (practiced and applicable) and the challenges being faced which led to the Writ Petition filed in Lahore High Court as covered in the Executive Committee portion of this report.

- The Committee upon instructions from the EC, resumed work on the portal and launched the IAP RMS portal for conventional slips in April 2020, the portal was under development for over two years but needed minor system upgrades and revisions before being launched for companies to use. Details of the Portal launch are covered under the Executive Committee activities.

Likewise on 29th July 2020 the IAP Re Takaful Online Market Slips Portal was also launched allowing all Takaful and Window Takaful Operators (WTOs) to electronically circulate their facultative risks.

- The Committee prepared a letter to the bank which had been insisting on removing the Institute Classification Clause from policies which was sent after EC's review in August 2019. The letter presented that the Institute Classification Clause is an international clause designed by International Underwriting Association (IUA) of London and is used worldwide in all marine policies. It is a paramount and compulsory clause and is a part of all marine cargo policies issued across the globe. The removal of this clause from the policy will give the insured the option of moving the cargo on vessels which do not meet international safety standards thus making the cargo vulnerable to physical hazards. Hence it is not at all in the interest of the insurance companies as well as the banks to expose their finances to these higher risks which can easily be avoided.

IAP are thankful to the bank for considering IAP request and thereafter no further cases of requests for the removal of Institute Classification Clause were reported by members.