

NAME: SYED HABIB SHAH

ID: 6913

SUBJECT: INSURANCE MANAGEMENT & PRACTICES

Jubilee Insurance Company Limited

The Jubilee Insurance Company (JICK), mostly known as Jubilee Insurance, is an insurance company in Kenya. Which has the largest economy in the East African Community. It is a wholly owned subsidiary of Jubilee Holdings Limited a multinational insurance holding company which maintains its headquarters in Nairobi the capital of Kenya with subsidiaries in Kenya Tanzania, Uganda, Burundi, Mauritius and Pakistan, with plans to expand on the African continent.

The Jubilee Insurance Company of Kenya
Type Private
Industry Financial services
Founded 1937
Headquarters Nairobi, Kenya
Key people Nizar Juma Chairman Vacant Managing Director & CEO
Products Insurance
Total assets US\$826.65 million (2015)

1) Jubilee Insurance was incorporated as a Kenyan financial services provider with headquarters in the coastal city of Mombasa. The company prospered and over the years opened offices in other East African cities and towns including Nairobi Dar-as-Salaam and Kampala. The company also opened branches in the Indian city of Bombay and Karachi Pakistan. On the Indian Ocean islands of Mauritius and Zanzibar. The company's parent Jubilee Holdings Limited was listed on the Nairobi Stock Exchange (NSE) in 1973 where it trades under the History symbol JUB. Its sister company in Pakistan is listed on the Karachi Stock Exchange under the symbol NJICL.

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- 2) Following a period of political and financial instability in the 1970s and 1980s in Uganda. The Jubilee Insurance Company of Uganda (JICU) re-established its presence in 1992. The Ugandan subsidiary is co-owned with the DFCU Group and with the Aga Khan Fund for Economic Development (AKFED). In 2006, Jubilee Holdings Limited became cross listed on the Uganda Securities Exchange (USE).

- 3) In 1998, the company re-established a subsidiary in Tanzania. The Jubilee Insurance Company of Tanzania (JICT) is co-owned with local Tanzanian investors. It was the first privately owned insurance company to be licensed in the country, following the liberalization of financial institutions ownership. Jubilee Holdings Limited became cross listed on the Dar as Salaam Stock Exchange (DSE), also in 2006.

- 4) According to the Kenyan Insurance Regulatory Authority report released in September 2014, The Jubilee Insurance Company of Kenya was ranked first in market share with 11.9% of the Kenyan market ahead of Britam and CIC Insurance Group Limited who controlled 11.2% and 9% respectively.

- 5) Watch must first watch must before do anything the following is a list of subsidiaries (50+% shareholding) of Jubilee Holdings Limited, who together form the Jubilee Group. The Jubilee Insurance Company of Kenya Limited (100%) Jubilee Holdings Limited the Jubilee Insurance Company of Uganda Limited (65%) The Jubilee Insurance Company of Tanzania Limited (51%).

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The Jubilee Insurance Company of Burundi S.A. (70%) Jubilee Insurance (Mauritius) Limited (80%) Jubilee Financial Services Limited (100%) Jubilee Investments Company Limited (Uganda) (100%) Jubilee Investments Tanzania Limited (100%) Jubilee Investments Burundi Limited (100%) and (10) Jubilee Center Burundi (80%) The companies listed below are regarded as associate companies, with less than 50% shareholding of Jubilee Holdings Limited PDM (Holdings) Limited (37.1%) IPS Cable Systems Limited (33.3%) FCL Holdings Limited (30.0%) IPS Power Investment Limited (27.0%) Bujagali Holding Power Company Limited (25.0%) Diamond Trust Bank Group (10.27%) Jubilee Insurance Company Limited is a 100% subsidiary of Jubilee Holdings Limited, the holding company or the parent. The stock of the holding company is listed on three of the four major stock exchanges in East Africa namely the Nairobi Stock Exchange the Uganda Securities Exchange and the Dar es Salaam Stock Exchange. As of December 2013, the total assets of the Parent were estimated at about US\$678 million (KES:61.16 billion), with shareholder's equity of approximately US\$119 million (KES:10.7 billion). Ownership The company maintains the following offices in Kenya, as at 31 December 2013: Head Office - Jubilee Insurance House, Wabera Street, Nairobi County Mombasa Office - Third Floor Jubilee Insurance Building Moi Avenue Mombasa County Kisumu Office – Third Floor, Jubilee Insurance House Oginga Odinga Road Kisumu Nairobi Agency Office

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Jubilee Exchange Building Mama Ngina Kenya Branch Network Street,
Nairobi Nairobi Agency Office 2 - Ground Floor, Tulip House, Mombasa Road,
Nairobi Nairobi Agency Office 3 - Sixth Floor, Wing B, Vanguard House, First
Crossway Road, Chiromo Road, Westlands, Nairobi Nakuru Office - First Floor,
Polo Centre, Kenyatta Avenue, Nakuru Nyeri Office - Third Floor, Sohan Plaza,
Kimathi Way, Nyeri Kisii Office - Second Floor, New Sansora Building, Town
Centre Hospital Road, Kisii Eldoret Office - Second Floor, Imperial Court
Eldoret, Main Nairobi – Uganda Highway, Eldoret Meru Office - Second Floor,
Alexander House, Moi Avenue, Meru Thika Office - Fourth Floor, Thika Arcade,
Kenyatta Highway at Commercial Street, Thika Bungoma Office - First Floor,
Bungoma Business Centre, Moi Avenue, Bungoma List of Insurance companies
in Kenya Nairobi Stock Exchange Dar es Salaam Stock Exchange Uganda
Securities Exchange Economy of Kenya.

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Habib Insurance Company Limited

The Company has complied with all the corporate and financial reporting requirements of the CCG.

The Board has formed underwriting/ claim settlement/ reinsurance & co-insurance committee.

The Board has formed an audit committee. It comprises of four members, all of whom are non-executive Directors including the Chairman of the Committee.

The meetings of the audit committee were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the CCG. The terms of reference of the audit committee have been formed and advised to the audit committee for compliance.

The Board has formed an HR and Remuneration Committee. It comprises of three members, all of whom are non-executive Directors including the Chairman of the Committee.

The terms of reference of the Committee have been formed and advised to the Committee for compliance.

The Board has outsourced the internal audit function to Messrs.' Abbas Karjatwala & Company, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the

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Company and their representatives are involved in the internal audit function on a full time basis.

The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programmer of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

The closed period prior to the announcement of interim/ final results, and business decisions which may materially affect the market price of Company's securities, was determined and intimated to the Directors, employees and Stock Exchange. Material/ price sensitive information has been disseminated amongst all market participants at once through Stock Exchange. We confirm that all material principles contained in the Code have been complied with. On behalf of the Board of Directors

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Review Report to the Members on Statement of

Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Habib Insurance Company Limited** (“the Company”) to comply with the listing regulations of the Karachi and Lahore stock exchanges, where the Company is listed, and the Code of Corporate Governance applicable to listed insurance companies issued under SRO 68(I)/2003, by the Securities and Exchange Commission of Pakistan.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code. As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board’s statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks. Further, Listing Regulations notified by the Karachi Stock Exchange Limited (formerly Karachi Stock Exchange (Guarantee) Limited), requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price recording proper justification for using such

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alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not. Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 31 December 2012.

Habib Insurance Company Limited

We have audited the annexed financial statements comprising of:

- (i) balance sheet
- (ii) profit and loss account
- (iii) statement of changes in equity
- (iv) statement of cash flows
- (v) statement of premiums
- (vi) statement of claims
- (vii) statement of expenses and
- (viii) statement of investment income

of **Habib Insurance Company Limited** the Company as at 31 December 2012 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000

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and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

Premier Insurance

The 1st Governor of the State Bank of Pakistan brought together leading industrialists of the newly established country realizing the need for a Pakistani insurer – a crucial component for a young, burgeoning economy. This event set into motion the conception of Premier Insurance, a company with a vision to serve the nation. Today, the company remains steadfast by its founding principles. It is a leading insurer listed on the Karachi, Lahore and Islamabad Stock Exchanges having earned numerous Top Companies' Awards. Premier Insurance is a member of the Insurance Association of Pakistan, a member of the Management Association of Pakistan and is licensed by the Securities and Exchange Commission of Pakistan. Our business spans the country, provides services to clients across all economic sectors and offers products in all classes of general insurance. Premier Insurance employs exceedingly proficient management that enables the company to remain competitive, growing and at the cutting edge of technology. It is our historical practice of striving to achieve prompt settlement of even the largest claims that has allowed us to build relationships lasting generations, with some of the oldest institutions of Pakistan, and attract new clients seeking to prosper in the modern economy. With our values firmly anchored in our founders' objective of serving the nation, we are committed to maintaining and forever building upon our tradition of excellence in all that we do.

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EFU Life

EFU Life Assurance Ltd., originally Eastern Federal Union Insurance Company Limited, is a Pakistan-based life insurance company. It was the first insurance company in India founded in (1932) owned by the Muslims based in Calcutta. After the partition of India the company moved to Pakistan and operated in East and West Pakistan. The company ceased to exist in East Pakistan after it became Bangladesh. Pakistan subsequently reorganized the company to EFU Life Assurance Ltd.

History

First meeting of the founders and sponsors of the Eastern Federal Union Insurance Co. Ltd (1931 in London). L-R: Abdur Rahman Siddiqui, Partner Haira Trading Co B.M. Collins of B.M. Collins & Co. Ltd. London C.H. Faloon, General Manager, Atlas Assurance Company, Khondker Fazle Haider, Partner Haira Trading Co. London.

[1] It was the first insurance company in India owned and run by Muslims targeted for the Muslim populace.

[2] Abdur Rahman Siddiqui of Surat and Khonkar Fazle Haider of Murshidabad district were the company's founders.

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[3] Siddiqui and Haider executed a “memorandum of understanding”

[4] In 1931 with one of Night View of EFU Life Building leading British insurance companies, the “Atlas” and Messrs. B.M. Collins, Lloyds brokers. The company was incorporated on 2 September 1932 in Calcutta with E.N. Menhinick, a senior manager of Atlas as the first chief executive officer of the company.

[5] The main objective of the company was to provide “insurance service to the community and also to produce competent Muslim insurance personnel.”

[6] Aga Khan III and Hamidullah Khan (last Nawab of Bhopal) became the “Patrons” of the new company. Malik Ghulam Muhammad helped to arrange substantial subscriptions from the State of Hyderabad and State and Bhopal. Sir Victor Sassoon became the largest foreign shareholder

[7] And Mirza Ahmad Ispahani bought most of the shares of the EFU.

[8] The company officially started as a general insurance company. In 1936, life business of the company started with a paid-for business of about Rs. 5.0 million. By 1946 the company started to move ahead steadily but major upheaval of the century had occurred, in which Muslims all over the sub-continent sustained immense loss, both of life and property after creation of Pakistan.

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[9] The EFU management transferred its registered office to Chittagong, East Pakistan before partition.

[10] The company completed a new Life Business of Rs. 4.5 million by 1947 and during 1948 transacted a total business of Rs. 13.9 million.

[11] In 1952, the company hired Khuda Buksh, an inspector from Oriental Governmental Security Life Assurance, Calcutta, as life manager for East Pakistan. Buksh, introduced a system of training classes and expanded the entire field organization on scientific lines. The company thereafter continued showing tremendous upward trend in its paid-for business from 25 million in 1953 to 76.7 million in 1960. During the same period the premium income of the company went up from Rs. 3.3 million to Rs. 11.9 million.

[12] In 1960, the company almost reached the door of bankruptcy due to bad underwriting against marine hull business on overseas account.

[13] Abbas Khaleeli, a former bureaucrat and Roshen Ali Bhimjee, owner of Insurance Agency Pak Underwriters were credited for averting the bankruptcy.

[14] Subsequently, Mirza Ahmad Ispahani disinvested his shares and major shares were taken by the "Habib family", ARAG Limited and rest was distributed to the public.

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[15] Abbas Khaleeli and Roshen Ali Bhimjee officially took over the company on 1 January 1961. Khuda Buksh worked for the company as life manager, deputy life manager and general manager from 1960 to April 1969. He was recognized as the “driving force”

[16] Who “had successfully helped to grow the company into the leading and dominating position

[17] In the country. During the 1960s the EFU became the largest company in the Afro-Asian countries excluding Japan.

[18] In March 1971, the Bangladesh War of Liberation led to creation of modern Bangladesh on December 1971 when the EFU lost its eastern division.

[19] Bangladesh nationalized all Pakistan based and local life insurance companies in August 1972. In Pakistan, after 1972 the EFU operated solely as a general Insurance company. In 1992, the Government of Pakistan opened up life insurance to the private sector and EFU was reorganized and EFU Life Assurance Ltd. was incorporated in 1992 as the first private sector life insurance company.

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[20] In 1992, the Government of Pakistan opened up life insurance to the private sector and EFU Life Assurance Ltd. Was incorporated in 1992 as the first private sector life insurance company. EFU commenced writing group life insurance business in the same year, individual life business in 1994 and is today the largest life insurance company in the private sector in the country. The Company has set up over 150 branches throughout the country and employs over 3500 people in its sales force.