COVID-19 improves rebound hope for insurance/takaful in medium to long-term

Customer support, more awareness and digital offerings must for future growth of insurance sector

Interview with Muhammad Nasir Ali Syed – CEO, Pak-Qatar General Takaful Limited

PAGE: Tell me something about yourself:

Muhammad Nasir Ali Syed: I am vision-oriented person and have a clear purpose in life and I also try to maintain balance in life. We are answerable to almighty Allah and have to spent life according to the guidance and directions given by our creator. My parents have been a great source of motivation and I try my level best to follow their professional approach and positive traits. My working experience is 27+ years including but not limited to areas viz. Group Operations, Individual Operations, Claims, Reinsurance/Retakaful & Corporate Distribution of Life Insurance & Takaful Industry of Pakistan.
I started my career as a Life Underwriter with American Life Insurance Company (Pakistan) Ltd (ALICO) as a founding member in June 1995. Then moved to Commercial Union Life Assurance (CU), where I strived to build the foundation of Group Health & Claim Operations. After assuming multiple senior level positions in New Jubilee Life Insurance, I joined Pak-Qatar Family Takaful Limited as Head of Operations in 2007.

Being the founding member of Pak-Qatar Family Takaful Limited, I build the foundations of Operations department of PQFTL (Pakistan's First Family Takaful Company). I worked as CEO of Pak-Qatar Family Takaful Limited till February 2020 and now serving as CEO of Pak-Qatar General Takaful Limited.

About Pak-Qatar Takaful Group:

Pak-Qatar Takaful Group is Pakistan's pioneer and the largest Takaful group with over a decade of operational excellence and 120+ branches all over the country. I am proud to be a part of Takaful industry.

Takaful is a Shariah-compliant alternative to conventional Insurance. In the current age, the need and importance of Insurance cannot be overlooked, but the current principles and practices used in insurance are against the teachings of our religion. Islamic Scholars have deliberated over this matter for years and devised the concept of Takaful. Briefly we can say that the three elements which are forbidden in any Sales-Purchase agreement namely Riba (Interest), Qimar/Maysir (Gambling) and Gharrar (Uncertainty) are avoided in Takaful (Tabbaru Agreement) by creating a model on the principles of Tabarru (charity) and Waqf (similar to mortmain).

PAGE: Your views on insurance sector in Pakistan:

Muhammad Nasir Ali Syed: Recently, the insurance/Takaful industry has come into limelight due to COVID-19 and people are now more concerned about Health coverage due to expensive medical treatment. The COVID-19 crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The fallout from the COVID-19 outbreak includes a surge in health, travel and business interruption claims, pressure on sales from reduced business activity, and less use of face-to-face channels.
The insurance/Takaful industry has not escaped its impact but insurers/Takaful operators have responded quickly to the crisis. As the broader economy recovers and responds to the pandemic, the industry will face a number of challenges but also see many new opportunities in the medium to long term.

PAGE: How could the insurance sector tackle the problems arising in the wake of pandemic this year?

Muhammad Nasir Ali Syed: The insurance/Takaful industry is trying its level best to face the challenges in response to COVID-19 and are offering service to customers without any kind of inconvenience. When COVID emerged and people were restricted to their homes, we successfully managed our Operations by working from home and few skeleton staff worked at office by following strict protocols for COVID-19. Furthermore, we realized that the only solution to tackle pandemic is by capturing the digital medium. Hence, we enhanced our services by offering online solutions to our customers. We launched dedicated online portals for customers to access details on their fingertips and have introduced online products. I am quite hopeful that this pandemic will end soon by the end of this year and the wheel of economy will start moving at its pace. These kind of pandemics are not only problematic but also bring along opportunities to explore.

PAGE: Could you tell us about the skilled work force of the insurance sector of Pakistan?

Muhammad Nasir Ali Syed: Frankly speaking, I am a great admirer of skilled workforce in Takaful sector but unfortunately this sector is running short of competent staff or with less relevant skillset. Most of the educational institutions in Pakistan are focusing on other disciplines and students also are not much interested in this sector as the penetration and awareness about our industry is very low.
Recently, few institutions like IBA-CEIF, IM Sciences (Peshawar) have started offering courses in Islamic Finance, which is very good initiative/sign to bring in skilled workforce for our industry. Same kind of initiative is required by other leading private universities in Pakistan.

PAGE: What must be the strategies of the insurance sector for next five years?

Muhammad Nasir Ali Syed: In my opinion, we should primarily focus on customer support and offer convenience in the best possible manner we can. Secondly, we need to organize more seminars, awareness sessions for the upcoming generation in order to make them understand about the importance of Protection and the concept of Takaful. Thirdly, we need to offer maximum products on digital platforms. Also, amongst few more measures is to explore ADC (Alternate Distribution Channels) for our products and cross-selling seems to be very effective medium in future.