

# Team Alfalah

Issue No. 66, Aug 2017





# Table of Contents

Editor's Note	Page 3
Islamic Corner	Page 4
Speech by Quaid e Azam	Page 5
Employee Corner	Page 6
New Induction	Page 8
LII Workshop	Page 9
iPhone Beats Android	Page 10
Gung-Ho	Page 12
Blue Whale Challenge	Page 13
Creative Employees	Page 14
Poetry Corner	Page 15
August Joiners	Page 16
Insurance Law Case	Page 17

# Editor's *Note*

## Chief Patron

Mr. Nasar us Samad Qureshi

## Editorial Board

Dr. Fawad Sarwar

Syed Hasnain Zawar

Usman Arif

The independence day is one of the most celebrated days in Pakistan on 14<sup>th</sup> August. We are the blessed nation who are living independently without any fears. The importance of independence can be asked from those people who are living under some oppressed powers. They are not free to move around, work and get proper civilian rights. We have been given so many blessings by Almighty. Now, it is our duty to be thankful and work hard to take this nation to the top in the world by sincere effort.

Dr. Fawad Sarwar



## Islamic Corner

### About The "Animal" Sacrifices for Allah

لَنْ يَنَالَ اللَّهُ لُحُومُهَا وَلَا دِمَاؤُهَا وَلَكِنْ يَنَالُهُ  
 التَّقْوَىٰ مِنكُمْ كَذَلِكَ سَخَّرَهَا لَكُمْ لِتُكَبِّرُوا  
 اللَّهَ عَلَىٰ مَا هَدَاكُمْ وَبَشِّرِ الْمُحْسِنِينَ



[IqraSense.com](http://IqraSense.com)

***It is neither their meat nor their blood that reaches Allah, but it is piety from you that reaches Him. Thus have We made them subject to you that you may magnify Allah for His Guidance to you. And give glad tidings (O Muhammad) to the Muhsinun (doers of good). [Surah Al-Hajj (22:37)]***

***Who are the Muhsineen? A "Muhsin" a good-doer who performs good deeds totally for Allâh's sake only without any show off or to gain praise or fame, etc., and in accordance with the Sunnah of Allâh's Messenger Muhammad. (Quran Commentary by Muhsin Khan)***

## Speech by Quaid e Azam

### Inauguration of the Pakistan Constituent Assembly on 14th August, 1947

“Your Excellency, I thank His Majesty the King on behalf of the Pakistan Constituent Assembly and myself for his gracious message. I know great responsibilities lie ahead, and I naturally reciprocate his sentiments and we are grateful for his assurance of sympathy and support, and I hope that you will communicate to His Majesty our assurance of goodwill and friendship for the British nation and himself as the Crown head of the British.

I thank you for your expressions of goodwill and good wishes for the future of Pakistan. It will be our constant endeavor to work for the welfare and well-being of all the communities in Pakistan, and I hope that everyone would be inspired by the idea of public service, and they will be imbued with the spirit of co-operation and will excel in their political and civic virtues which go to make a great nation and help to advance its greatness.

I once more thank you and Lady Mountbatten for your kindness and good wishes. Yes, we are parting as friends and sincerely hope that we shall remain friends.

I wish to emphasize that we appreciate the spirit in which those in the Government service at present and in the Armed Forces and others have so willingly and ungrudgingly volunteered themselves provisionally to serve Pakistan. As servants of Pakistan we shall make them happy and they will be treated equally with our nationals. The tolerance and goodwill that great Emperor Akbar showed to all the non-Muslim is not of recent origin. It dates back thirteen centuries ago when our Prophet not only by words but by deeds treated the Jews and Christians, after he had conquered them, with the utmost tolerance and regard and respect for their faith and beliefs. The whole history of Muslims, wherever they ruled, is replete with those humane and great principles which should be followed and practiced.

Finally, I thank you for your good wishes for Pakistan, and I assure you that we shall not be wanting in friendly spirit with our neighbors and with all nations of the world.”

### Pakistan Zindabad



## Employee Corner

# Happy Birthday Colleagues

Name	Designation	Location	D.O.B
Nauman Razzaq	Executive Officer	Head Office	17-Aug
Asad Saeed	Senior Executive Officer	Head Office	19-Aug
Faisal Shahzad	Assistant General Manager	Head Office	20-Aug
Fraz Amin	Manager	Head Office	20-Aug
Muhammad Noman	Relationship Officer	Sialkot	23-Aug
Muhammad Naeem Saleem	Deputy Manager	Karachi	24-Aug
Abdul Waheed	Executive Officer	Lahore	25-Aug
Hunain Tahir	Assistant Relationship Manager	Faisalabad	25-Aug
Rizwana Jabin	Assistant Manager	Head Office	28-Aug
Muhammad iftikar	Officer	Head Office	28-Aug
Farhana Baig	Executive Officer	Lahore	28-Aug
Shamshul Zuha	Deputy Manager	Head Office	31-Aug
Muhammad Ahtishan	Relationship Manager	Multan	1-Sep
M. Rafaqat	Electrician	Head Office	1-Sep
Muhammad Hassan	Office Boy	Head Office	1-Sep



## Employee Corner

# Happy Birthday Colleagues

Name	Designation	Location	D.O.B
Muhammad Rafiq Gohar	Branch Manager	Karachi Unit 1	2-Sep
Atif Ali Mughal	Deputy Manager	Head Office	4-Sep
Shanzae Khalid	Executive Officer	Head Office	5-Sep
Dr. Fawad Sarwar	Deputy General Manager	Head Office	5-Sep
Riaz Ahmed Minhas	Deputy Manager	Head Office	6-Sep
Hussain Ali Merchant	Senior Manager	Head Office	7-Sep
Aamir Naseem Ghuman	Deputy Manager Marketing	Sialkot	8-Sep
Muhammad Ali	Rider	Karachi	8-Sep
Wajid Khan	Office Boy	Head Office	10-Sep
Syed Qamar Hussain	Senior Executive Officer	Head Office	12-Sep
Muhammad Rizwan	Executive Officer	Head Office	13-Sep
Shahid Mehmood	Driver	Head Office	13-Sep



# New Induction



Mr. Ansar Abbas has recently joined Alfalah Insurance Company as Officer in Health Department Head Office. He has done Bachelors in Commerce and in a process of completing his MBA (IRM) from Hailey College of Banking and Finance.

***Ansar thoughts on joining Alfalah***

I am thankful to Alfalah Insurance for providing me a learning opportunity. I will try my best to implement my educational knowledge in a practical way for the betterment of my future as well as departmental working. Last but not the least I am enjoying working over here.



Mr. Farhan Rafiq has recently joined Alfalah Insurance Company as Executive Officer in Internal Audit Department Head Office.

***Farhan thoughts on joining Alfalah***

I have recently completed my MBA with majors in Insurance and Risk Management from Hailey College of Banking and Finance, University of the Punjab, Lahore. I am determined to prove myself as a good addition in Internal Audit department through hard work and commitment.



Mr. Muhammad Iftikhar has recently joined Alfalah Insurance Company as Officer in Health Department Head Office. He has done Bachelors in Business Administration (Finance)

***Iftikhar thoughts on joining Alfalah***

I have completed my BBA (HONS) in Finance, University of Education, Lahore in 2015. My previous job was in an accounts department of a private organization. I am hopeful with my career in Alfalah and will try me best to prove myself as an asset for the company.



Dr. Adnan Abdul Majid joined Alfalah Insurance Company in May 2017. He completed his M.B.B.S from CMH Lahore Medical College (2013) and is currently a Public Health (MPH) student at University of Health Sciences. He worked as a house-surgeon in CMH, Lahore for 1 year; and completed his post-graduate residency in Otolaryngology from Shalamar Hospital afterwards.

He aspires to strengthen the health-care system of our country by advocating the importance of Health Insurance. He is currently working as Assistant Manager in the department of Health Insurance.

# LII Workshop

Lahore Insurance Institute has conducted a Workshop on Understanding Financial Statements of Insurance Companies on Wednesday 26<sup>th</sup> July. The workshop was conducted by Mian Ali Raza Assistant Vice President of EFU General Insurance. Mr. Naveed Akbar and Mr. Fraz Amin from Alfalah Insurance participated in the session and found it informative.

## Workshop content was as follow:

1. Nature of the Business
2. Highly Regulated Industry
3. Basic Accounting Concepts
4. Financial Statements
5. Balance Sheet Driven Business Model
6. Reserves
7. Ratio Analysis
8. Conclusion (Comparative Analysis)

### *Views of Mr. Naveed Akbar about the workshop*

Topic of workshop was good and LII should continue to conduct such workshops on preparation of financial statement of insurance companies because these are specialized in nature and difficult to understand.

It is very important that presenters should have appropriate expertise in the respective area of workshop/training but unfortunately the knowledge of presenter was not impressive.



# 10 Reasons iPhone Beats Android



I like Android phones. But when most friends and family ask me what phone to buy, I tend to recommend the iPhone over Android.

Let me start by saying that I like Android phones. I love the variety of hardware and myriad software customization options. The Galaxy S8 and S8+ are especially compelling for those who want the design and best phone camera. But when most friends and family ask me what phone to buy, I tend to recommend the iPhone over Android.

Notice that I didn't say "iOS over Android." The reason to go the Apple route isn't just the platform; it's how the software and hardware complement each other. Live Photos on the iPhone 7, as well as the iPhone SE, is a perfect example. The iPhone also works seamlessly with other Apple gadgets, including Macs and the Apple Watch — there's an ecosystem factor. Here are 10 reasons why the iPhone beats Android.

## 1. Faster Real-World Speed:

I'm not saying benchmarks don't matter. But Geekbench 4 is not the same as real-world tests, such as opening a series of popular apps. There are multiple videos out there that show just how much faster the iPhone 7 Plus is than the Galaxy S8, and that's with the beastly Qualcomm Snapdragon 835 chip inside Samsung's latest flagship. iPhone 7 vs Galaxy S8 Speed Test In this particular face-off by PhoneBuff, you'll see that the iPhone really stretches its lead once it starts to open apps that are stored in the background. And the supposedly faster iPhone 8 isn't even out yet! Apple's advantage comes from

better hardware and software integration and controlling both sides of the equation.

## 2. Better Hardware and Software Integration

The iPhone 7's 3D Touch display is smart enough to sense pressure, allowing you to take quick actions from the home screen just by long pressing on an app icon. Or you could peek at that email just by lightly tapping on it in your inbox. Sure, Android phones have offered haptic feedback for ages, but the Taptic engine in the new iPhones is super-efficient.

On the iPhone 7, the Home button also leverages the Taptic engine, so it doesn't physically depress. This prevents lint and other crud from getting underneath the button. And you can adjust the sensitivity level.

## 3. It's the Easiest Phone to Use

Despite all the promises by Android phone makers to streamline their skins, the iPhone remains the easiest phone to use by far. Some may lament the lack of change in the look and feel of iOS over the years, but I consider it a plus that it works pretty much the same as it did way back in 2007. Pick it up, turn it on, touch the app to open.

The iPhone 7 has more features than the original, but it's still a cinch to use of course, Apple has folded in enhancements over the years, such as Siri and Control Center (though I think the Today Screen still isn't useful enough). Yet the iPhone still has zero learning curve. With iOS 10, Siri and iMessages are now open to developers, and there are customizable widgets available for the Today screen. So you can't really make the argument that the iPhone is a walled garden anymore.

## 4. OS Updates When You Want Them

This is going to hurt a little, Android fan bois. As measured by the App store in February of 2017, about 80 percent of iOS devices were running iOS 10, the latest version of Apple's software. That's five months after launch. In early April, Google reported that Android Nougat was on a measly 4.9 percent of Android devices. That's pretty sad since its eight months after Google released the new version of Android.

The problem is this: with the exception of pure Android phones like the Pixel, the Samsungs, LGs and HTCs of the world have to jump through more hoops to bring you the latest version of Google's OS, including carrier certification. Plus, phone makers typically drag their feet on updating older phones, so as to encourage folks to upgrade. All iPhone owners can update to the latest version of iOS on day 1 (or close to it, depending on how Apple's servers strand up to the strain). This dynamic isn't going to change anytime soon.

# 10 Reasons iPhone Beats Android

## 5. The Best Apps First

Now that both iOS and Android have more than 1 million apps in their stores, the arms race is over, right? Not really. The iPhone is still favored by developers as the launch platform of choice for the hottest new apps.

Mario Run debuted on iOS in December 2016. Android? March 2017. The Google Play store is like the Netflix of app stores; it gets the hits, but usually after they see their first run on iOS. For instance, it took two years for Instagram to debut on Android after it launched for the iPhone. Other apps have taken only months to jump for iOS to Android, such as Super Mario Run.

The message is clear. If you don't want to be treated like a second-class app citizen, the iPhone is still the king.

## 6. No Bloatware!

It's not a good sign for prospective Android phone buyers that some of the most popular articles we do are bloat ware removal guides. See the S8 bloat ware guide. Samsung and others have gotten better at minimizing the pain for users by lumping all carrier bloat ware into a single folder, but it's still just crap taking up space on your phone.

You won't find a single piece of carrier software pre-loaded on an iPhone, making for a clean out-of-box experience. Now, Apple does include some apps you might not want or need, like Apple Watch, but it has much more restraint than other manufacturers when it comes to bundling its own stuff. And with iOS 10, you can at least disable built-in apps you don't need.

## 7. Works beautifully with Macs

If you haven't tried a Mac in a while, you might be surprised to know just how well iPhones work with them. For instance, with the Continuity feature in mac OS, you can use your Mac-Book to send and receive text messages and even receive and place calls. All you have to do is keep your iPhone nearby.

I find the Handoff feature a little less useful, but some may like that they can do things such as start an email on their Mac and then pick up where they left off on their iPhone — or vice versa. Thanks to iCloud keeping everything in sync, you'll also have easy access to the photos you take on your iPhone from your Mac, as well as any notes or documents you create. With the mac OS Sierra, you can use your Apple Watch to unlock your Mac.

## 8. Apple Pay

Between Android Pay and Samsung Pay, Apple has plenty of rivals, but right now Apple Pay is the most popular method for making mobile payments. It's also dead-simple to use. All you have to do to use Apple Pay is bring your iPhone close to the supported payment terminal at the checkout counter, then press your finger on your phone's Touch ID sensor.

Apple Pay also supports reward cards from the likes of Dunkin' Donuts, Panera and Walgreens. Store-issued credit card support is available, too, with BJ's Wholesale Club, Kohl's and JCPenney on board so far. All of the above will be stored in the new Apple Wallet app.

Samsung Pay can be used in more physical locations, but Apple pay can also be used within apps and now on the web without having to log in.

## 9. Family Sharing

An Apple family that plays together, saves together. With Family Sharing on the iPhone, mom, dad and the kids can share purchases from the App Store, iTunes and iBooks with up to six people. You can still keep your own iTunes accounts, too. When Junior wants to make a purchase, you'll receive an alert via the "Ask to Buy" feature, so you can keep better tabs on what he's downloading and also prevent bill shock.

Other Family Sharing features include shared photo albums, a shared calendar and the ability to see where your kids are on a map at any time. Google doesn't offer easy family sharing on Android devices.

## 9. Best Support and Help

When you have a problem with your Android phone, you can try online forums or calling your carrier. But with the iPhone, you can tap into a vast database of useful help articles on Apple's website, get help via live chat, or you can schedule an appointment at an Apple Store Genius Bar. Google doesn't have this kind of direct relationship with its customers. With Android, you're on your own.

*Credits: Mr. Abdullah Hussain*

# Gung-HO!

Funny name for a book isn't it? But in fact Gung Ho means Work Together or Work in Harmony. Some say that it was derived from the name *Chung-Guo Gung-Yeh Ho-Tso She*, the name of a Chinese Industrial Cooperatives Association others say that it is a native Indian American name.

However fascinating the origin of the word, what we should be paying attention to is the meaning of the word, essentially how to work together or how to work together better, which is what the book Gung Ho (written by Ken Blanchard) is all about.

The theory comprises of three key elements.

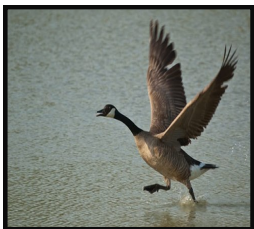
- 1. The Spirit of the Squirrel (Doing Worthwhile Work)** Likened to a Squirrel because they work with purpose and therefore dedication
- 2. The Way of the Beaver (In control of achieving the goal)** Likened to a beaver as Beavers do their work their own way. They work freely and get the job done at the same time.
- 3. The Gift of the Goose (Cheering each other on)** Likened to Geese as they cheer on fellow geese during flight.



The first element, **The Spirit of the Squirrel**, speaks about the understanding that what we do makes the world a better place. It's how the work helps others, not the amount of work done or targets met. The result? Self-Esteem – Self Esteem makes individuals feel good about themselves and the work they do.



The second element, **The Way of the Beaver**, speaks of a playing field with clearly marked territory. Goals and values define the playing field and rules of the game. Leaders decide what position team members play in. Freedom to take charge comes from knowing exactly what territory is yours. Thoughts, feelings, needs, and dreams are respected, listened to, and acted upon. You can't be in control unless the rest of the organization supports you and doesn't rip you, or your work, apart. The Golden Rule of Management: Value Individuals as persons. Information is the gatekeeper to power. Everybody needs full open access to information.



The third and final element is the **Gift of the Goose**. It speaks of Active or passive congratulations that must be TRUE (i.e Heartfelt, not said for the sake of saying). Congratulations are affirmations of who and what people are and that they do matter, and that they are making valuable contribution toward achieving the shared mission.

Also remember that at football games fans don't sit mute as the ball is moved down the field, waiting for the touchdown before cheering. Cheer the progress, not just the results.

Congratulations should be Spontaneous not Programmed, Individual not Blanket, Specific not General, Unique not Traditional. Stop focusing on problems and the guilty party (police behavior) and start looking for those responsible for things gone right (coach behavior).

$E=mc^2$  (Enthusiasm = mission times cash and congratulations)

Worthwhile work and being in control of achieving the goal—that's a mission. Cheering each other on brings enthusiasm to work. Cash comes first – you need to feed material needs, (food, clothing, etc.) before you can feed the spirit with congratulations.

The results that can be achieved with this theory are massive. It's a highly practical theory but implementing it and achieving results is up to you as a leader and will take a lot of time and patience, as always.



# The Blue Whale Challenge



## What is Blue Whale Challenge?

Participants have to tackle a series of challenges instructed by admins of private groups in social media for 50 days. It starts with watching a scary movie and escalates to extremes, including self-harm. On the 50th day, the participant is asked to commit suicide after documenting the act in the form of videos/photos.

It has been dubbed a hoax, but disturbing selfharm images have appeared on social media showing cuts carved into the skin in the shape of a Blue Whale.

## Who started it?

Philipp Budeikin, a 22-year-old Russian, has claimed to have invented the challenge. He was jailed for three years by a Siberian court for inciting young people to kill themselves.

## What's social media doing about it?

Instagram issues a warning to users trying to find the "suicide dare game", directing them to the Samaritans, a UK-based NGO. The challenge has been blamed for the deaths of more than 130 children in Eastern Europe as well as two teenagers in the USA.

## What can parents do!

Internet Matters urges parents to talk to their children about online trends and chat to them regularly about what games their friends are talking about and warn them about peer pressure online.

# Managing Creative Employees in the Workplace

Many of today's businesses rely on the creative employees they employ to make it to the next level. Tapping into these skills, however, may require a different kind of managerial approach than the one you use to guide your non-creative workers. Creatives, after all, are artists by design which means many of them may not respond to the same kind of management that works to motivate.

What does a successful managerial style for creatives look like? Here are a few ideas that should make your more free-thinking employees feel right at home:

## **Encourage Their Creativity:**

Your creatives have their own job responsibilities. But if you really want to have them produce at their full potential, you need to let them do their thing so long as they get their work done. Encourage your creatives to continuously brainstorm new ideas. Let them pursue pet projects of their own, at least from time to time, to keep them engaged with their work. You never know when one of your creatives will come up with an idea that revolutionizes your organization.

## **Be Flexible:**

Creatives aren't exactly known for following the conventional ways of doing work. When you're managing a group of creative professionals, accommodate their quirks and eccentricities and let them do their own thing within reason, of course.

## **Recognize Their Strongest Efforts:**

When your creatives do phenomenal work, congratulate them on their efforts and thank them for doing a great job. That's the ticket to increased engagement and productivity.

## **Invest in Their Development:**

Many creatives are constantly on the lookout for new ideas and new techniques they can bring to the table. To that end, sending your creative professionals to conferences, workshops, and seminars can go a long way toward helping them become even stronger contributors.

## **Build a Creative Work Space:**

The environment we work in can play a huge role in our productivity and creative output. For example, the designer who's cranking away in a small and windowless gray room probably won't be too inspired to create something truly transformative. Managing creatives the right way starts with building a work space that's conducive to creativity.

*Credits: Mr. Mohsan tanveer*

*Source: <https://www.tinypulse.com/blog/how-to-manage-creatives-in-the-workplace>*



## Poetry Corner



**Jagannath Azad (1918-2004)** son of the renowned poet Tilok Chand Mahroom (who won accolades for his rendering of naat at mushairas) was an Urdu poet, a Punjabi Hindu, and a scholar of Iqbal's poetry who, on the direct invitation of Mohammad Ali Jinnah, wrote Pakistan's first national anthem, which remained Pakistan's official anthem.

Jagan Nath Azad was born in 1918 in Isa Khel in the Punjab, he studied at Gordon College in Rawalpindi, and the University of the Punjab in Lahore. At the time of partition in 1947, he was a journalist and a poet living in Lahore.

**Mr. M. A. Jinnah asked him to write a new national anthem for Pakistan.**

The anthem was used for 18 months, until it was replaced (after Mr. Jinnah's death). Sometime after writing the national anthem, he migrated to India, where from 1977 to 1980 he was a Professor of Urdu and head of Urdu department at the University of Jammu. Prof. Azad was a noted authority on the works of Dr. Allama Mohammad Iqbal. He was awarded the President of Pakistan's gold medal for his services to Urdu literature.

*Credits: Mr. Abdullah Hussain*

اے سرزمینِ پاک  
ذرے ترے ہیں آج ستاروں سے تابناک  
روشن ہے کہکشاں سے کہیں آج تیری خاک  
تندیِ حاسداں پہ ہے غالب تیرا سواک  
دامن وہ سل گیا ہے جو تھا مدتوں سے چاک  
اے سرزمینِ پاک!

اب اپنے عزم کو ہے نیا راستہ پسند  
اپنا وطن ہے آج زمانے میں سر بلند  
پہنچا سکے گا اس کو نہ کوئی بھی اب گزند  
اپنا علم ہے چاند ستاروں سے بھی بلند  
اب ہم کو دیکھتے ہیں عطار دہویا سماک

اے سرزمینِ پاک!  
اترا ہے امتحاں میں وطن آج کامیاب  
اب ٹھرتیت کی زلف نہیں مچھتیچ و تاب  
دولت ہے اپنے ملک کی بے حد بے حساب  
ہوں گے ہم آپ ملک کی دولت سے فیض یاب  
مغرب سے ہم کو خوف نہ مشرق سے ہم کو باک  
اے سرزمینِ پاک!

اپنے وطن کا آج بدلنے لگا نظام  
اپنے وطن میں آج نہیں ہے کوئی غلام  
اپنا وطن ہے راہِ ترقی پہ تیسرے گام  
آزاد، بامراد، جواں بخت شاد کام  
اب عطر بیز ہیں، جو ہوائیں بھتیں زہرناک  
اے سرزمینِ پاک!

ذرے ترے ہیں آج ستاروں سے تابناک  
روشن ہے کہکشاں سے کہیں آج تیری خاک  
اے سرزمینِ پاک!

# August Joiners

We congratulate Mr. Shamsul Zuha, Mr. Furqan Anjumm, Mr. Manzoor Ahmed Khan, Mr. Kashif Hafeez and Mr. Mujahid Ali for completing ten years in Alfalah Insurance Company. We hope that Alfalah Insurance will benefit from their continued patronage in days to come.

Name	Designation	Placement	Date of joining	Service period
Shamsul Zuha	Deputy Manager	Head Office	20-Aug-07	10
M. Furqan Anjum	Senior Executive Officer	Head Office	1-Aug-07	10
Manzoor Ahmed Khan	Manager	Karachi	16-Aug-07	10
Kashif Hafeez	Relationship Manager	Karachi	15-Aug-07	10
Mujahid Ali	Rider	Faisalabad	10-Aug-07	10
Mohammad Imtiaz	Office Assistant	Multan	1-Aug-09	8
Jabbar kadir	Manager	Karachi Unit 1	26-Aug-11	6
Waqas Memon	Senior Officer	Hyderabad	1-Aug-11	6
Nabeel Masih	Office Boy	Islamabad	1-Aug-12	5
Malik Farhan Asif	Deputy Manager	Head Office	01-Aug-13	4
Saima Bilal	Corporate Human Resource Manager	Head Office	27-Aug-13	4
Muhammad Amir	Office Boy	Karachi	12-Aug-13	4
Muhammad Waseem Ganatra	Deputy Manager	Karachi	15-Aug-14	3
Ayesha Aslam	Assistant Manager	Head Office	11-Aug-14	3
Muhammad Hussain	Senior Executive Officer	Head Office	15-Aug-14	3



# Insurance Law Case

## Causation and remoteness of damage

A defendant is not liable in negligence (or tort generally) for every loss which has some connection with their wrongful act.

### Point to note

The law attempts to place a reasonable limit on the defendant's responsibilities by releasing them from liability where the damage is 'too remote'.

Originally the 'test' for remoteness of damage was based purely on causation: the defendant was liable for any injury or damage which was caused directly by their negligence, but was not liable for indirect consequences. This principle was rejected by the Privy Council in 1961:

### Case example

Overseas Tankship (UK) Ltd v. Morts Dock and Engineering Co Ltd (1961). This case, which is often cited as *The Wagon Mound* (after the name of the ship involved), established a new test based on foreseeability: damage would be too remote if it was of a type which was not reasonably foreseeable. *The Wagon Mound* was an Australian case and, therefore, not strictly binding in English law. It has, however, been followed in subsequent decisions. The facts were that men employed by the defendants negligently spilt fuel oil into Sydney Harbour. The oil, mixed with cotton waste and other debris, spread to the claimant's wharf where welding operations were causing sparks to fall into the water. The sparks caused the oil to ignite, setting fire to the claimant's wharf.

Although the fire was a direct result of the defendant's negligence (which satisfied the 'old test') the Court held that the damage was too remote because it was of a type which was not reasonably foreseeable. At the time, apparently, it was not known that oil could catch fire in this way.

You will appreciate that the test for remoteness is not the same as the 'neighbour' test although both involve foreseeability. The defendants owed a duty of care to the claimants in *The Wagon Mound* case because some damage was foreseeable (perhaps contamination by the oil), but the type of damage which did occur was not foreseeable. Therefore, it was too remote.

### Point to note:

The *Wagon Mound* decision did not alter an old common law rule that 'you take your victim as you find him'. This rule applies in what are known as 'thin skull' or 'eggshell skull' cases. These are cases where the damage is not reasonably foreseeable because it results from some pre-existing physical weakness or defect in the claimant of which the defendant is not aware.

Although the main test for remoteness is now 'reasonable foreseeability' the issue of causation is still important. If the defendant's negligence was not the direct cause of the damage they will not be responsible for it and the issue of foreseeability need not even be considered.

# Alfalah Insurance

The fastest growing insurance company  
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