



Σ Akhtar & Hasan (Pvt) Ltd
Actuaries

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History of the Firm

Saiyid Saeed Akhtar, MSc, FIA, FPSA, ASA, MAAA, became a Fellow of the UK Institute of Actuaries in 1959. He was employed by a leading foreign life insurer. From 1965, he started consulting practice. He retired from the firm many years ago, and died on 11th July 2009 at the age of 80.

Samee-ul-Hasan, FIA, FPSA, FCII, FLMI, ASA, completed the Fellowship exams of the UK Institute in 1962. He was awarded the Sir Joseph Burn Prize, and became a Fellow in 1963 on attaining the required minimum age of 23. He was employed by a leading insurance company in London, then returned to Pakistan to join a Pakistani insurance company, and also did private consulting practice.

On *1st October 1975*, Saiyid Saeed Akhtar and Samee-ul-Hasan combined to set up the partnership of *Akhtar, Hasan & Co, Consulting Actuaries*, at Karachi.

We are associated with *William M Mercer International*, now known as *Mercer Human Resource Consulting*, since 1976.

In 1979, we started *The Akhtar & Hasan Letter*. This has become well known among people interested in retirement benefits, life insurance and other related areas. *If you would like to be put on the mailing list, please inform us. There is no charge.*

On *1st January 1985*, the partnership was converted into *Akhtar & Hasan (Pvt) Ltd*.

Our Consulting Actuaries are available for consultation on periodic visits to Islamabad, Rawalpindi and Lahore.



OUR STRENGTH

Our clients expect us to provide professional services of the highest standard, promptly and efficiently.

Good *professional manpower* is the key to our success. We stress *continued professional development*. We have a small but selected team, and induct suitable *new members* from time to time, to cater for *current growth* and *future leadership*.



The Professional Team

Samee-ul-Hasan, FIA, FPSA, FCII, FLMI, ASA

Born at Dhaka on 20th October 1940. Son of the late Dr Mahmood Hasan, who joined the Dhaka University when it was set up on 1st July 1921, and was Vice Chancellor from 1942 to 1948.

Studied at Dhaka College and Notre Dame College. Stood First Class First in the Intermediate Science examination in 1956.

Trained as actuary in London, and sat exams of UK Institute of Actuaries. Awarded Sir Joseph Burn Prize in 1962 on completion of Fellowship exams.

Joined Habib Insurance, Karachi, in 1962. Became Fellow of UK Chartered Insurance Institute in 1965, and Fellow "with distinction" of US Life Offices Management Association Institute in 1967. Served as Board Member of State Life Insurance Corporation of Pakistan from 1972 to 1989, and as Chairman and Chief Executive from 2000 to 2003. Chairman of Alpha Insurance Company Ltd. in 1972, and again from 2000 to 2003. Co-founded Akhtar & Hasan in 1975.



Living in good health to a ripe old age, free of want, is a happy event.

Falling sick;
becoming disabled;
the death of a family bread-winner;
running out of money in old age;
a car being stolen;
a fire at an office or factory;

are sad events. These happy and sad events are part of the human condition. They create economic needs. Society creates savings, pensions, insurance, social security, and other systems to meet these needs. These systems need the skills of the actuarial profession.

I was attracted to this profession by my interest in mathematics, and by the challenge of passing the rigorous and demanding exams of the Institute of Actuaries. But what has given me the most satisfaction is that all this is directed to the creation of systems which help to meet the economic needs of old people, and widows, orphans, sick and disabled persons. Or which help to re-build homes and businesses hit by catastrophes. [Actuarial work is mathematics with a human face.](#)

When Saeed Akhtar and I set up this firm in 1975, with a two-room office of 600 sq ft, the market for actuarial services was very small. But we had faith in the future, faith in Pakistan's growth and prosperity. We were confident that Inshallah more and more organizations in Pakistan and the surrounding region would realize the need for actuarial services. And so it has proved.

Alhamdulillah, the firm has grown steadily. With growth has come experience. And this experience is at the disposal of our clients. So if you come to us for advice or help, you can be sure that as professionals, we will put your interest first. We will try to give you the very best advice and professional service.

Shujat Siddiqui, MA, FIA, FPSA

Obtained a first class BA (Hons) in 1969, and a first class MA in 1970, in Statistics. Secured first position in the University in both.

Joined Eastern Federal Union in 1970 as an actuarial trainee. In 1973 went to UK and joined the Pensions Actuarial Division of Clerical Medical & General Life Assurance Society. Qualified as a Fellow of the Institute of Actuaries in 1976 and returned to Pakistan to join Employees' Old-Age Benefits Institution (EOBI). Was associated with all aspects of EOBI's work and headed its Actuarial and Computer Divisions. Joined Akhtar & Hasan in 1986.

Appointed Actuary of the State Life Insurance Corporation of Pakistan, which is the biggest life insurance organisation in Pakistan with about 85% market share in life insurance premiums. Also Appointed Actuary of Asia Care Health & Life Insurance Company Limited.



I had decided to take up actuarial science as a profession very early in my academic career. My choice of subjects, viz Statistics, Mathematics and Economics for my BA (Hons) degree and Statistics for the Masters programme was motivated by this decision.

When I joined EOBI in 1976, it was in its formative phase. As a fresh qualified actuary with a lot of enthusiasm I got involved with almost all areas of EOBI's operations and gained some extremely valuable experience, not only on the technical side but also on the management side. This experience has greatly helped me in my work at Akhtar & Hasan.

When I joined Akhtar & Hasan in 1986, I was exposed to a totally different work environment. I found the atmosphere more relaxed and informal but a great emphasis on quality and professionalism. The firm has Mashallah grown considerably during the last seventeen years. The induction of bright young men and women during this period has given a new impetus to the firm.

The actuarial profession in Pakistan has been growing steadily over the years and Akhtar & Hasan has always lent a helping hand to those who wished to join the profession and will continue to do its bit to encourage actuarial students and prospective actuaries.

Irfan Ali, BEng, MSc, FIA, FPSA

Obtained degree in Mechanical Engineering from NED University. Awarded MSc in Actuarial Science from City University London. As a part of the MSc degree used actuarial and statistical techniques to develop a model to investigate retirement benefit investment options, with special emphasis on The Income Drawdown Option in the UK. Became Fellow of the Institute of Actuaries in the year 2005.

Appointed Actuary of Dawood Family Takaful Ltd and East West Life Assurance Co Ltd.

My route to the actuarial profession was slightly ‘non-traditional’. After becoming an engineer, I decided to diversify my analytical and problem solving skills. Hence, I obtained MSc in Actuarial Science and joined Akhtar & Hasan (Pvt) Ltd.

As part of the team, my main focus is on designing and costing of retirement benefit schemes and modelling the assets and liabilities in respect of these benefits. This often involves study of the expected cash flows generated by the model and the probability associated with these cash flows.

My work at Akhtar & Hasan not only entails solving complex equations and modelling long-term benefits, but also converting something that is intricate and not self-explanatory into something that feels simple and understandable.

Although life at Akhtar & Hasan is very busy, somehow I manage to maintain music composition and crystal paintings as my leisure pursuits.

I am glad that my role is very flexible, which along with my diversified background helps me to apply ‘non-traditional’ approach in the traditional fields.



Muhammad Hussain, B. Com, ASA, APSA

Secured second position in Secondary School Certificate Examination in the year 2000. Was given letter of appreciation and merit scholarship by the Governor of Sindh Dr. Ishrat-ul-Ibad. After passing the first four courses of Society of Actuaries joined Akhtar & Hasan in the year 2004.

Became Associate of the Society of Actuaries, USA in the year 2008.

Mathematics and the challenge of passing the actuarial exams were the two major things that motivated me to enter in this profession. But after taking some courses I realised that actuarial science was much more than only mathematics. I started taking SOA courses after my HSC exams in 2002. I decided to work after taking Course 4 of Society of Actuaries to gain experience in this field. I was fortunate to join one of the leading consultancy firms in Pakistan.

At Akhtar & Hasan there is never a dull moment. The working environment here is very comfortable. We keep with pace of the market by constantly improving ourselves with immense training and interactive seminars.

It was not very difficult for me to understand the basics of an actuarial valuation as I was familiar with its concept. After training, I carry out actuarial valuation of retirement benefits schemes and manage accounts for major provident funds. I am also involved in designing retirement benefits valuation programmes and costing of benefit changes. On the life insurance side, my work involves pricing and statutory valuation of insurance companies.

My experience at the firm has enhanced my capabilities to manage and tackle difficult and diverse practical situations not only at work but in different aspects of life as well.



Wasim A Rahim, B. Com, ACMA

Born at Karachi on 7 Dec 1978. Son of Mr Abdur Rahim. Secured third position from Board of Secondary Education Karachi. Awarded Umer Fazil Farooq Gold Medal from Kutiyana Education Board. Did B.Com in first division from Government Collage of Commerce and Economics in the year 1998. Joined Akhtar & Hasan in 2006.

Completed all exams of the Institute of Cost and Management Accountants of Pakistan in 2008.

My natural inclination towards analytical skills brought me into the accounting profession. I joined Akhtar & Hasan in 2006 after passing some examinations of the Institute of Cost and Management Accountants of Pakistan. At Akhtar & Hasan, the work environment is challenging, diversified and object oriented. The client base comprises organisations from various industries with a variety of retirement benefit programmes.

My commerce and economic background enables me to provide accounting services thoroughly. On the accounting side, we assist in the preparation of annual accounts of retirement benefit funds in accordance with International Accounting Standards and relevant regulations. We also provide consultancy on the day to day management of Provident Funds.

Change is constant, and the future is surrounded by uncertainty. Professionalism is characterised by the same dynamism, as the underlying financial and regulatory environment keeps changing. While keeping the past in mind, we watch the current environment, look at the direction of change and adjust ourselves to cope with an uncertain future.



In addition to the Fellows and Associates named above, the team includes Actuarial Analysts and Accounts Officers.

This strong professional team is engaged in

- (a) actuarial work involving life insurance, non-life insurance, Defined Benefits and Defined Contributions pension and gratuity schemes, and compensated absences and post retirement medical benefits
- (b) accounting and administrative work out-sourced to the firm by major companies in respect of their Provident, Pension and Gratuity Schemes.

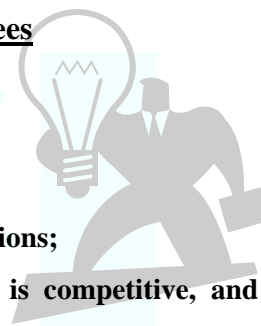
A blurred background image of a desk with papers, a pen, and a folder. The text is centered over the image.

How We Can help Your Organisation Professionally

Pension, Gratuity schemes; retirement/separation benefits for your employees

We can help your organisation:

- a. to measure the cost of your pension and gratuity schemes by actuarial valuations;
- b. to study objectively whether your retirement/separation benefit package is competitive, and suggest necessary amendments, if any, working out their cost;
- c. to set up or amend your retirement and separation benefit schemes, including documentation; and
- d. to administer these schemes, including maintenance of necessary accounting and other records, monitoring investments and suggesting appropriate investment strategy.



The seed of this work was sown in 1966. A major UK-based multinational had a *pension scheme* in Pakistan since the early 1950's. The scheme was insured and administered by the Pakistan branch of a leading UK life insurer. At the suggestion of a young Pakistani executive, and with the blessing of the UK Head Office, the company decided in the 1966 to withdraw the scheme from the insurer and self-administer it. It contacted Saiyid Saeed Akhtar to negotiate the withdrawal, and he became the scheme's Consulting Actuary.

By the Grace of Allah, pension consultancy has expanded greatly. The expansion was driven by competition among top employers to attract good personnel. Also, employers realised that without pension and gratuity schemes, their employees would suffer a big drop in income when they retire. Another incentive is their tax-effectiveness. With negligible exceptions, pension schemes are self-administered with the help of consulting actuaries. Two or three did insure to start with, but change to self-administered.

A strong boost was given to our practice by the Income Tax Ordinance, 1979, which introduced *Approved Pension and Gratuity Funds*, and provided tax incentives to employers and employees to set these up.

For defined benefit pension and gratuity schemes, accounting standards require *periodic actuarial valuation and certification of cost of such schemes, irrespective of whether or not they are funded*. These standards include the FAS 87 in the USA and FRS 17 in the UK. The international Accounting Standards Board introduced International Accounting Standard 19, which the SECP Authority has made applicable to Pakistani companies. All this encouraged our practice in the retirement benefits field. Today, we make IAS 19 calculations for companies in Pakistan, FAS 87 calculations for the Pakistani subsidiaries / branches of US companies, and FRS 17 calculations for UK companies.

Administration of Provident Funds



If your organisation has Defined Contribution (DC) Schemes like a Provident Fund and/or a DC Pension or Gratuity Scheme, you can out-source its administration and accounting to us. This will free you an your accounts department to concentrate on your main business.

Alhamdulillah this is a growing business, and the number of leading employers who have out-sourced this work to us grows steadily. We have web-enabled the records. A person designated by the Employer can look up the pass-word protected records 24 hours a day, 7 days a week.

Others have taken our actuarial advice on the correct allocation of investment income to members.

Another important area is to project the estimated benefits of the Fund.

Life Insurance

If you are a life insurer in Pakistan or another country in the region, we can help you to:

- a. **devise life insurance plans to offer to your customers. These include conventional policies, and also modern unbundled and state of the art polices;**
- b. **calculate and certify premium rates and cash values;**
- c. **carry out periodic actuarial valuations, with bonus recommendations;**
- d. **study the embedded value of your portfolio; value the proprietorship interest;**
- e. **measure field productivity and persistency, and work with you to improve these;**
- f. **monitor your expenses;**

- g. **make financial projections to your life fund and the flow of money to and from the life fund to shareholders;**
- h. **negotiate reinsurance treaties; and almost all other practical and actuarial aspects of the work.**

Likewise, if you are thinking of starting a life insurance operation, we can do feasibility studies, assess the capital requirements and prepare a business plan.

We have a long and deep involvement in life insurance. Up to 1972, the founders of the firm had a large life insurance practice in Pakistan, advising the American Life, Habib Insurance, Ideal Life, New Jubilee, Premier and others. In addition, they served on or chaired various committees set up by the Insurance Association of Pakistan, Government and the Life Insurance Management Board.

The State Life Insurance Corporation of Pakistan was set up in the year 1972, replacing the numerous private companies. Whether as member of State Life's board or as Consultants, the firm's actuaries played a leading part in advancing State Life on all aspects of its operations, including actuarial, investment, administrative and marketing; and set up State Life's *Overseas Division*.

They developed the *Shad Abad* plan, which proved to be Pakistan's most successful new life insurance product ever. They popularised the *Family Income Benefit* Rider. These plans have increased the life insurance in force by billions of rupees. They led the liberalisation of the *Non-medical Scheme* and the *Female Under-writing* rules. These two things enabled life insurance to grow all over Pakistan, including the rural areas, and enabled the *Jeevan Sathi* Plan to progress. They also designed the *Personal Pension* plan. And in December 1995, they designed the innovative and state-of-the-art *Sunehri* Plan.

They looked after State Life's investment portfolio at a critical time, and worked closely with the Finance Ministry to evolve the '*Special Government Bond*', which improved both the yield and match between assets and liabilities. Other steps were also taken to improve State Life's investment portfolio.

From 19th May 2000 to 18th May 2003, Samee-ul-Hasan took leave from the firm to serve as Chairman and Chief Executive of the State Life Insurance Corporation of Pakistan. State Life has over 80% of the life premium income in Pakistan. Alhamdulillah, during his Chairmanship, there was a marked improvement in overall performance and morale. Basic reforms were carried out, and new operational systems were introduced in the field and office. Major right-sizing took place in the office and Field. As a result, New

Business and Persistency improved considerably both in Pakistan and the Gulf, and the Expense Ratio came down substantially.

Our actuaries are Appointed Actuaries to life and family takaful organisations.

Non-Life Insurance

If you are a non-life insurer in Pakistan or another country in the region, we can help you to:

- a. Study your claim experience, including claims run-off, with a view to examining premium and reserve adequacy.**
- b. Calculate your Un-earned Premium, Un-expired Risk and Loss Reserves including IBNR. Also solvency reserves in accordance with applicable legal and technical requirements.**
- c. Study your retentions.**
- d. Study your reinsurance treaties.**
- e. Study the profitability of different lines.**

Likewise, if you are thinking of starting a non-life insurance operation, we can help to (a) prepare feasibility studies, (b) assess the capital requirements and (c) prepare a business plan.

Estimates and calculations for a non-life operation are exposed to great variability of losses, and experience may diverge widely from expectations based on past experience.

National Pension Schemes; Social Security

We can carry out actuarial valuations and projections of national pension and social insurance schemes, and health schemes. We can also help to design and amend such schemes.

Pakistan's embryonic National Pension Scheme is the EOBI scheme. We have been closely associated with this from its inception in 1976. The major changes in 1986 were designed by us, under which the minimum pension was raised sharply to a meaningful level. We have conducted several valuations of the scheme and introduce major reforms to improve the scheme, and our active association continues.

We have carried out valuations of the Sindh Provincial Social Security Scheme. We carried out field studies as to the rates of hospitalisation, length of hospitalisation and the frequency of medical consultation.

Other Areas

Here are other areas where we can help your organisation, based on our past experience:

- we can help your organisation to **review its non-life insurances**, covering material damage, consequential loss and liability insurances.
- we can help you to set up workable and sound **medical** schemes for both **servicing** and **retired employees**, and to estimate current and deferred costs.
- Finally, if you are running a modaraba or leasing company, we can help you to devise appropriate leasing systems and to make financial projections.

CLIENT BASE

By the Grace of Allah, we have **more than 200 corporate clients** in Pakistan, including many major public sector organisations and multinationals.

December 2009

