



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALISED COMPANIES DIVISION  
(INSURANCE DEPARTMENT)

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Ref No.ID-SEC/LI/01/2003

January 8, 2004

**Subject: Unit Growth Rate Projections for Investment-Linked Policies**

The growth rate projections being provided by life insurance companies offering investment-linked policies to the prospective policyholders are not realistic under the current interest rate scenario / significantly falling yields on corporate and government bonds.

2. In view of the above, SEC has decided to cap the maximum unit growth rate at 8% on all marketing illustrations (or publicity material), with effect from February 1, 2004. However, life insurance companies would have the option to use rates lower than this limit.

3. The above rate is subject to change and would be reviewed by SEC from time to time, keeping in view the movement in interest rates and other investment options.

(SHAFAT AHMAD)  
Executive Director

**Distribution**

1. Chief Executives / Managing Directors of all life insurance companies
2. President, Pakistan Society of Actuaries