



SECP
INSURANCE DIVISION
Islamabad

Circular No. 02 of 2022

Islamabad, January 20, 2022

SUBJECT: GROWTH RATE SCENARIOS FOR LIFE INSURANCE AND FAMILY TAKAFUL ILLUSTRATIONS -2022

Your kind attention is invited towards clause 8.1, 8.2 and 11.1 of the Directive for Life Insurance and Family Takaful Illustrations, 2016 (hereinafter referred to as the "Directive") notified via S.R.O 255(1)/2016 dated March 25, 2016.

Life insurers and family takaful operators use three nominal growth rate scenarios and three inflation adjusted growth rate scenarios to demonstrate projected benefits to potential policyholders. The SECP specifies these growth rate scenarios based on long-term interest rate outlook prevalent in Pakistan.

In this regard, the Commission in consultation with Pakistan Society of Actuaries has decided the growth rate scenarios for life insurance and family takaful illustrations to be **9%, 11% and 13%** for the year 2022, however, inflation adjusted rate of return will remain at **3% 4% and 5%**.

All new illustrations of life insurers and family takaful operators (including family window takaful operators) on or after February 15th, 2022 should be made on the above stated scenarios. Furthermore, all life insurers and family takaful operators are required to submit sample illustrations for each product with this office on or before the aforementioned date.

Sadia Khan
Commissioner - Insurance

Distribution:

1. Chief Executive Officers of all Life Insurance Companies.
2. Chief Executive Officers of all Family Takaful Operators.
3. Chairman Insurance Association of Pakistan (IAP).
4. President (Institute of Chartered Accountants of Pakistan)
5. President (Institute of Cost & Management Accountants of Pakistan)
6. President (Pakistan Society of Actuaries)

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