



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Insurance Division
Life and Non-Life Policy and Approvals Department

Circular No. 20 of 2024

Islamabad, November 28, 2024

Subject: GROWTH RATE SCENARIOS FOR LIFE INSURANCE AND FAMILY TAKAFUL ILLUSTRATIONS – 2025

Your kind attention is invited towards clause 8.1 and 11.1 of the Directive for Life Insurance and Family Takaful Illustrations, 2024 (hereinafter referred to as the "Directive") notified via S.R.O. 1088(1)/2024 dated July 8, 2024.

As per the Directive, life insurers and family takaful operators are to use two nominal growth rate scenarios to demonstrate projected benefits to potential policyholders in relation to policies specified in the Directive.

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% and 13% for the year 2025.

All new illustrations, in relation to policies specified in the Directive, of life insurers and family takaful operators (including family window takaful operators) after December 31, 2024 should be made on the above stated scenarios. Furthermore, in respect of policies falling under clause 8.2 of the Directive, exceptional bonus rate(s) declared during the last five years, being outlier(s) and not aligned with the regular bonus declaration, shall be excluded from the calculation of average bonus rate, for illustration purpose.

Akif Saeed
Commissioner – Insurance

Distribution:

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