



SECP
INSURANCE DIVISION
Islamabad

CIRCULAR NO. 9 OF 2016

Islamabad, March 09, 2016

SUBJECT: SECURITIES AND EXCHANGE COMMISSION GUIDELINES FOR ESTIMATION OF INCURRED BUT NOT REPORTED (IBNR) CLAIMS RESERVE, 2016

In exercise of powers conferred by Section 34(3) of the Insurance Ordinance, 2000 (XXXIX of 2000) (hereinafter referred as the "Ordinance"), the Securities and Exchange Commission of Pakistan (SECP) hereby issues the guidelines for estimation of Incurred but Not Reported (IBNR) claim reserves for non-life insurance companies (*attached as Annexure*). The guidelines prescribe the standard method for estimation of IBNR claim reserves so as to bring industry-wide uniformity in respect of such estimation and to ensure the adequacy of IBNR claims reserve.

2. All non-life insurance companies are required to comply with all provisions of these guidelines with effect from July 1, 2016. Non-compliance of the guidelines will invoke penal action under Section 156 of the Ordinance.

Fida Hussain Samoo
Commissioner – Insurance

Distribution:

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

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**Securities and Exchange Commission (SEC) Guidelines
for Incurred but Not Reported (IBNR)
Claims Reserve, 2016**



**SECURITIES AND
EXCHANGE
COMMISSION OF
PAKISTAN**

