



SECP

Insurance Division
Karachi

Reference No: ID/PR&D/PDW-II/GRS/2014/18820

January 07, 2014

Circular No.1/ 2014

Subject: Growth Rate Scenarios for Life Insurance and Family Takaful Illustrations – 2014

Life Insurance & Family Takaful Product Illustration is an integral part of the overall sales process. It helps to enhance transparency, provides better understanding of the product to prospective policy holder and enables them to make informed decisions as well as making comparison between various Life insurance and Family takaful products.

Life insurance and Family takaful companies use three growth rate scenarios to demonstrate projected benefits to potential policyholders. The SECP specifies these scenarios based on long term interest rate outlook prevalent in Pakistan. The SECP has decided that, for the year 2014, there should be no change in the three scenarios for the rates of return assumption as specified for the year 2013 through Circular No. 1/2013 dated January 16, 2013. Accordingly, the growth rates scenarios for Life insurance and Family takaful illustration will remain at **7%, 9% and 11%** for the year 2014 and onwards.

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7/1/2014

Syed Nayyar Hussain
Director

Distribution:

1. Chief Executives of all Life insurance companies.
2. Chief Executives of all Family takaful operators.
3. Chairman Insurance Association of Pakistan (IAP).
4. President (Institute of Chartered Accountants of Pakistan)
5. President (Pakistan Society of Actuaries)
6. President (Institute of Cost and Management Accountants of Pakistan)
7. Executive Director (IS & T) (SECP Islamabad)
8. Secretary to the Commission (SECP Islamabad)

SECURITIES & EXCHANGE
COMMISSION OF PAKISTAN

Insurance Division, State Life Building-2
4th Floor, Wallace Road, Karachi, Pakistan

Tel: +92-21-32461053, +92-21-32465469 Fax: +92-21-32423248 Web: www.secp.gov.pk