

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN



INSURANCE INDUSTRY STATISTICS 2021



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MESSAGE OF THE COMMISSIONER

On behalf of the Securities and Exchange Commission of Pakistan, it gives me immense pleasure to present the Insurance Industry Statistics for the year 2021. In the digital age, the need for reliable and easy to access information is critical for all stakeholders. Accordingly, the SECP, as a conscientious regulator, has compiled a holistic overview of the key statistics, which will be a regular feature going forward, published annually.

Provision of information is fundamental element in decision making, not only for the regulator in designing policies and bringing conducive reforms, but also for the industry participants as they formulate their business strategies; together impacting the future course of the entire industry. It is also a proven tool for facilitating end-users in making informed decisions about insurance providers and services available.

As the data clearly demonstrates, Pakistan's insurance market holds enormous untapped potential for growth. The sector is rife with opportunities, for both local and foreign investors, considering the size of our population and the growing demand for affordable & innovative insurance solutions.

I would like to convey my appreciation to the insurance association and all insurance companies for participating in this endeavour. I would also like to acknowledge the unwavering commitment of the SECP team, to bring this assignment to timely fruition. I am confident that our combined outreach efforts will benefit the development of this important sector and help it achieve its true potential.

Sadia Khan

Commissioner - Insurance

INDUSTRY PERFORMANCE OVERVIEW

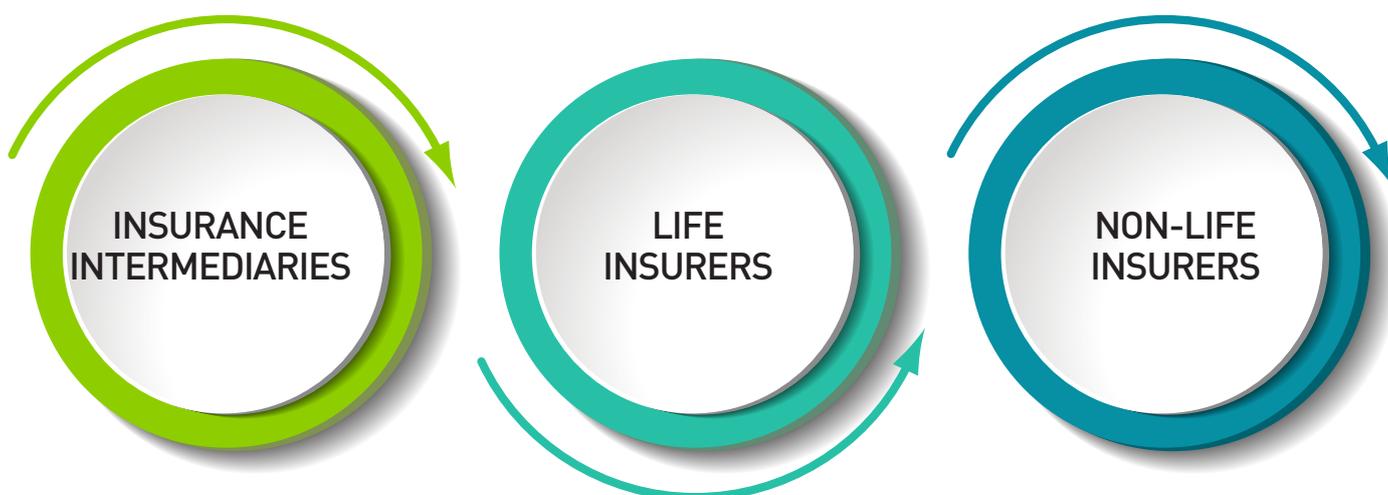
INDUSTRY OVERVIEW

The insurance sector in Pakistan is bifurcated into two distinct businesses based on significant difference in the nature of the two businesses i.e. life insurance/family takaful business and non-life insurance/general takaful business. Life insurance/family takaful is about insurance against death, sickness or disability of natural persons whereas non-life insurance is more inclined towards insurance of assets and liabilities. Individuals and corporates both procure life and non-life insurance. Generally, life insurance sector in the country is more focused on personal lines of selling, whereas, the orientation of non-life insurance is more towards corporate lines of business. These sectors have grown in each of these market segments at varying paces, following their own diverse growth patterns.

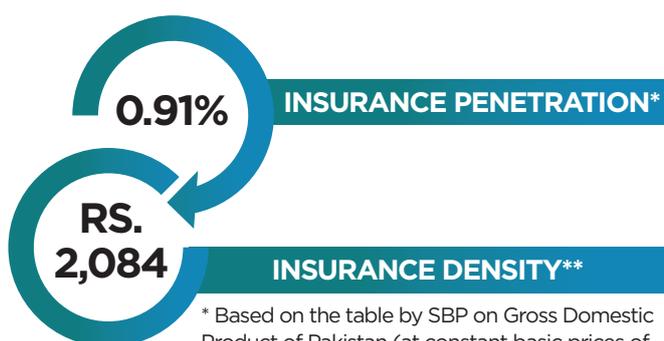
Although data presented only pertains to life insurance/family takaful business and non-life insurance/general takaful business, insurance intermediaries also form essential part of the insurance industry in Pakistan. Insurance intermediaries can essentially be referred to persons which facilitate/complement/assist insurers in the overall insurance policy life cycle, which would ideally start from prospecting an insurance sale and conclude on payment of claim to the policyholder. Insurance intermediaries include:

- Insurance Agents:
 - a) Captive Agency Sales Force Network (Natural Persons); and
 - b) Corporate Insurance Agents (Banks, Telco's and other entities in corporate structure)
- Insurance Brokers;
- Insurance Surveyors & Authorised Surveying Officers; and
- Third Party Administrators for Health Insurance.

Pakistan Reinsurance Company is playing its part in the insurance industry of Pakistan as the only reinsurance company, offering reinsurance to the general insurance sector. The Commission in 2018 authorized PRCL to also conduct window re-takaful operations

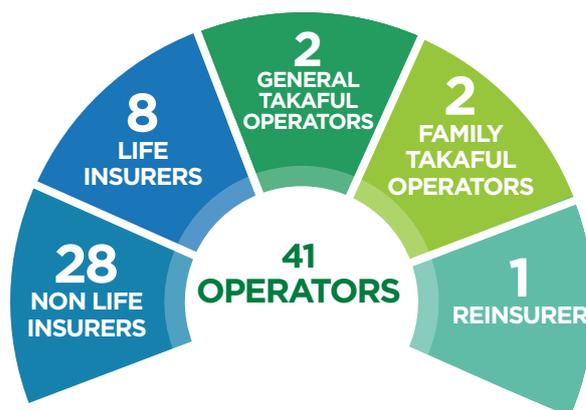


INDUSTRY OVERVIEW

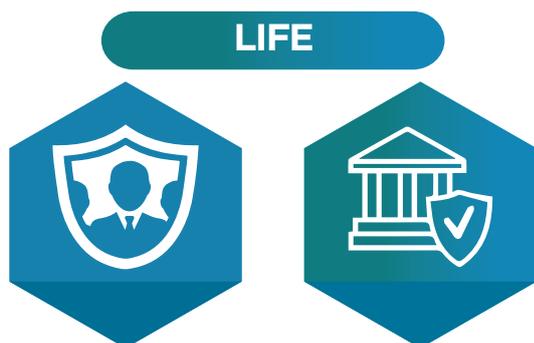


* Based on the table by SBP on Gross Domestic Product of Pakistan (at constant basic prices of 2015-16)

** Based on results of Sixth Population Census & Housing Census - 2017



MAIN DISTRIBUTION CHANNELS IN TERMS OF PREMIUM PERCENTAGE



Sales Force/Agency Channel Premium

99% of Public sector Premium
32% of Private sector Premium

Banca Channel Premium

1% of Public sector premium
56% of Private sector premium



Sales Force/Agency Channel Premium

49% of Total Premium

Direct Channel Premium

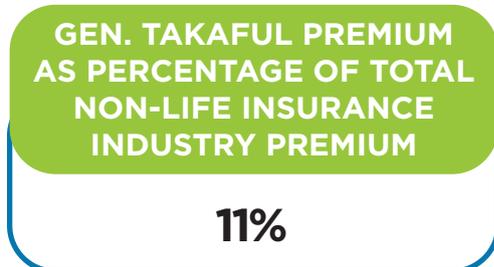
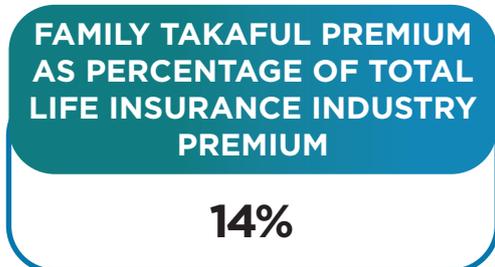
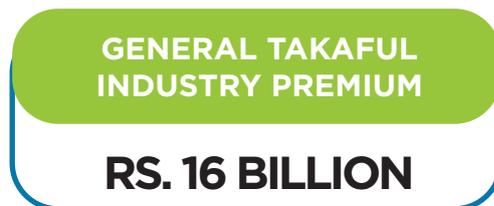
33% of Total Premium

Premium in the categories of accident, health and critical illness is 16% (2020: 11%) of total premium

Premium from digital channels constitute 0.27% (2020: 0.30%) of total premium

INDUSTRY OVERVIEW

TAKAFUL SECTOR



**LIFE
INSURANCE
INDUSTRY**

LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

INDUSTRY-WIDE KEY INFORMATION

GROSS PREMIUM

2021: 292 BILLION
2020: 233 BILLION

CLAIMS PAID

2021: 135 BILLION
2020: 118 BILLION

TOTAL POLICIES

2021: 8.0 MILLION



99%

premium of public sector comes from direct channel



56%

premium of private sector comes from Banca channel

Sector wise premium distribution

42% Private

58% Public

Individual life premium distribution

83% Conventional

17% Public

In individual life category, 56% of total premium comes from Punjab

In public sector, 68% of premium pertains to participating policies

In private sector, 83% of premium pertains to unit linked policies

76% new policies written in the premium band of '0-50,000' and 18% of new policies premium fall in the premium band of '1,000,000 and above'

RISK COVERED

Individual Life

Rs. **1,415**
billion

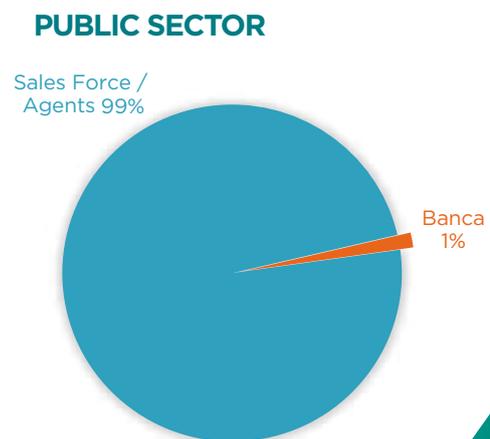
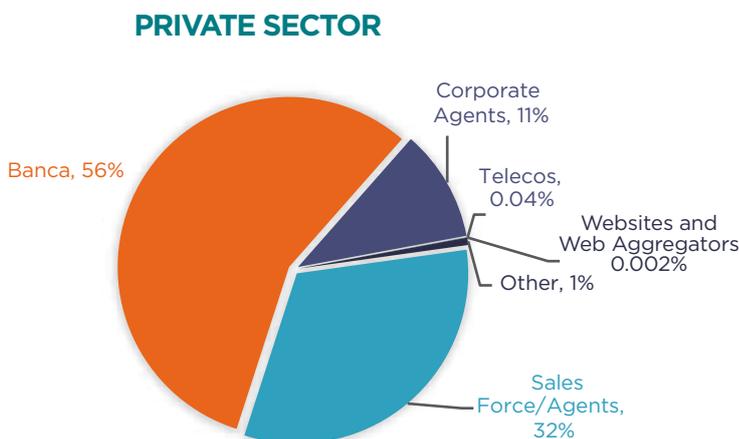
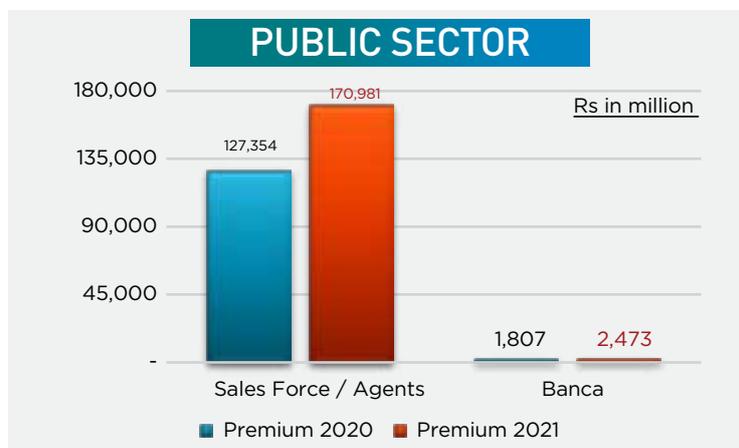
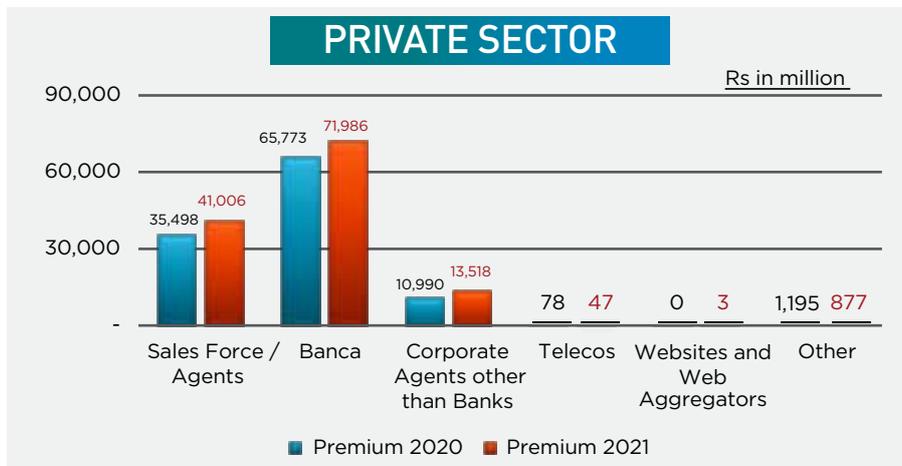
Group Life

Rs. **7,653**
billion

LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

GROSS WRITTEN PREMIUM – CHANNEL WISE DISTRIBUTION

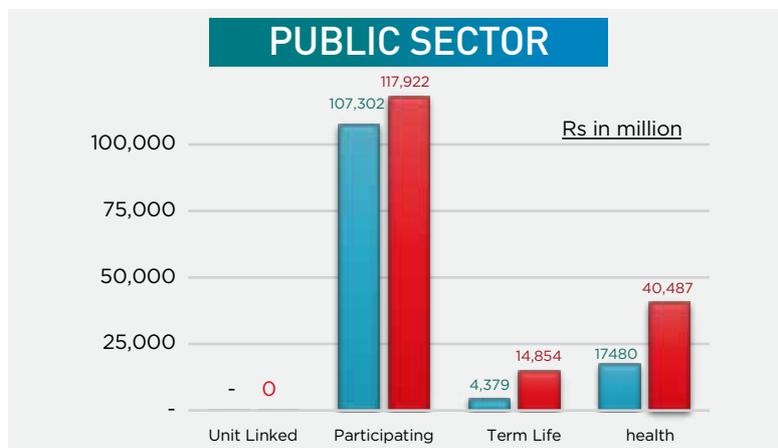
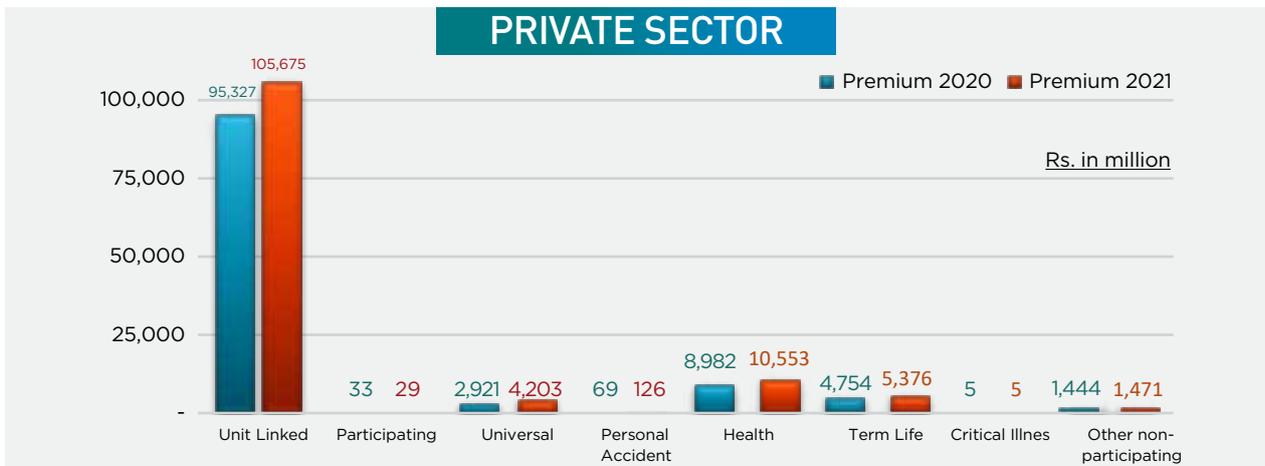
The distribution channel wise split of Gross Written Premium demonstrates that in private sector, 56% of the policies were written through banca channel followed by direct sales force at 32%. In public sector 99% of the policies were sold through Banca channel. Digital channel only constitute 0.02% of the total premium.



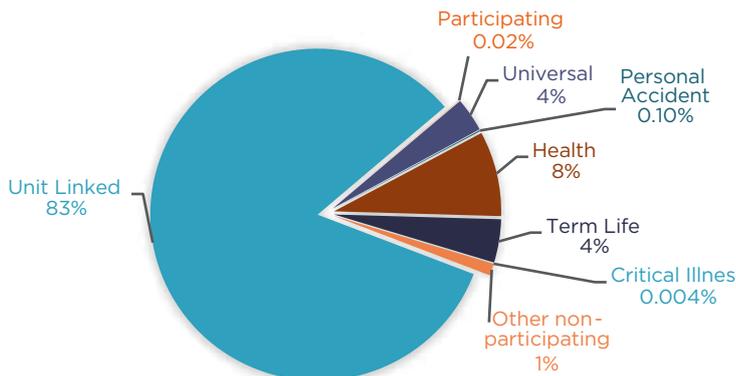
LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

GROSS WRITTEN PREMIUM – PRODUCT WISE DISTRIBUTION

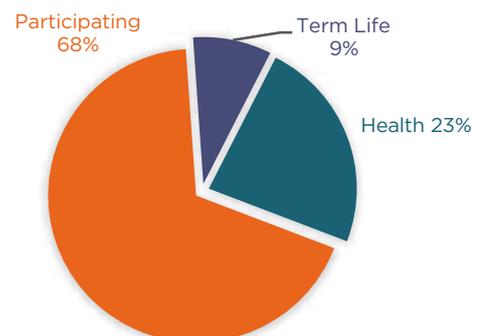
Product wise distribution shows 83% of the premium pertained to unit linked policies in private sector, followed by health related policies at 8%. In public sector, 68% of the premium comes from participating policies followed by health related policies at 23%.



PRIVATE SECTOR



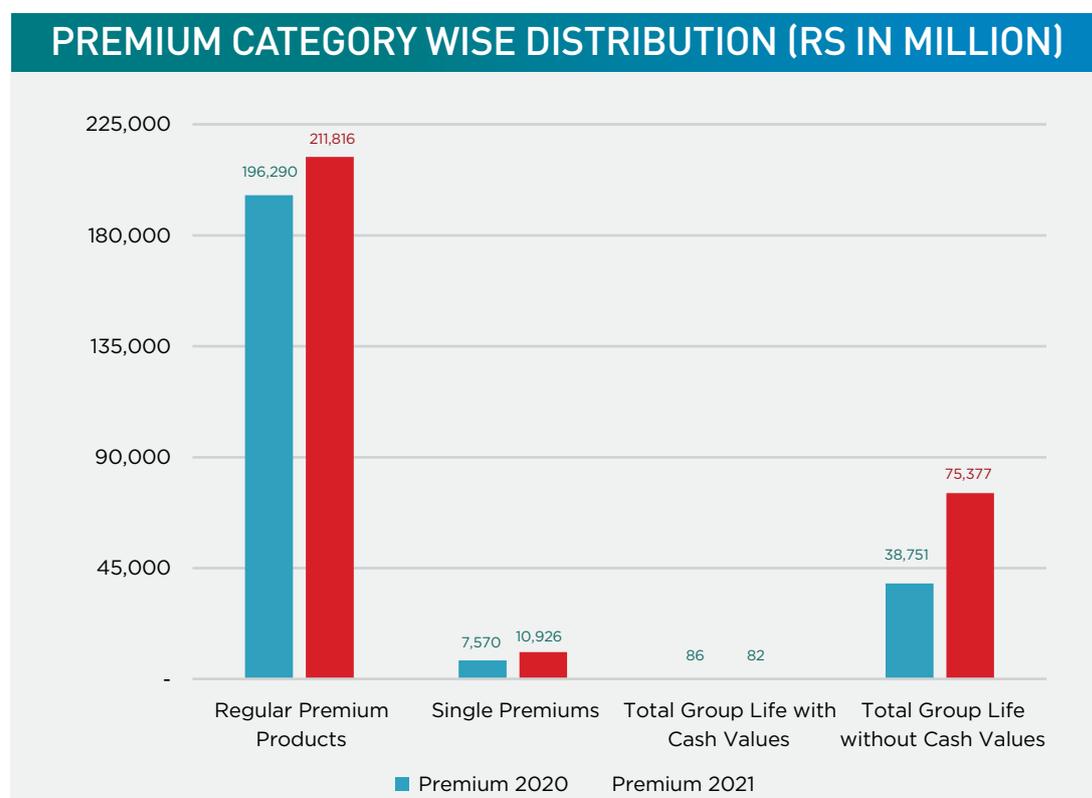
PUBLIC SECTOR



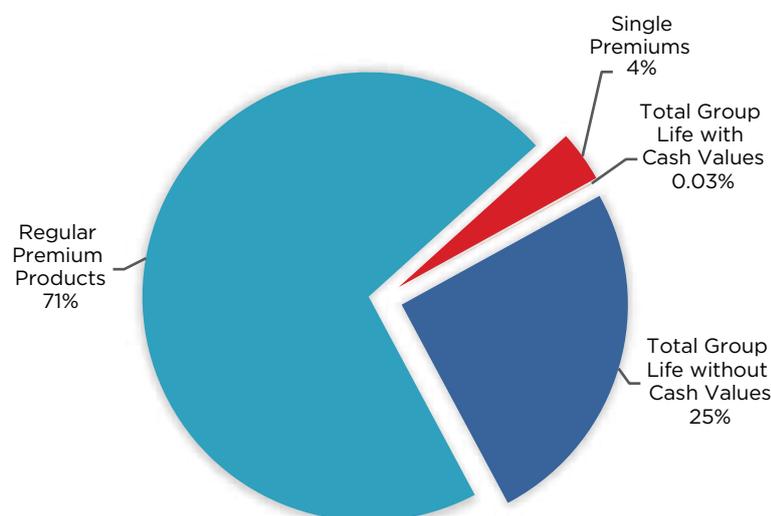
LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

GROSS WRITTEN PREMIUM – PREMIUM CATEGORY

In terms of premium type wise bifurcation i.e. between regular premium products (first year premium, second year renewal premium and subsequent year renewal premium), single premium products and group life policies, 71% of the total premium pertained to regular premium products, followed by premium booked under the category of group life without cash values at 25%.



PREMIUM CATEGORY - 2021

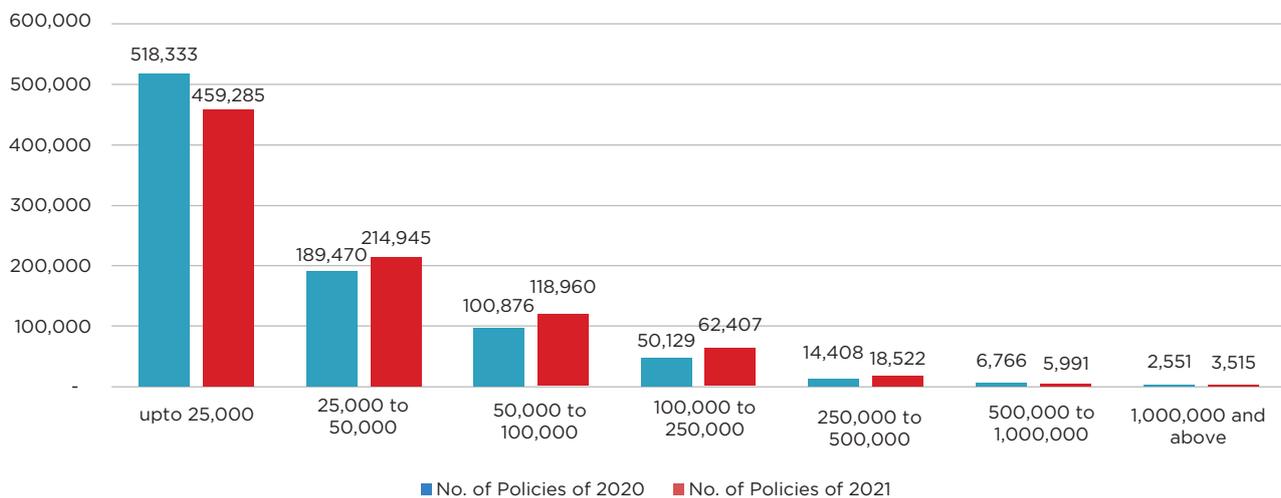


LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

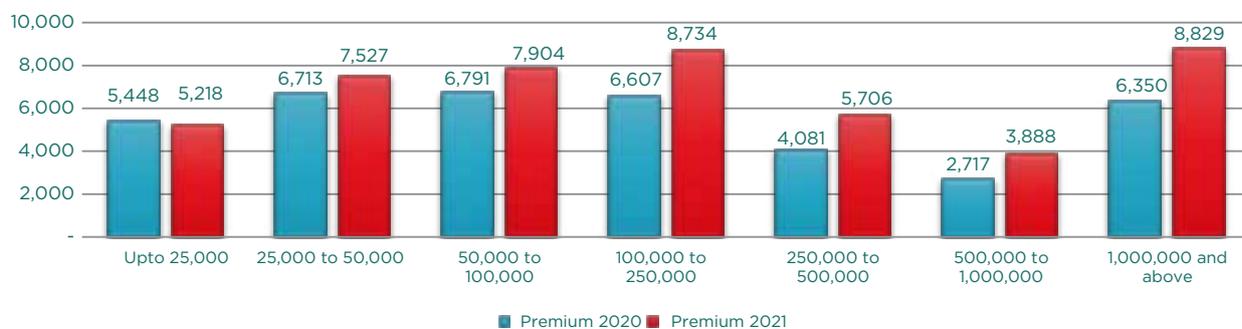
BAND WISE COUNT AND PREMIUM – NEW BUSINESS

Total new policies issued in the year 2021 were 0.884 million (2020: 0.883 million). 52% (2020: 59%) of the total new policies issued were in the premium band of “0 – Rs 25,000” being highest in number when compared with other premium bands. Whereas policies falling in the premium band of “Rs 1,000,000 and above” being only 0.4% (2020: 0.29%) of total policies issued were a source of 18% (2020: 16%) of the total new premium being highest when compared with other bands.

NEW BUSINESS BAND WISE POLICY COUNT



NEW BUSINESS BAND WISE PREMIUM (RS IN MILLION)

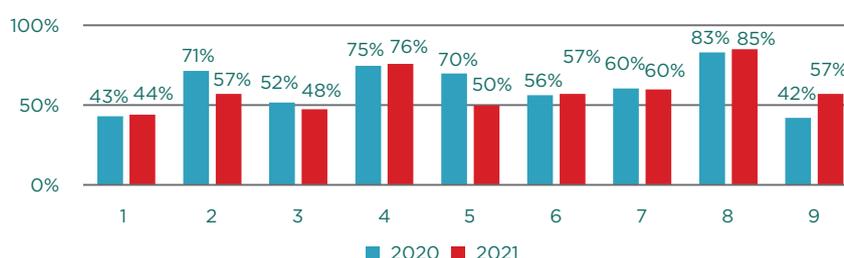


LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

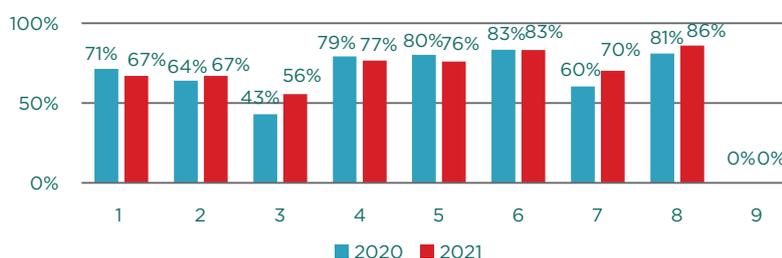
PERSISTENCY RATIO

Persistency ratio being a percentage that signifies the number of clients an insurance company has retained for an insurance product through analysis of renewal year premiums and total premiums in a calendar year.

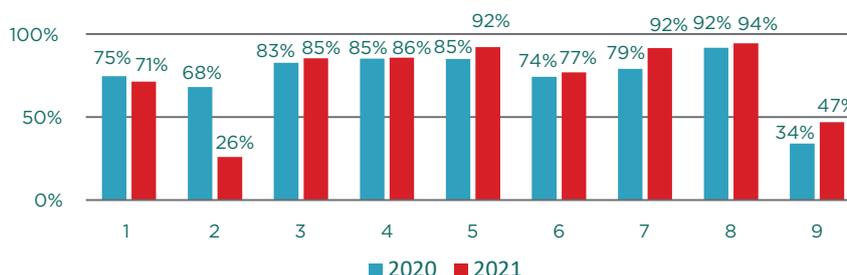
YEAR 2 PERSISTENCY THROUGH AGENCY SALES FORCE



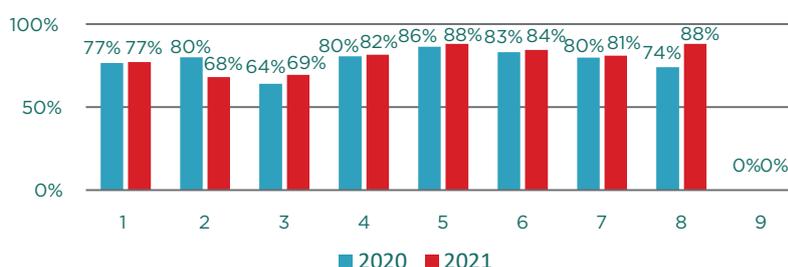
YEAR 2 PERSISTENCY THROUGH BANCASSURANCE



YEAR 3 & + PERSISTENCY THROUGH AGENCY SALES FORCE



YEAR 3 & + PERSISTENCY THROUGH BANCASSURANCE

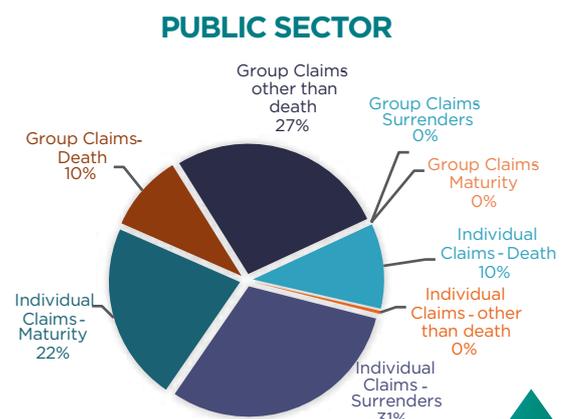
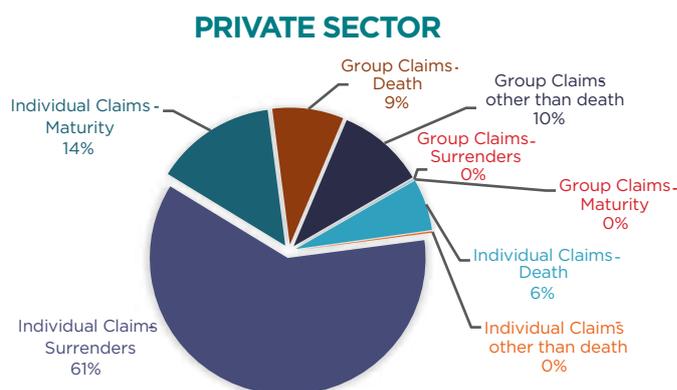


For confidentiality purpose, names of the companies have been removed

LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

GROSS CLAIMS

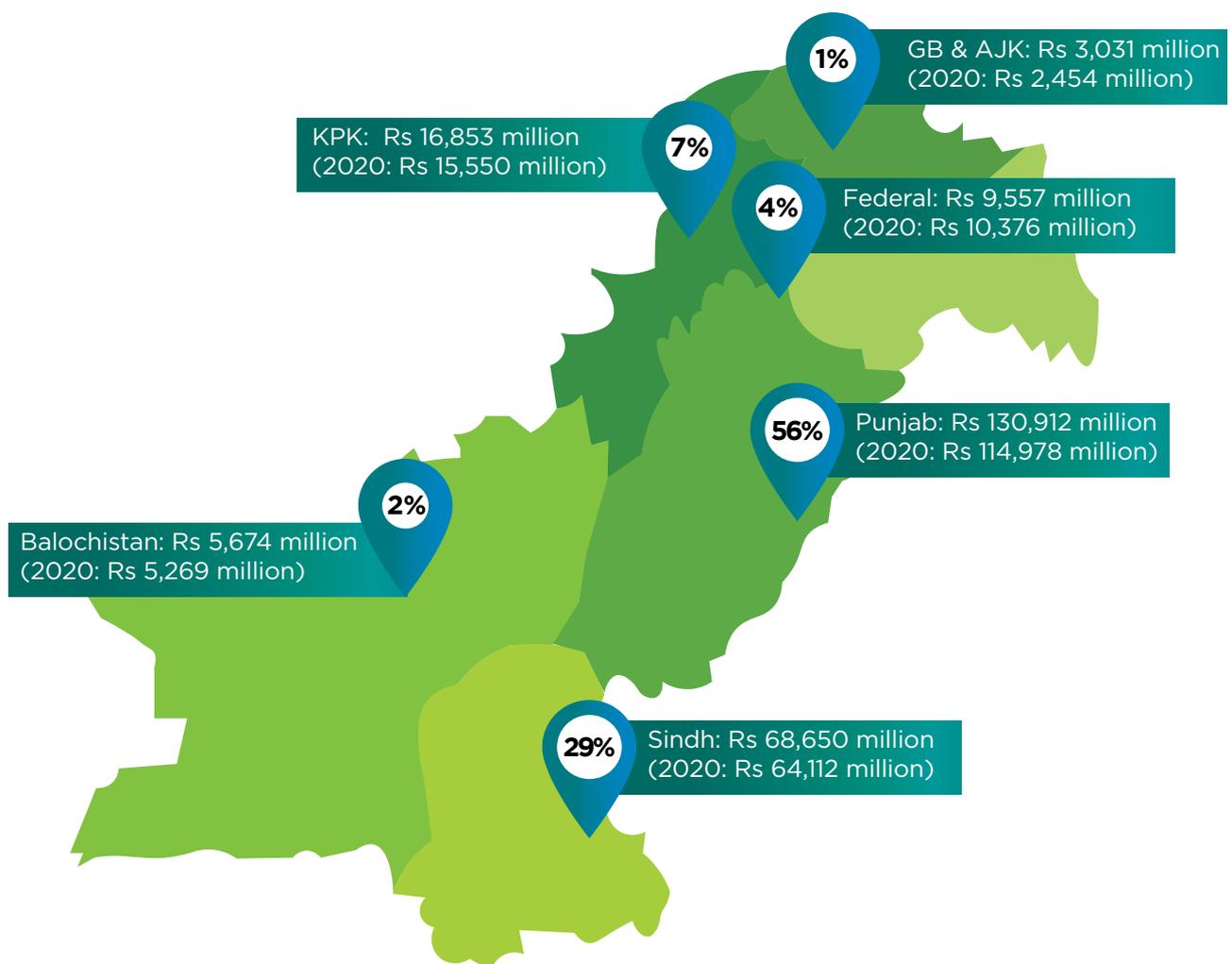
Gross Claims of life insurance industry stood at Rs 189 billion in the year 2021 compared to Rs 132 billion in 2020. In private sector and public sector, highest claims pertain to the category of Individual Claims - Surrenders at 61% and 31%. Total gross claims against death category were Rs 32 billion (2020: Rs 22 billion).



LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

PROVINCE WISE PREMIUM DISTRIBUTION – INDIVIDUAL LIFE

Out of the total gross premium of individual life insurance industry for the years 2021, 56% of the gross premium pertained to the Punjab followed by Sindh at 29%.



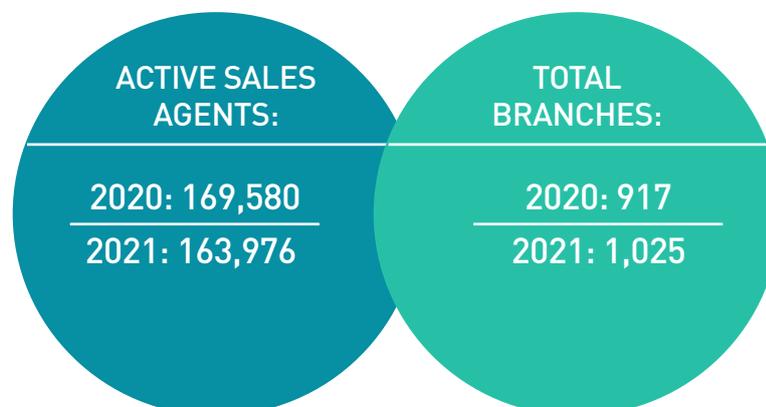
LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

OTHER INFORMATION

COMPLAINTS RECEIVED BY INSURER ON ALL FORUMS		
	2020	2021
Received during the period	8,254	10,297
Disposed off during the period	8,086	10,182

RISK COVERED (RS IN BILLION)		
	2020	2021
INDIVIDUAL LIFE		
Sum at Risk Life	1,444	1,348
Sum at Risk Health	84	66
GROUP LIFE		
Sum at Risk Life	5,969	6,571
Sum at Risk Health	884	1,082

DIRECT SALES FORCE



NON-LIFE INSURANCE INDUSTRY

NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

INDUSTRY-WIDE KEY INFORMATION

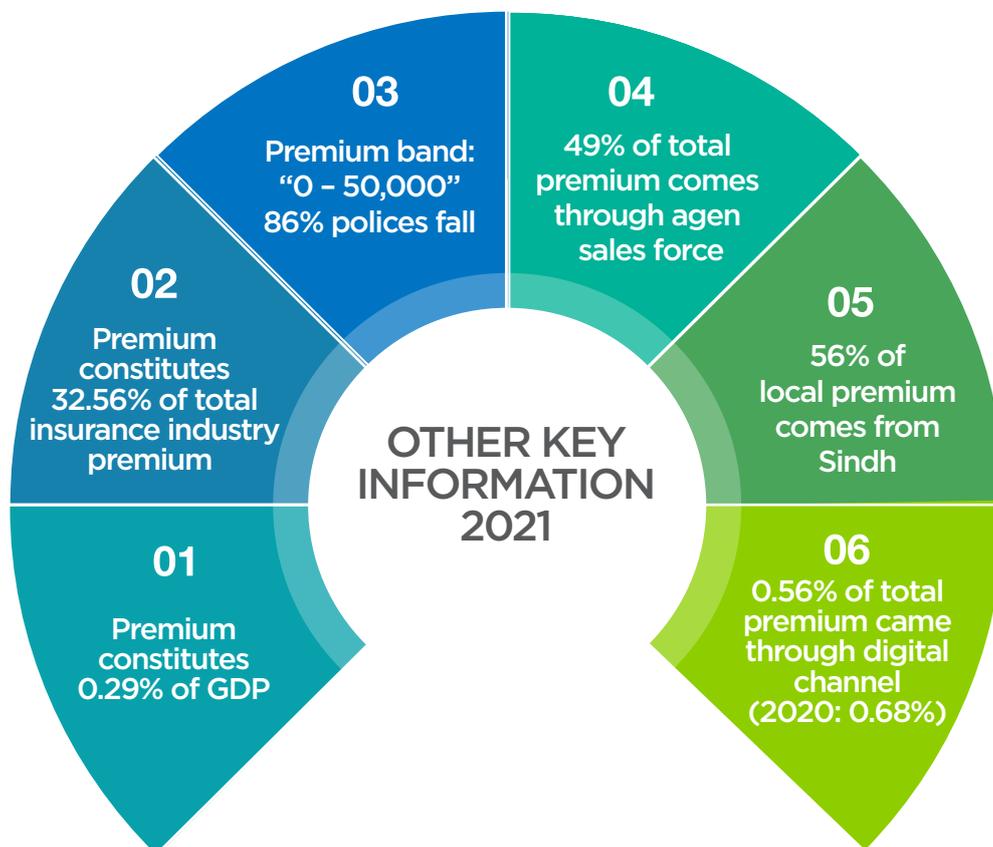


Sector wise premium distribution



PREMIUM DISTRIBUTION

2020		2021	
CONVENTIONAL	TAKAFUL	CONVENTIONAL	TAKAFUL
RS 110 BILLION	RS 12 BILLION	RS 124 BILLION	RS 16 BILLION

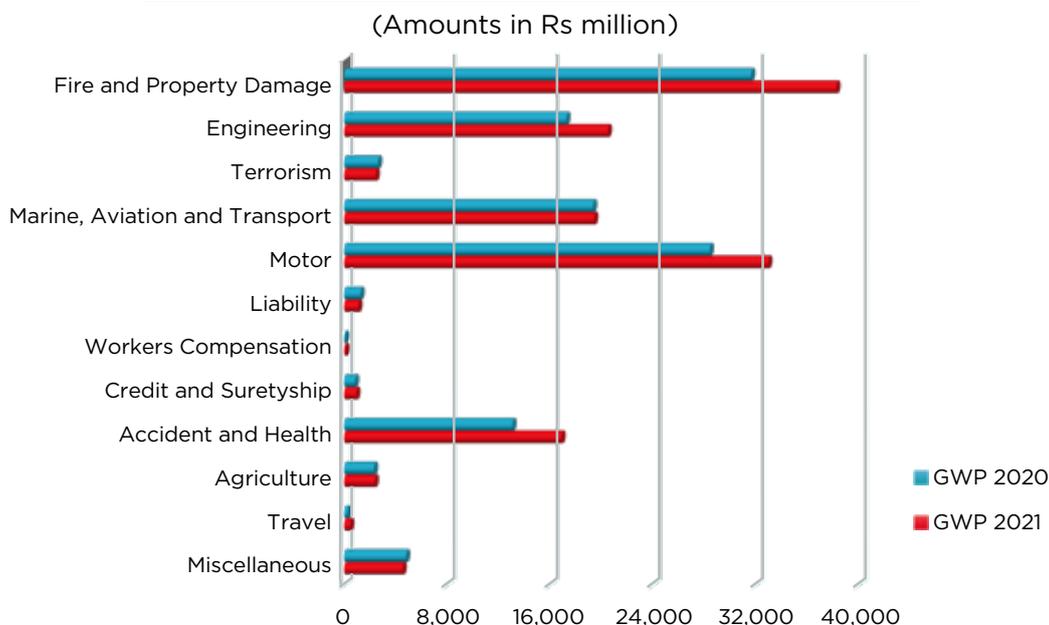


NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

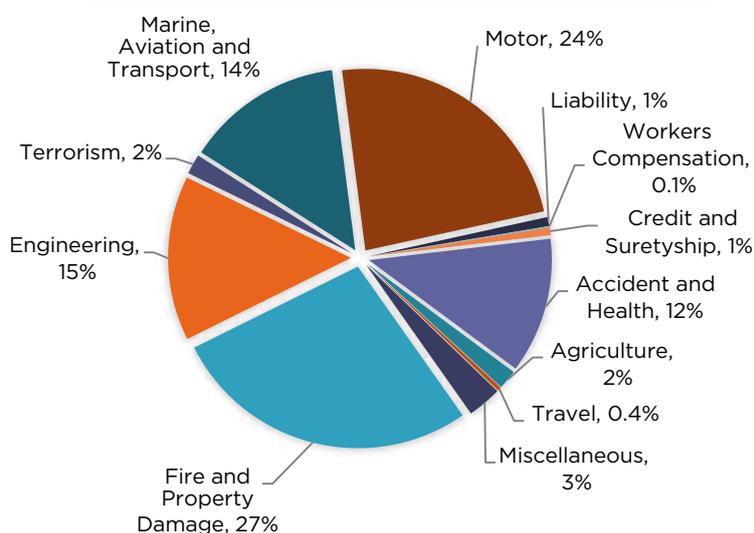
GROSS WRITTEN PREMIUM

In terms of Gross Written Premium (GWP), Pakistan non-life insurance industry has a total size of Rs 140 billion in the year 2021 compared to Rs 122 billion last year, exhibiting growth of 14.55%. Premium written in the category of Fire and property damage was highest at 27% of total premium amounting to Rs 38 billion (2020: Rs 32 billion followed by motor insurance at 24% [Rs 33 billion (2020: Rs 29 billion)] and Engineering at 15% [Rs 20 billion (2020: Rs 17 billion)]. Dedicated personal lines of non-life insurance business (Home & Household contents, individual health & travel and travel) constitute only 1% of the total premium in 2021.

INDUSTRY'S GWP FOR THE 2020 AND 2021



GWP - 2021

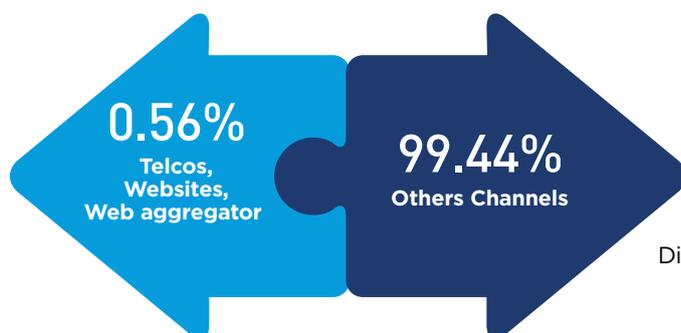


NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

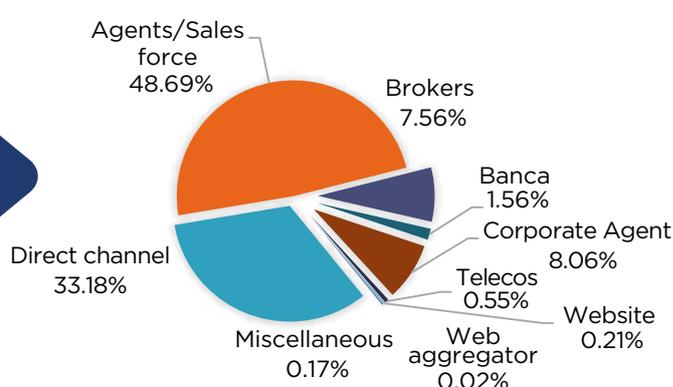
DISTRIBUTION CHANNEL WISE PREMIUM

Agency / sales force channels and direct channel were the primary distribution channels of non-life insurance industry against which major portion of premium was written in the years 2021 and 2020.

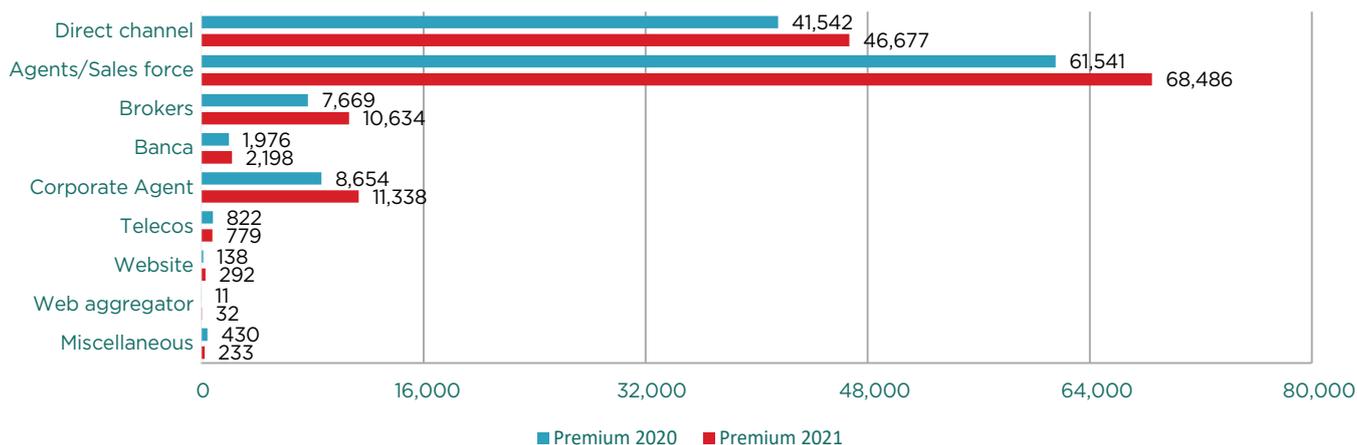
Premium collection (Digital vs conventional Channel)



Channel Wise Premium for 2021



CHANNEL WISE PREMIUM DISTRIBUTION (RS IN MILLION)

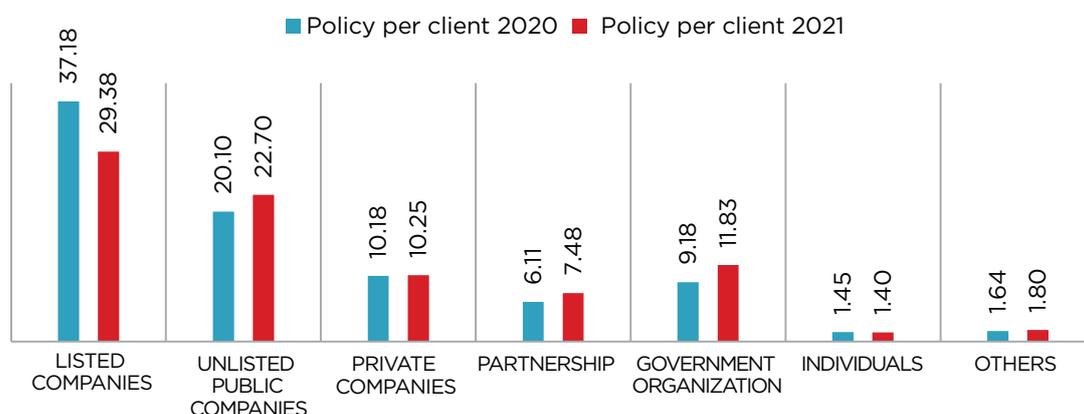


NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

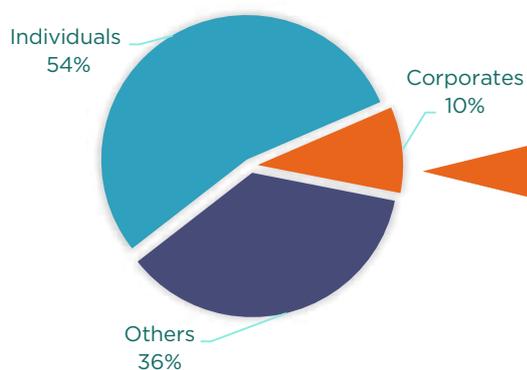
POLICYHOLDER WISE DISTRIBUTION

Highest no. clients of non-life insurance companies are from individual category at 582,144 (2020: 468,755). Individual category of clients also hold maximum no. of policies. However, when the same is viewed in the context of policies / client category, category of listed companies tops the list at 29 (2020: 37) followed by unlisted public companies at 23 (2020: 20).

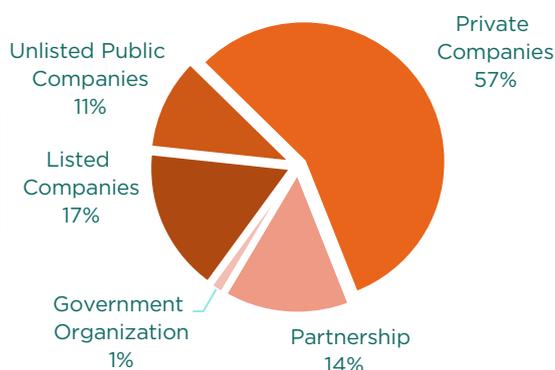
POLICES PER CLIENT CATEGORY



NO. OF POLICIES DISTRIBUTION AS PER CLIENT CATEGORY- 2021



NO. OF POLICIES DISTRIBUTION IN CORPORATE SECTOR - 2021

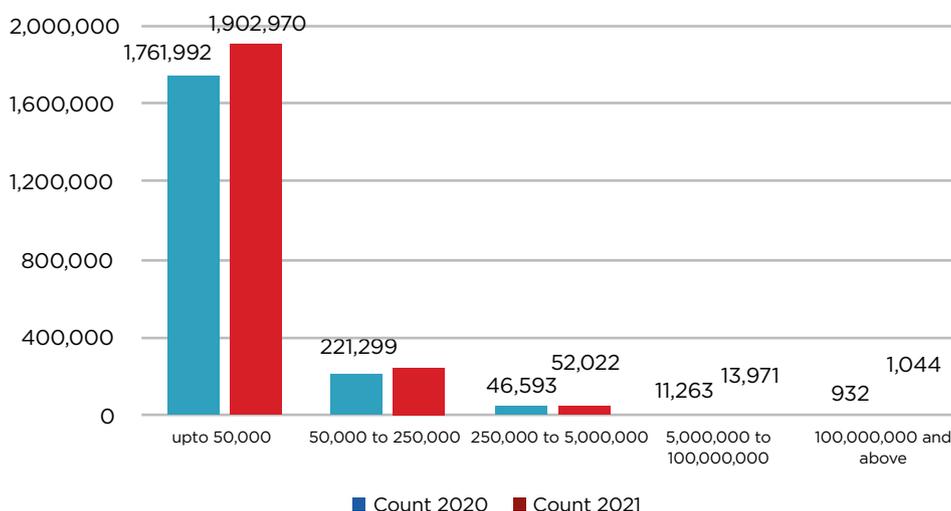


NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

PREMIUM BAND WISE POLICY COUNT AND PREMIUM

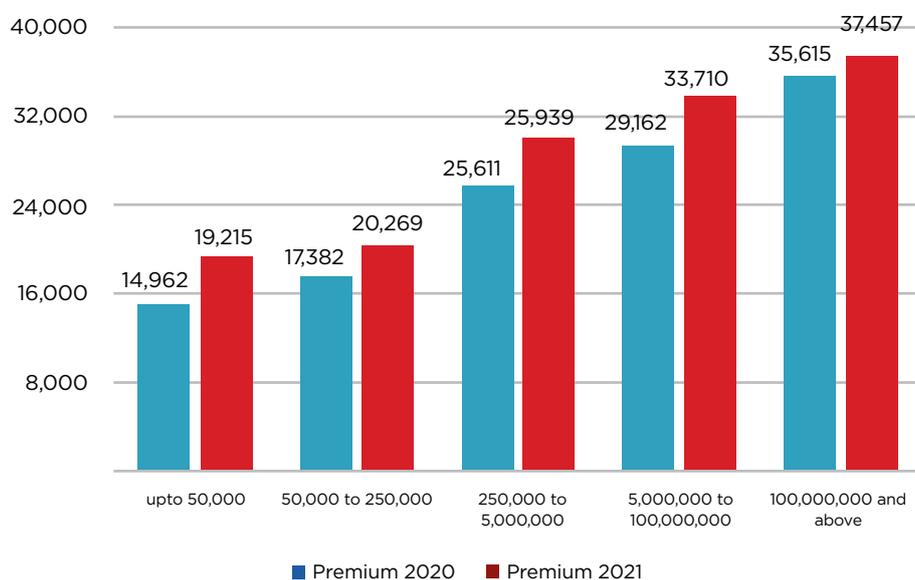
Total policy count as at 2021 stood at 2.1 million policies (2020: 1.9 million) having 86% (2020:86%) of the total policies written in the premium band of "0 - Rs 50,000" being highest in number when compared with policies written in other premium bands. Whereas policies falling in the premium band of "Rs 100,000,000 and above" being only 0.05% (2020: 0.05%) of total policies issued were a source of 29% (2020: 26%) of the total premium being highest when compared with other premium bands.

BAND WISE POLICY COUNT DISTRIBUTION



BAND WISE PREMIUM DISTRIBUTION

(Rs in million)

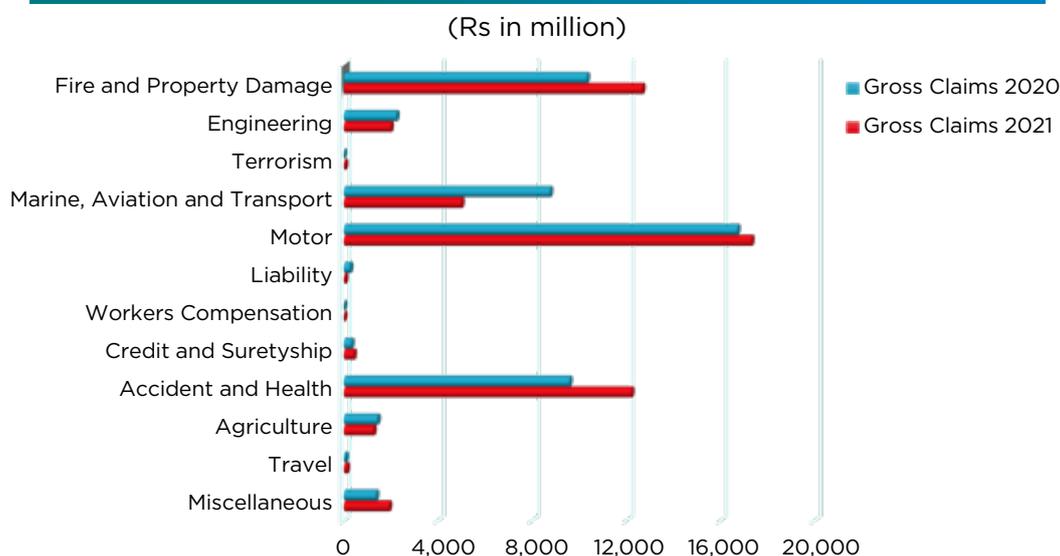


NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

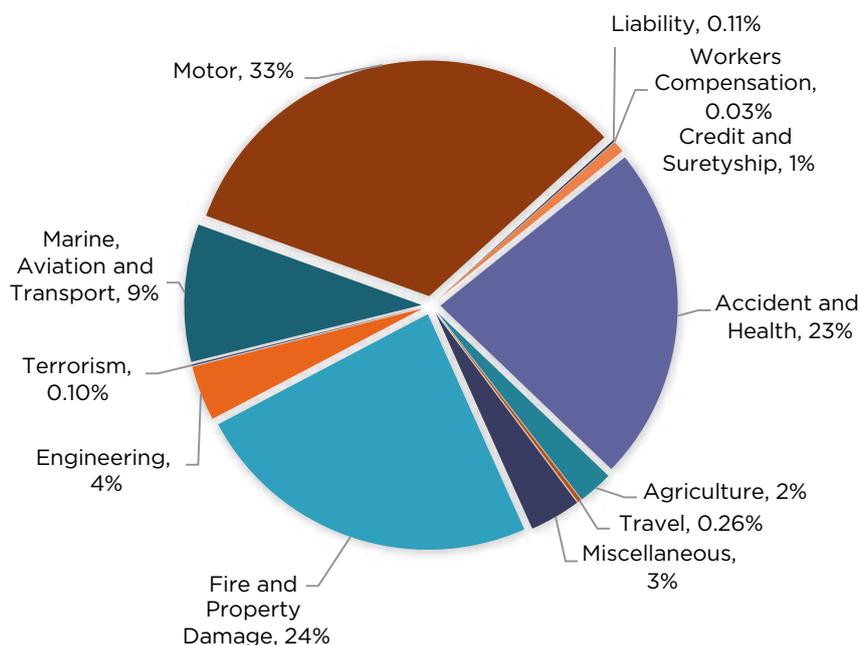
CLAIMS PAID

Claims paid by non-life insurance industry stood at Rs 53 billion in the year 2021 compared to Rs 52 billion last year. Category of Motor insurance witnessed highest claims paid at 33% [Rs 17 billion (2020: Rs 16.7 billion)] followed by Fire and property damage at 24% [Rs 13 billion (2020: Rs 10 billion)].

INDUSTRY'S GROSS CLAIMS FOR THE 2020 AND 2021



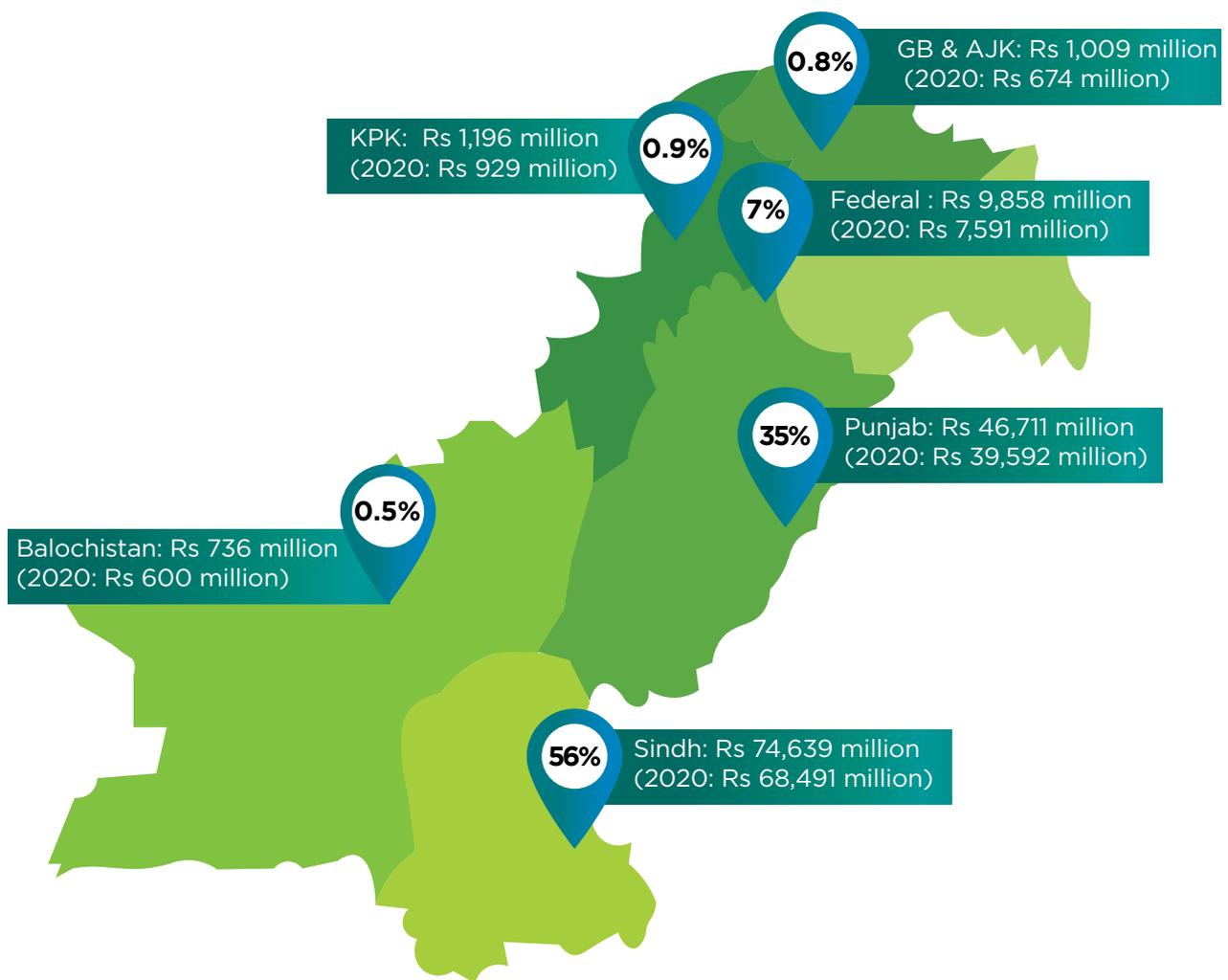
CLAIMS PAID - 2021



NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

PROVINCE WISE PREMIUM DISTRIBUTION

Out of the total gross premium of non-life industry for the years 2021, 56% of the gross premium pertained to the province of Sindh followed by Punjab at 35% and Federal 7%.



KEY FINANCIAL STATISTICS

LIFE INSURANCE / FAMILY WINDOW TAKAFUL OPERATORS

	2021 (Rs)	2020 (Rs)	%age change
Total Assets	1,845,347,747,050	1,660,117,708,123	11%
Investments	1,441,659,271,000	1,333,274,394,362	8%
Equity securities	203,012,033,578	226,163,003,042	-10%
Government securities	1,115,112,099,722	1,000,260,707,557	11%
Debt securities	22,986,957,492	25,458,843,998	-10%
Term deposits	54,820,379,000	43,620,600,000	26%
Mutual funds	45,656,479,241	37,771,239,765	21%
Commercial papers	71,321,967	-	100%
Equity	42,332,817,874	35,444,691,721	19%
Profit before tax	13,595,783,247	12,405,084,608	10%
Profit after tax	9,527,318,899	8,618,603,278	11%
Gross Premium	290,466,211,260	233,104,290,931	25%
Reinsurance Premium ceded	5,161,251,981	4,191,314,680	23%
Gross claims	186,554,718,545	132,598,900,194	41%
Claims paid	134,762,099,798	117,858,792,839	14%

* Note - Data of Postal Life Insurance Company is not included in this table due to non-availability of audited financial statements

NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

	2021 (Rs)	2020 (Rs)	%age change
Total Assets	263,011,677,151	246,705,754,703	7%
Investments	113,786,942,015	104,794,076,566	9%
Equity securities	61,370,545,671	55,712,209,457	10%
Government securities	3,283,435,277	3,151,382,809	4%
Debt securities	33,816,168,694	34,435,954,603	-2%
Term deposits	14,812,494,930	11,186,184,709	32%
Mutual funds	389,130,443	308,344,988	26%
Commercial papers	115,167,000	-	100%
Equity	108,471,628,647	99,886,391,342	9%
Profit before tax	18,416,731,819	13,314,156,241	38%
Profit after tax	13,238,936,060	9,907,773,392	34%
Written Gross Premium	121,876,075,572	108,311,823,092	13%
Reinsurance expense	55,238,646,745	45,161,516,712	22%
Claims paid	52,075,150,417	45,682,207,656	14%
Claims expense	53,599,641,291	51,980,103,943	3%

* Note - Data of National Insurance Company Limited and The Co-operative Insurance Society is not included in this table due to non-availability of audited financial statements



DISCLAIMER

Information contained in the publication is compiled using data provided by the companies in the formats specified in the Circular no. 31 of 2021 dated November 9, 2021. Figures are rounded off, as deemed appropriate.

We believe that the information provided by the companies was complete, accurate and true and correct to the best of their knowledge. However, we do not take any responsibility in respect of the completeness and accuracy of the submitted data.

The contents of this publication are not directed at any person in any jurisdiction where any such publication by the Commission is prohibited

All information contained in this publication is intended for insurance industry stakeholders having reasonable knowledge of the products, channels, norms and related terms used in the industry.

Neither information nor any opinion expressed in this publication constitutes a solicitation, an offer or a recommendation to buy, sell or dispose of any insurance policy, to engage in any such transaction or to provide any insurance related advice or service.

Commission will not be liable for any loss or damage that may result from use of the information contained in this publication.

DATA SPECIFIC CAVEATS

In the section of life insurance industry, Impact of experience refunds amounting to Rs 8.7 billion (2020: 10 billion) is not accounted for in the data showing breakup of premium.

In the section of life insurance industry depicting breakup of data, data of Postal Life Insurance Company Limited is only included where provided.

In the section of non - life insurance industry (policyholder wise distribution), there may be repetition in no. of clients i.e. a client of a category can be client of multiple insurance companies.

GDP of Pakistan has been taken from
“https://www.sbp.org.pk/ecodata/GDP_table.pdf”

In data relating to no. of policies, individual policies issued through intermediaries are generally reported as a single policy.

Data relating to Pakistan Reinsurance Company Limited is not included in this publication

LIST OF COMPANIES SUBMITTED DATA

Non Life Insurers/ General Takaful Operators			
1	Adamjee Insurance Company Limited	16	National Insurance Company Limited
2	Alfalah Insurance Company Limited	17	Pak Qatar General Takaful Limited
3	Allianz EFU Health Insurance Limited	18	Premier Insurance Limited
4	Alpha Insurance Company Limited	19	Reliance Insurance Company Limited
5	Asia Insurance Company Limited	20	Security General Insurance Company Limited
6	Askari General Insurance Company Limited	21	Shaheer Insurance Company Limited
7	Atlas Insurance Limited	22	Sindh Insurance Limited
8	Century Insurance Company Limited	23	SPI Insurance Company Limited
9	Chubb Insurance Pakistan Limited	24	Salaam Takaful Ltd (Formerly Takaful Pakistan limited)
10	Crescent Star Insurance Limited	25	The Co - Operative Insurance Society
11	EFU General Insurance Limited	26	The United Insurance Company of Pakistan Limited
12	East West Insurance Co, Limited	27	The Universal Insurance Company Limited
13	Habib Insurance Company Limited	28	TPL Insurance Limited
14	IGI General Insurance Limited	29	Trafco Insurance Company Limited
15	Jubilee General Insurance Company Limited	30	UBL Insurers Limited

Life Insurers/ Family Takaful Operators	
1	Adamjee Life Assurance Company Limited
2	Askari Life Assurance Company Limited
3	Dawood Family Takaful Limited
4	EFU Life Assurance Limited
5	IGI Life Insurance Company
6	Jubilee Life Insurance Company Limited
7	Pak-Qatar Family Takaful Limited
8	Postal Life Insurance Company Limited (Partial Submission)
9	State Life Insurance Corporation of Pakistan
10	TPL Life Insurance Company Limited



**Securities and Exchange
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