



SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN

INSURANCE INDUSTRY STATISTICS 2023



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MESSAGE OF THE COMMISSIONER



On behalf of the Insurance Division of Securities and Exchange Commission of Pakistan (SECP), I am pleased to present the Insurance Industry statistical report for the year 2023. The report is not only a depiction of the financial performance and state of the Insurance Industry, but reflects our resolve towards facilitation of access to insurance sector data in line with the Insured Pakistan 5-year strategic plan.

The information being presented through this report is the result of collaborative efforts of the regulator and the industry. Insurance data should be regarded as a fundamental asset to navigate the future of this sector, through a mindset shift in applying it for future strategic planning as well as operational decision making.

The 2023 statistics though suggests stagnation when solely viewed through the lens of premiums, particularly in life insurance sector where growth has remained less than 10%. I would, however, also draw attention to the increase of 20% in total assets and 36% in claim payment figures.

The slower growth is attributable to challenges confronting the sector, including ineffective enforcement of motor third-party insurance with only 3% of vehicles insured, low adoption of agriculture and livestock insurance industry premium, unfavorable taxation regime, limited local reinsurance capacity with retention levels at 42%, and a shortage of skilled human resources.

The answer to the above challenges lies in:

- (a) Whole hearted adoption of the 5-year strategic plan by the insurers, including use of technology;
- (b) Federal Government's support in passing the long overdue essential legislative changes;
- (c) Provincial government's focus on strict enforcement of compulsory insurance schemes and use of insurance for managing the risks to public assets, securing livelihoods of those engaged in agriculture / livestock sectors and providing health and associated covers strictly through insurers in pool structures; and
- (d) SECP should simplify its regulatory approval processes, develop a digital ecosystem for

capturing, storing, sharing and using insurance sector data for all stakeholders and supporting innovation and product development.

With the average age of less than 25 years in the country, the Takaful sector, offers vast promise to boost insurance adoption among the general public, as can be observed in the case of Banking Sector and Non-Banking Financial Sector, where Islamic finance currently stands at 23% and 35% in contrast to takaful at 12%. Similarly, the current demographics of our market also call for the transition from conventional distributional channels to the digitalized modes which may not only boost the premium coming from digital channels (currently at less than 1%), but also the overall pie of the sector.

While work on war footing is required to be done to converge the insurance protection gap and uphold the density levels of the market, I strongly believe that through modernized legislation, harnessing technological advancements, establishing insurance pools, attracting skilled professionals to the sector and increasing awareness, we can rapidly advance towards achieving the outcomes identified in the 5-year strategic plan.


Finally, I would like to formally express my gratitude for the assistance extended by all the insurance companies in providing timely data. I would also like to highlight the significant contribution of the report's authors, Mr. Talal Usmani, Joint Director, and Ms. Syeda Sheherbano Naqvi, CA Trainee, who meticulously worked to ensure data accuracy.

With the previous versions of this report forming a basis for the initiation of our journey towards an insured Pakistan, I am optimistic that the efforts reflected in this report, specifically presenting new sectoral dimensions in the form of detailed overview of takaful sector, IFS ratings, retention levels and sector's contribution to national economy will prove to be another step in our cherished Journey for an "Insured Pakistan".

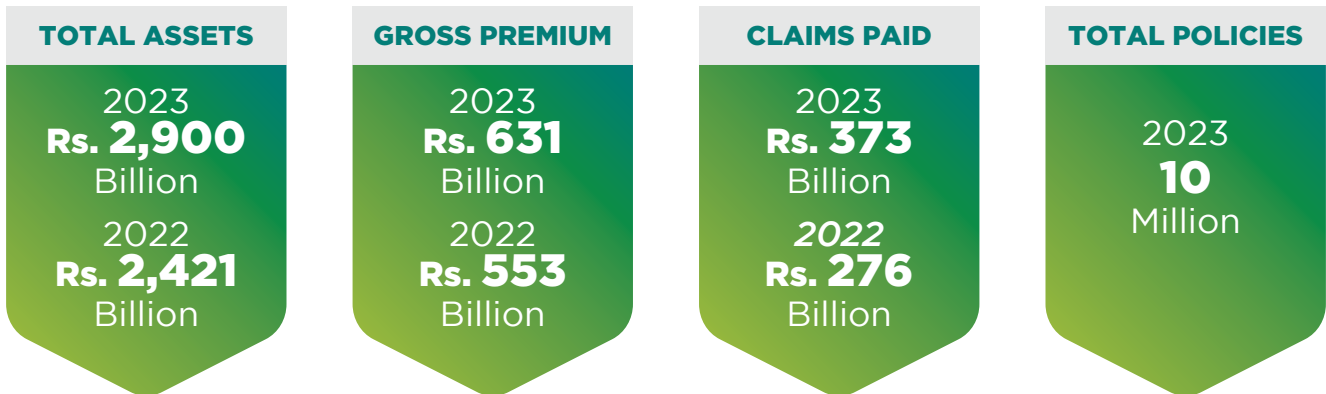
Aamir Khan

Commissioner - Insurance

INDUSTRY PERFORMANCE OVERVIEW

The background features a teal-to-white gradient. A series of thin, wavy lines in a light teal color sweep across the middle of the page. A grid of small, light teal dots is visible in the upper left and lower right areas, fading into the background.

INDUSTRY OVERVIEW



41 Insurers

Main Distribution Channel in terms of Premium Percentage



Sales Force / Agency Channel Premium

98% of Public Sector premium
35% of Private Sector premium

Banca Channel Premium

1.6% of Public Sector premium
51% of Private Sector premium



Sales Force / Agency Channel Premium

48% of total premium

Direct Channel Premium

34% of total premium

27
Non-Life Insurers

2
General Takaful Operators

8
Life Insurers

3
Family Takaful Operators

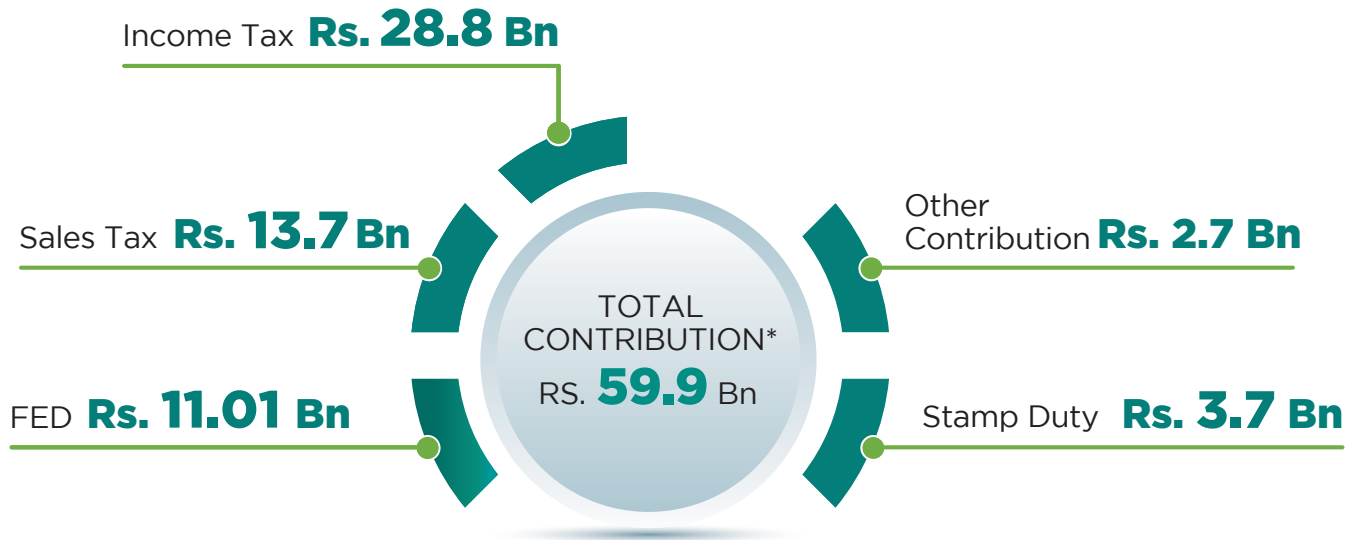
1
Reinsurer

Premium in the categories of accident, health and critical illness is **31%** of total premium (constitutes **6%** of total premium if premium from 'Sehat Sahulat Program' is excluded)

Premium from digital channels constitutes **0.3%** of total premium

INDUSTRY OVERVIEW

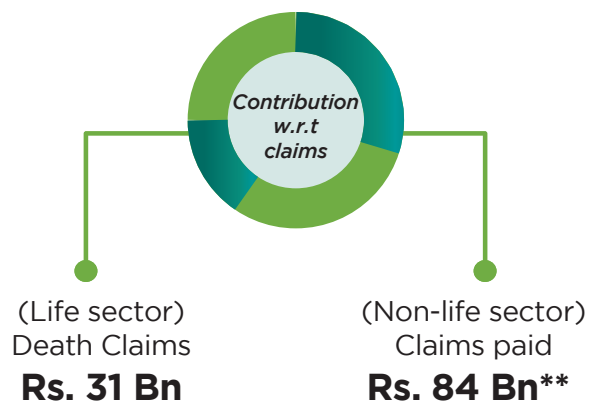
CONTRIBUTION TO NATIONAL ECONOMY



EMPLOYMENT PROVISION

No. of Employees **20,018**

Sales Agents other than employees **233,806**



OTHER INFORMATION

Holdings of GoP Marketable Securities by Insurance Sector

5.55%***

Investment in equity securities as a percentage of market capitalization

2.58%****

* Data presented above is as provided by the insurers except income tax paid which is taken from financial statements.

** The Claims paid figures for non-life are sourced from financial statements.

*** <https://www.sbp.org.pk/ecodata/BankNon-BankHoldingGoP.pdf>

**** Market capitalization is as per daily quotation from PSX website - August 2, 2024

INDUSTRY OVERVIEW

IFS RATING BY PACRA AND JCR-VIS:

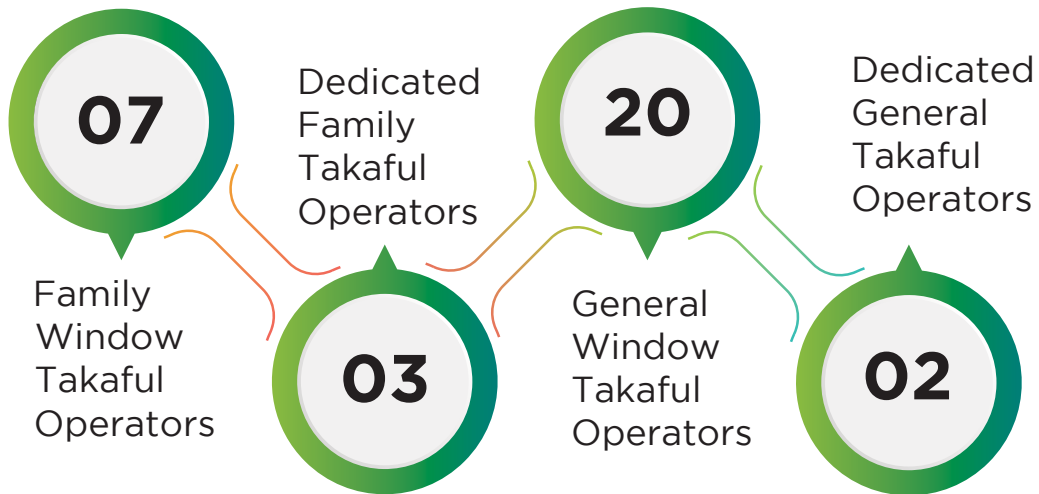
	LIFE INSURERS	NON-LIFE INSURERS	REINSURER
AAA	1		
AA	2	14	1
A	8	12	
BBB		1	
BB		1	

INTERNATIONAL RATING BY A.M. BEST:

	NON-LIFE INSURERS	
IFS	B	2
Credit Rating	B-	1

INDUSTRY OVERVIEW

TAKAFUL SECTOR



**FAMILY TAKAFUL
INDUSTRY PREMIUM**

**RS. 48
BILLION**

**GENERAL TAKAFUL
INDUSTRY PREMIUM**

**RS. 25
BILLION**

**FAMILY TAKAFUL PREMIUM
AS PERCENTAGE OF TOTAL
LIFE INSURANCE INDUSTRY
PREMIUM**

12%

**GEN. TAKAFUL PREMIUM
AS PERCENTAGE OF TOTAL
NON-LIFE INSURANCE
INDUSTRY PREMIUM**

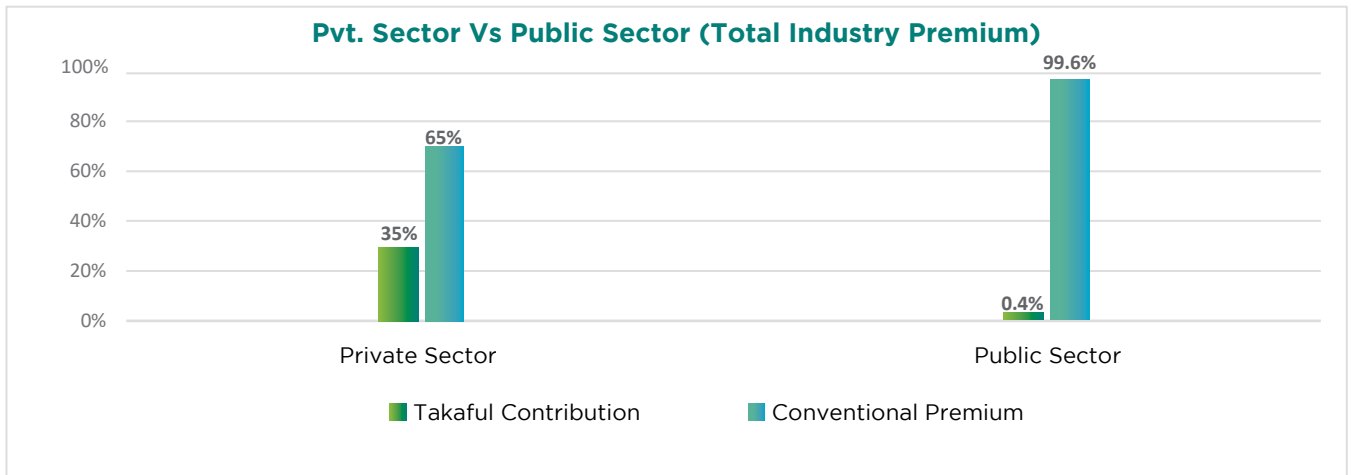
11%

- In Family Takaful Segment, 97.7% of the contribution was written by private sector.
- In General Takaful Segment, 100% of the takaful contribution was written by private sector

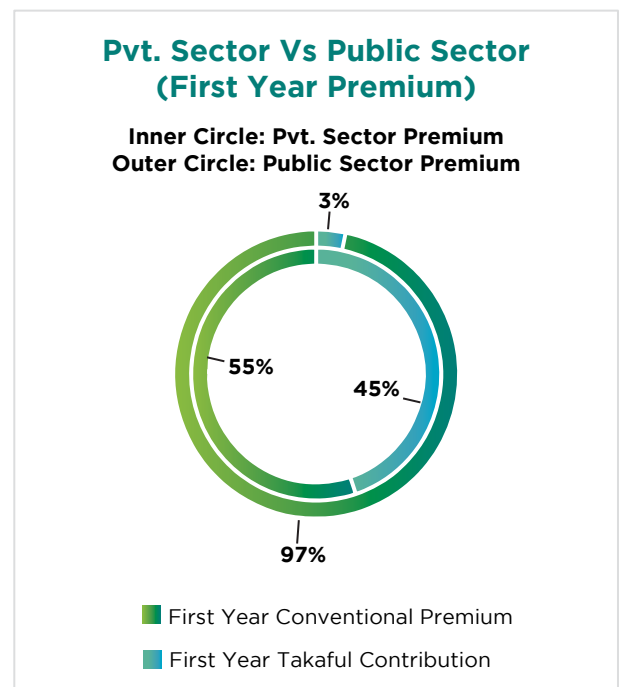
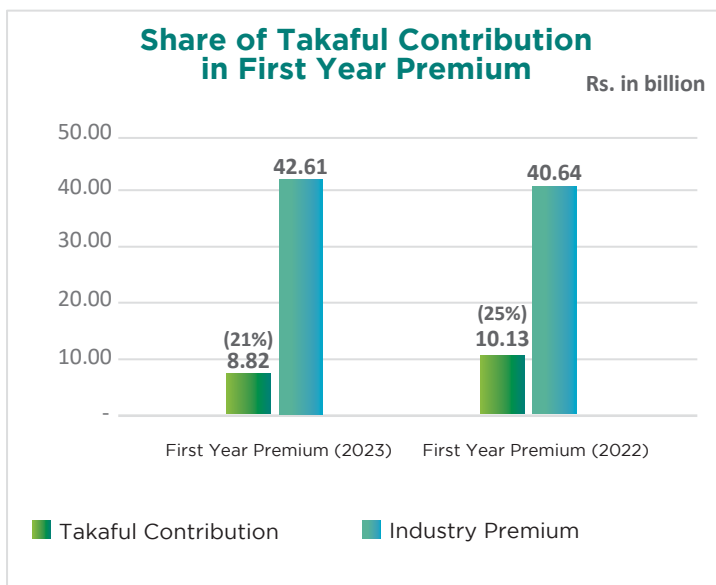
INDUSTRY OVERVIEW

TAKAFUL SECTOR – FAMILY TAKAFUL

In private sector, contribution from takaful constitutes 35% of total private sector premium. In public sector, takaful contribution constitutes 0.4% of total public sector premium.



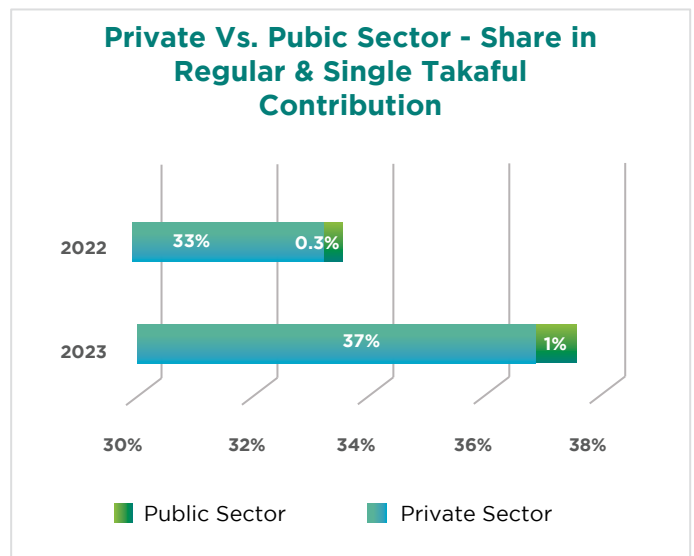
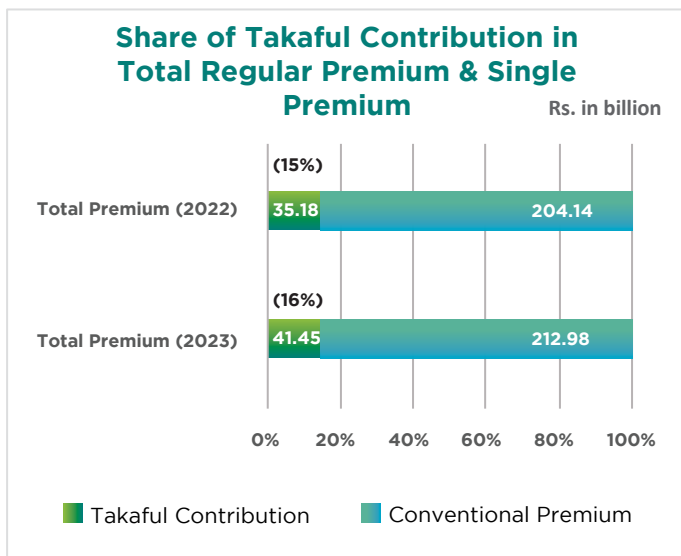
In respect of first year premium, total contribution from family takaful was 21% (2022: 25%). In private sector, first year premium was 45% of the overall first year premium in 2023 compared to the public sector where the same was only 3%.



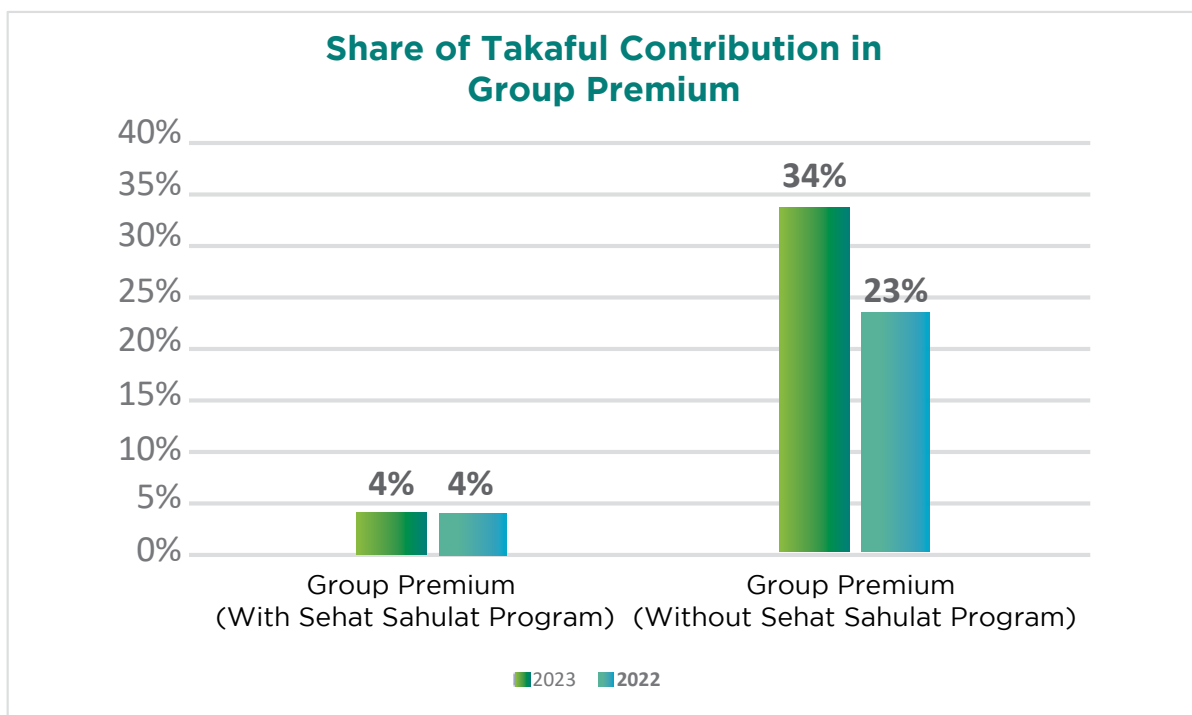
INDUSTRY OVERVIEW


TAKAFUL SECTOR - FAMILY TAKAFUL

In respect of regular premium and single premium, total contribution of family takaful sector was 16% (2022: 15%). In private sector, regular and single contribution from family takaful was 37% (2022:33%) of the regular and single premium compared to the public sector where the same was only 1% (2022:0.3%).



When the Sehat Sahulat Program is included in the overall group premium, the share of takaful contribution in the Group premium was 4% in 2023 (2022: 4%); however, when the Sehat Sahulat Program is excluded, the share of takaful contribution was 34% in 2023 (2022: 23%).

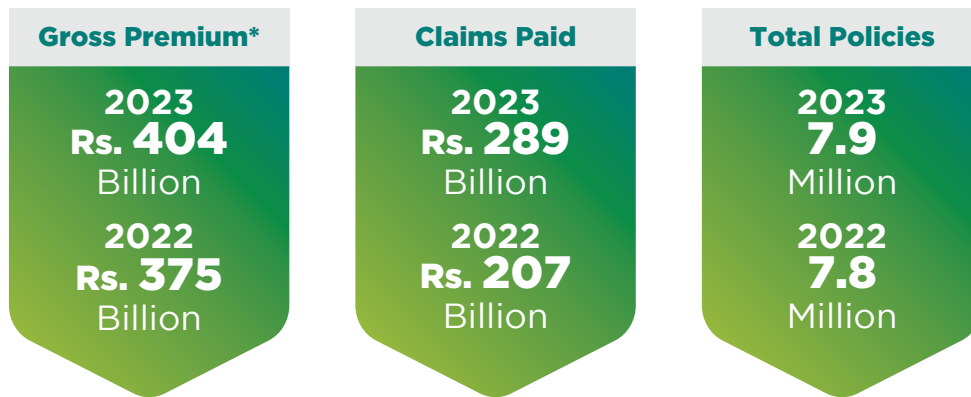


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LIFE INSURANCE INDUSTRY

LIFE INSURANCE/ FAMILY TAKAFUL

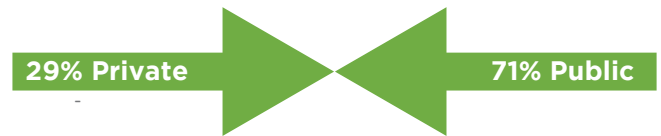
INDUSTRY-WIDE KEY INFORMATION



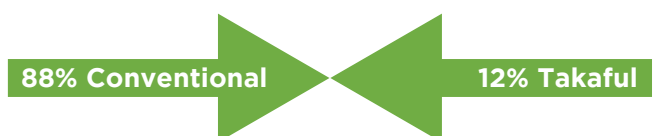
98% of public sector premium comes from Agency Channel

51% of private sector premium comes from Banca Channel

Sector Wise Premium Distribution



Premium Distribution (Conventional vs Takaful)



In Individual Life Category, 62% of total premium comes from Punjab

In Public Sector, 54% of premium pertains to health policies

In Private Sector, 78% of premium pertains to unit linked policies

60% new policies written in the premium band of '0-25,000' and 34% of new policies premium falls in the premium band of '1,000,000 and above'

Premium from Sehat Sahulat Program constitutes 38% of total life industry premium

Product wise Premium Distribution

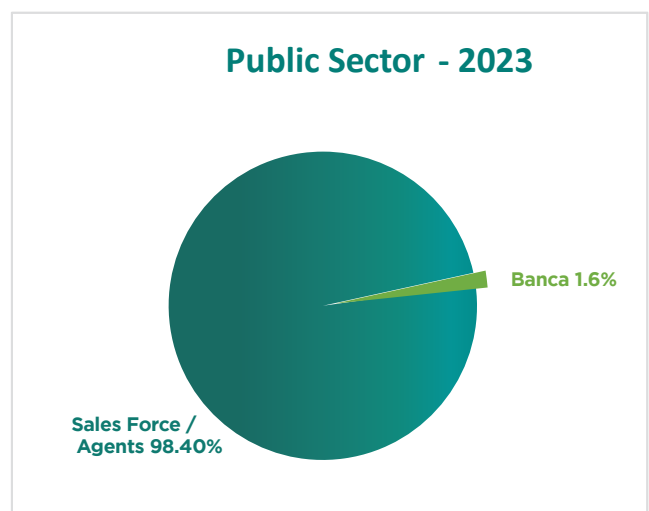
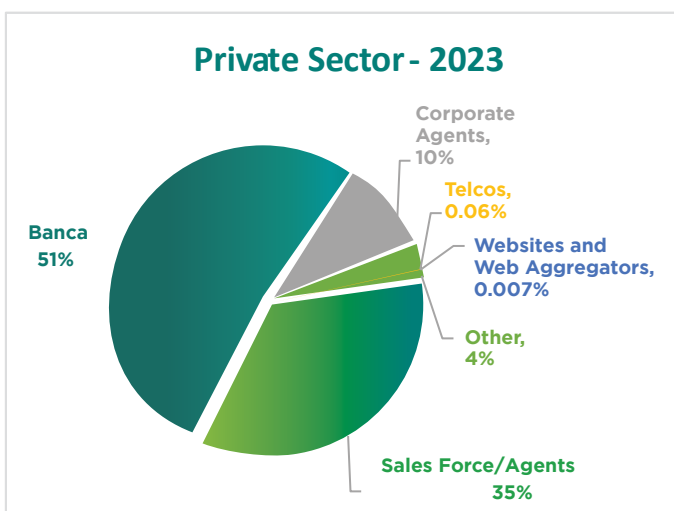
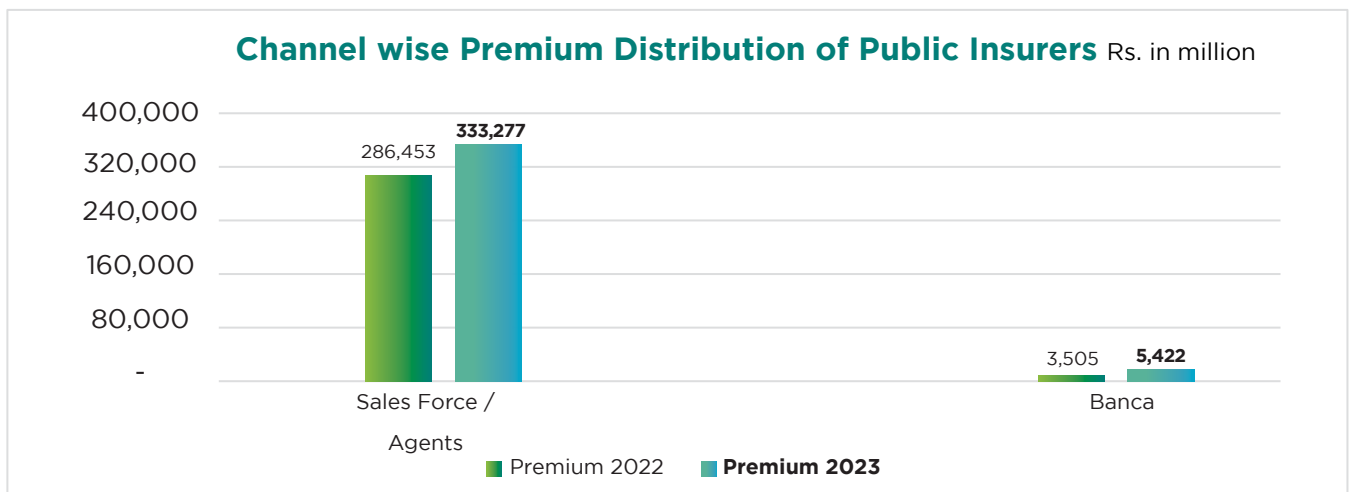
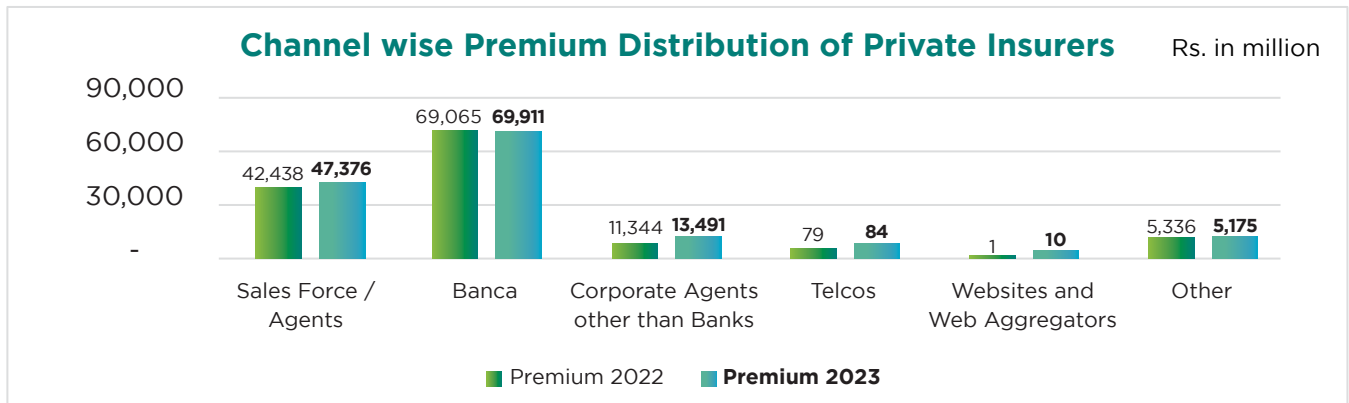
Health Policies =	41%
Participating Policies =	30%
Unit Linked Policies =	23%

* Gross Premium figures are net of experience refunds

LIFE INSURANCE/ FAMILY TAKAFUL

GROSS WRITTEN PREMIUM - CHANNEL WISE DISTRIBUTION

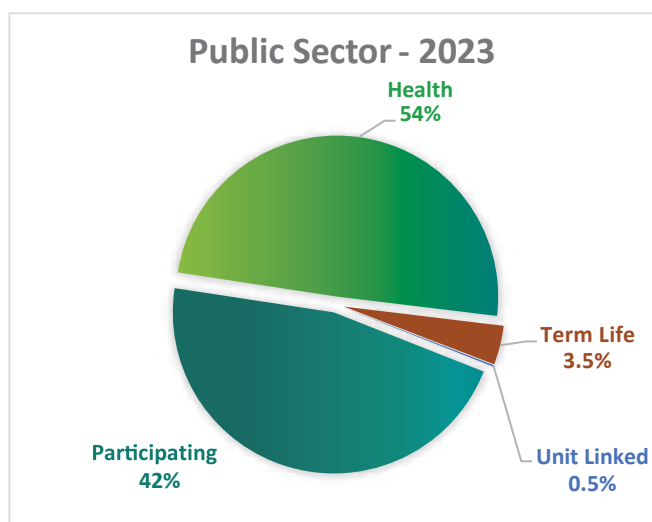
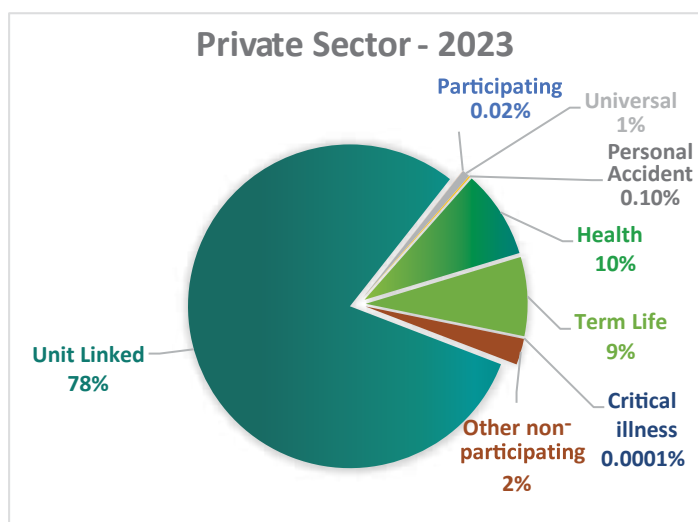
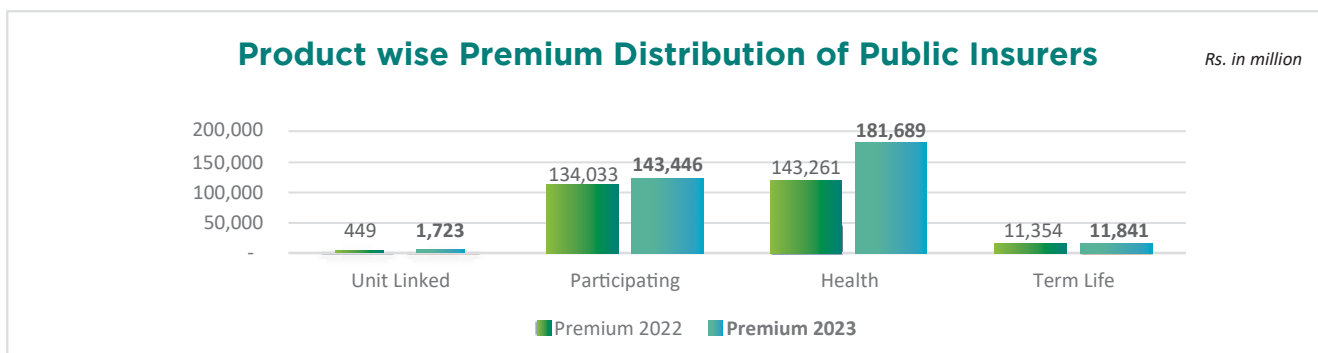
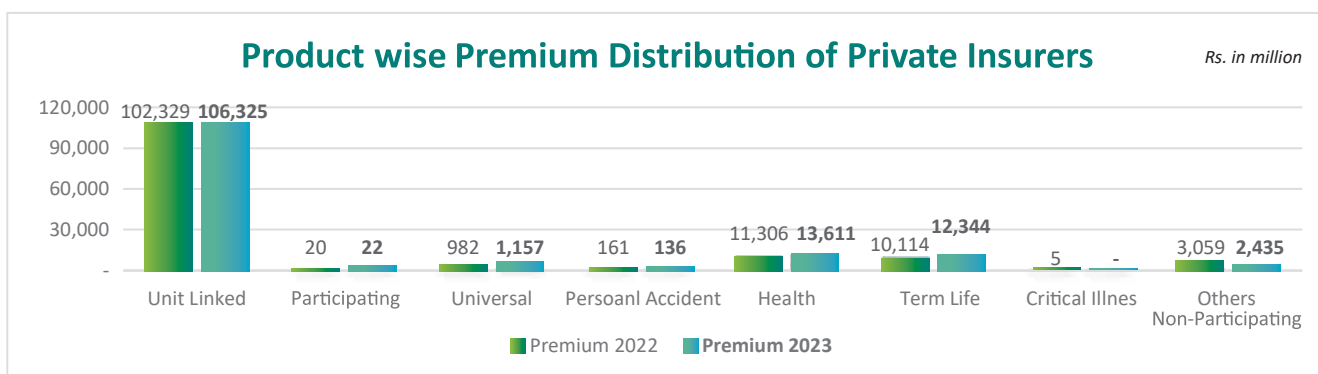
The distribution channel wise split of Gross Written Premium demonstrates that in private sector, 51% of the premium was written through banca channel followed by agency channel at 35%. In public sector, 98% of the premium was written through agency channel. Digital channel only constituted 0.02% of the total premium.



LIFE INSURANCE/ FAMILY TAKAFUL

GROSS WRITTEN PREMIUM - PRODUCT WISE DISTRIBUTION

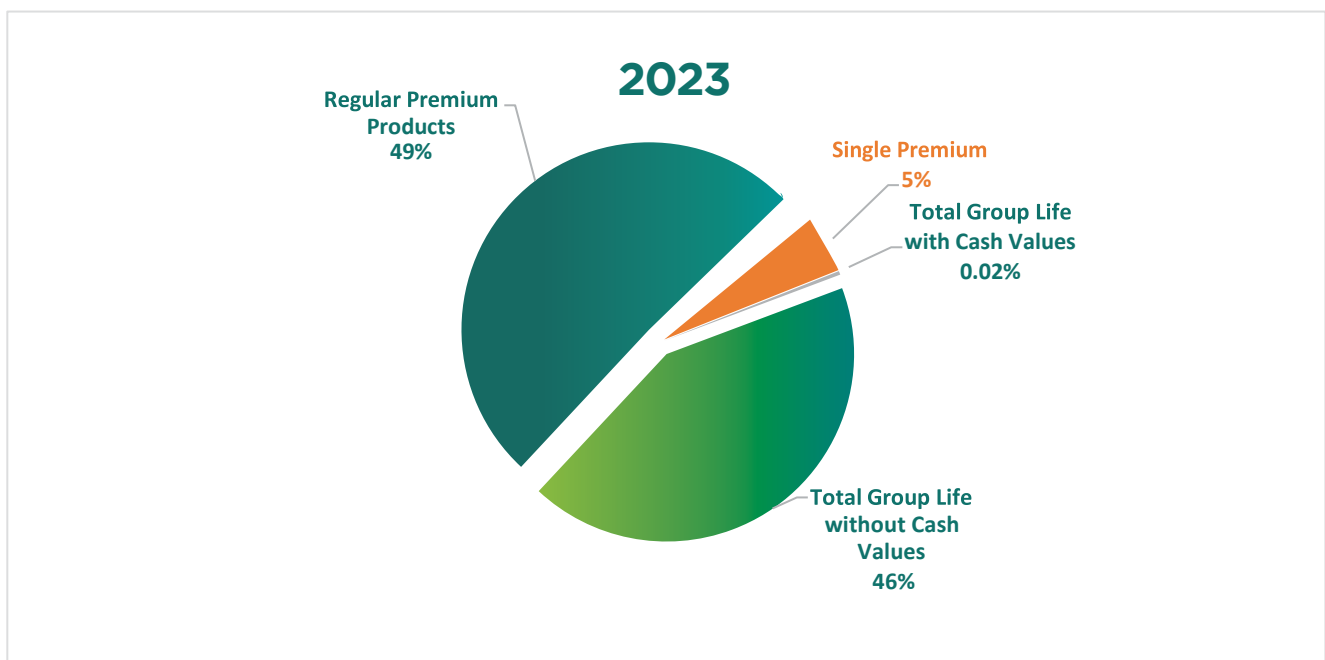
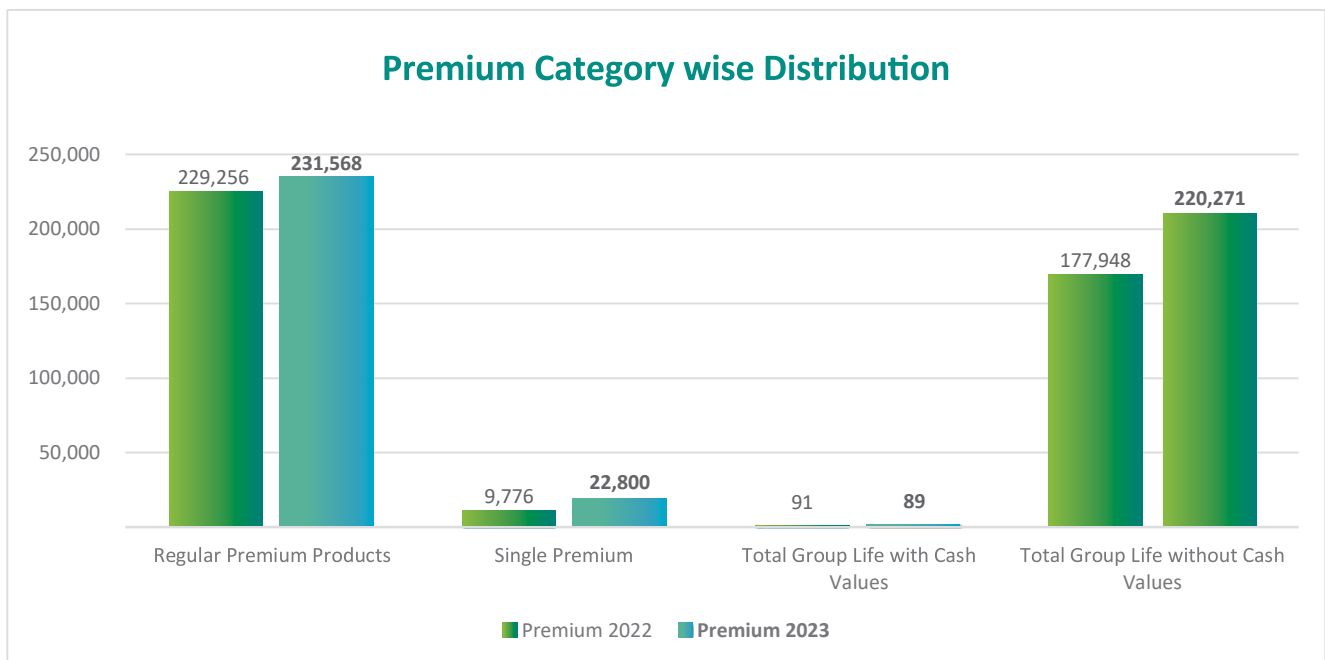
Overall premium growth of private sector remained flat during the year 2023. Product wise distribution of private sector shows that 78% of the premium pertained to unit linked policies in private sector, followed by health-related policies at 10%. In public sector, with the growth mainly attributed to 'Sehat Sahulat Program', 54% of the premium came from health-related policies (includes premium under 'Sehat Sahulat Program') followed by participating policies at 42% during the year 2023



LIFE INSURANCE/ FAMILY TAKAFUL

GROSS WRITTEN PREMIUM - PREMIUM CATEGORY

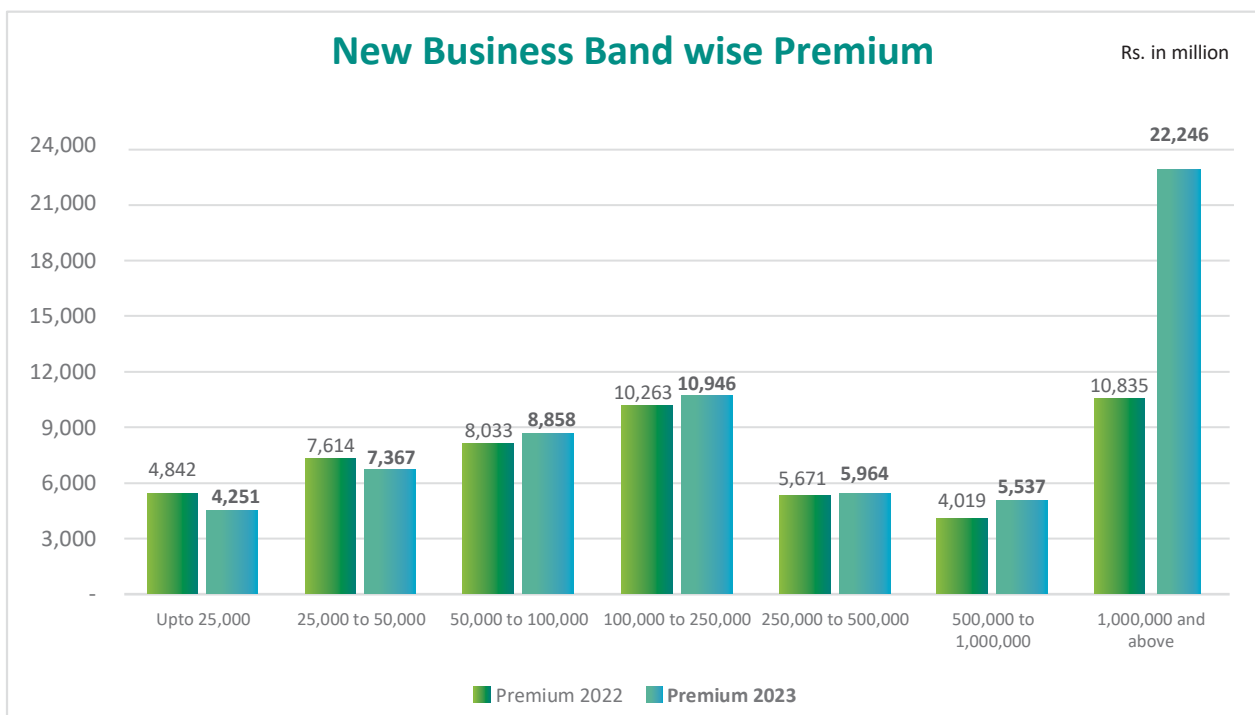
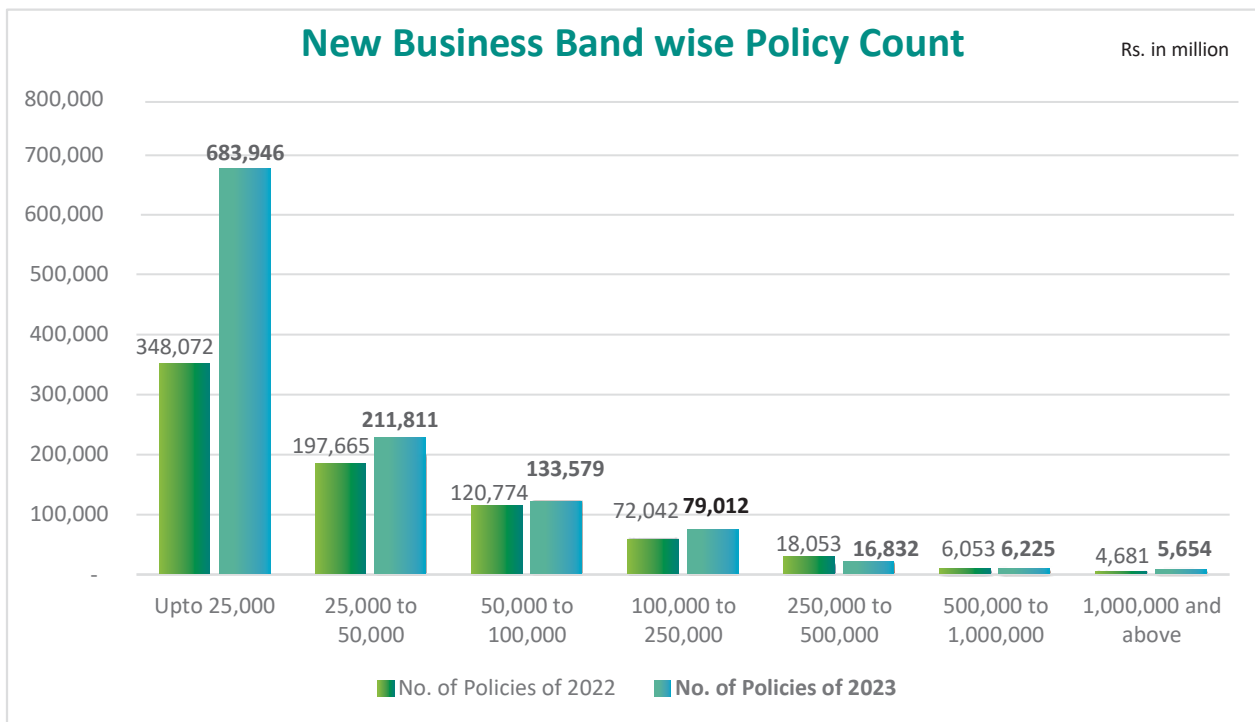
In terms of premium type wise bifurcation i.e. between regular premium products (first year premium, second year renewal premium and subsequent year renewal premium), single premium products and group life policies, 49% of the total premium pertained to regular premium products, followed by premium booked under the category of group life without cash values at 46%.



LIFE INSURANCE/ FAMILY TAKAFUL

BAND WISE COUNT AND PREMIUM - NEW BUSINESS

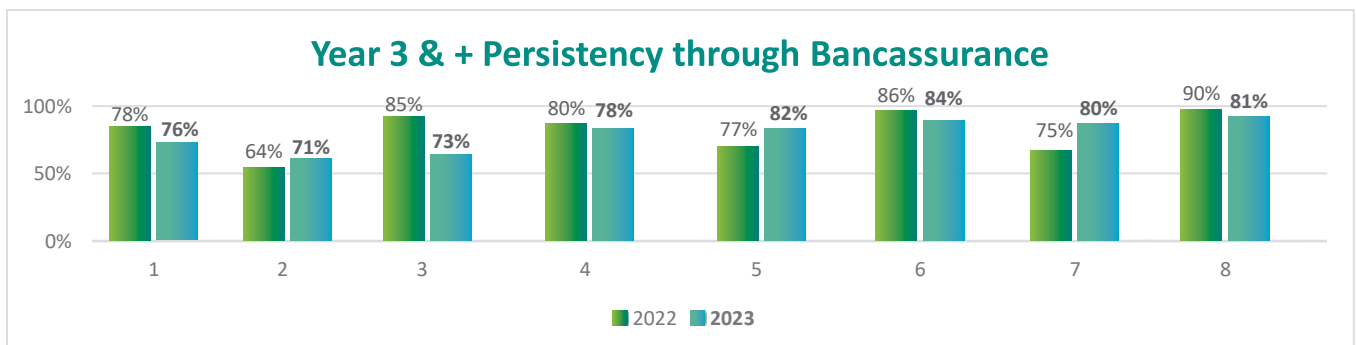
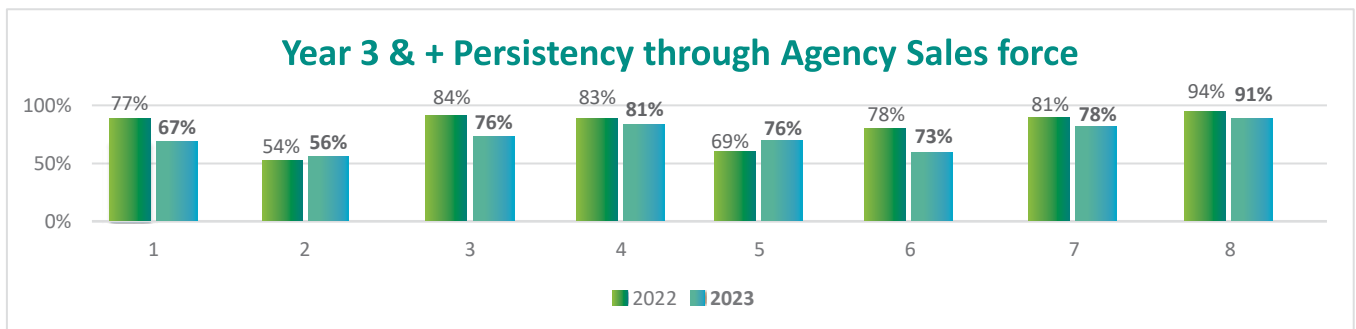
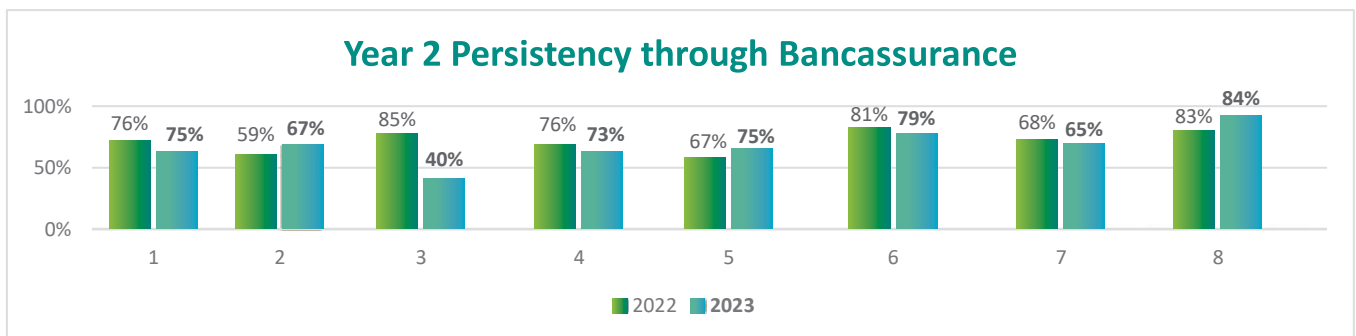
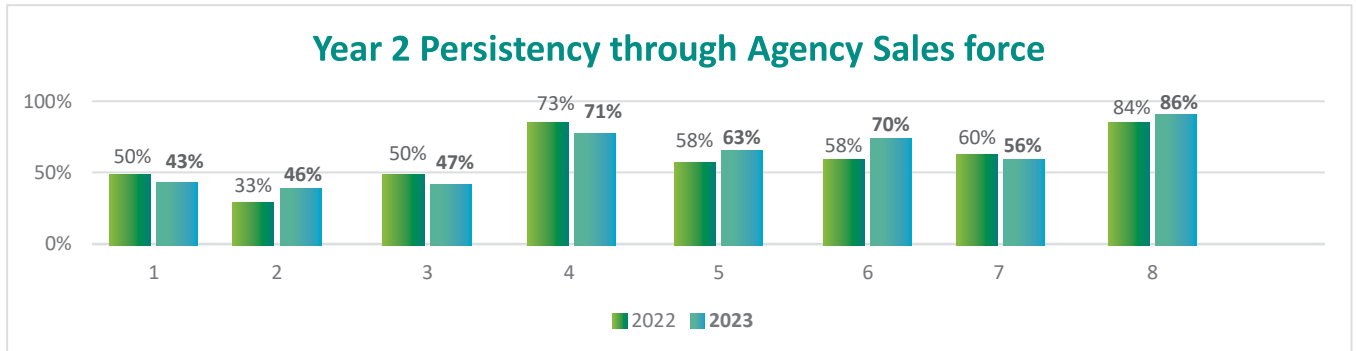
Total new policies issued in the year 2022 were 1.14 million. 60% of the total new policies issued were in the premium band of “0 – Rs 25,000” being highest in number when compared with other premium bands. In terms of premium, new policies issued falling in the premium band of “1,000,000 & above” were a source of 34% of the total new premium, being highest when compared with other premium bands.



LIFE INSURANCE/ FAMILY TAKAFUL

PERSISTENCY RATIO

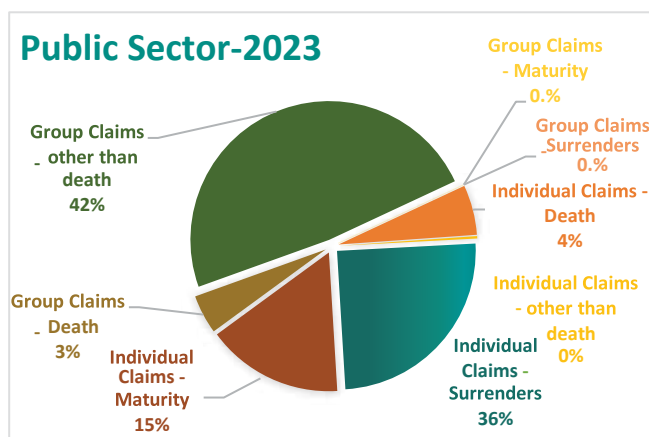
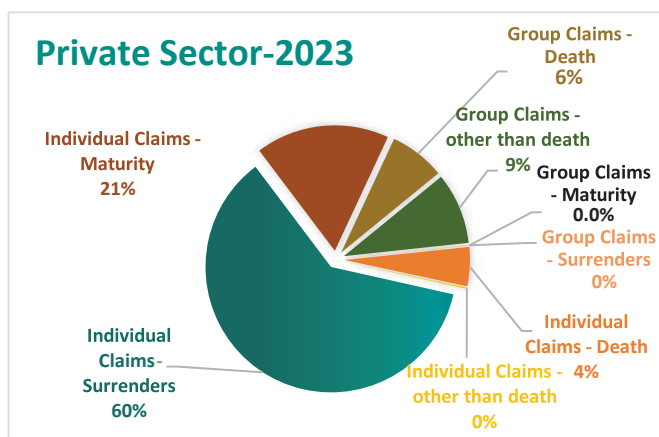
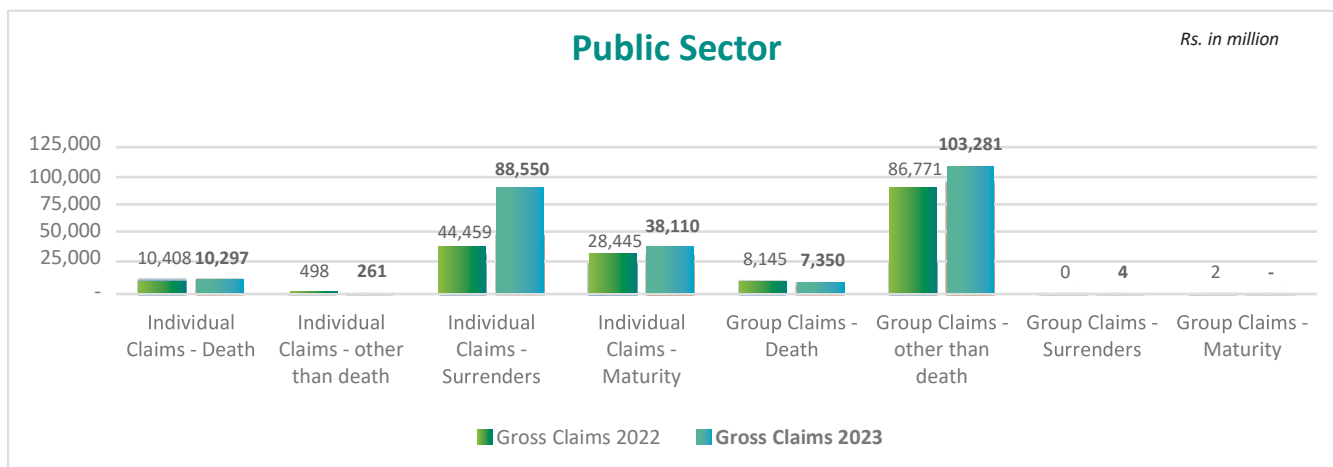
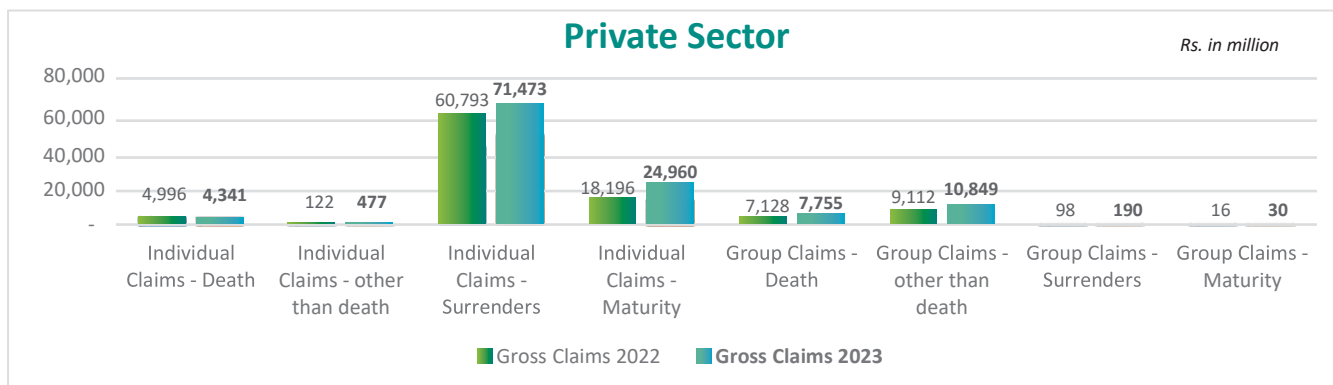
A percentage that signifies the number of clients an insurance company has retained for an insurance product through analysis of renewal year premiums and total premiums in a calendar year.



LIFE INSURANCE/ FAMILY TAKAFUL

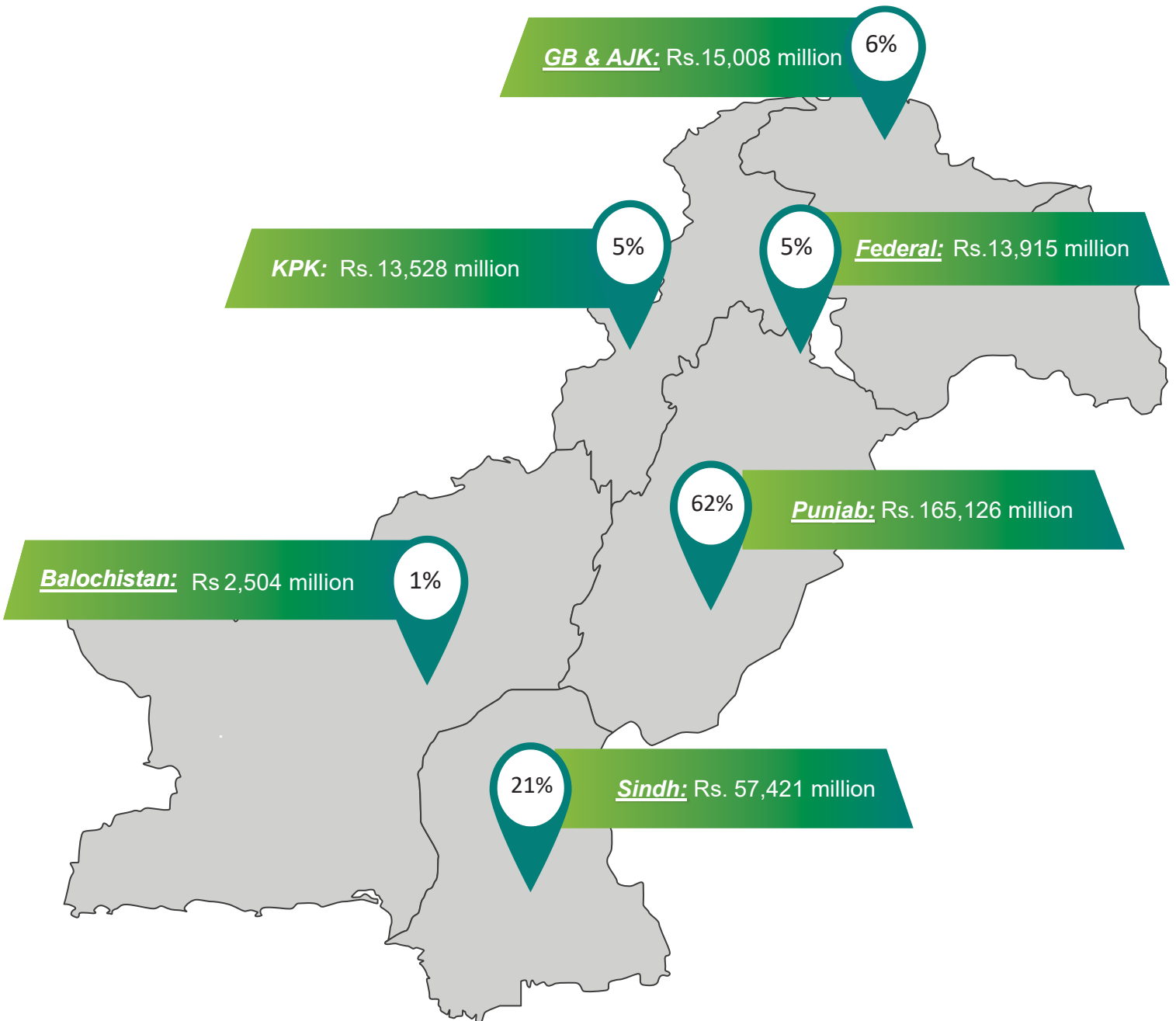
GROSS CLAIMS

Gross Claims of life insurance industry stood at Rs. 368 billion in the year 2023 compared to Rs. 281 billion in 2022. In private sector, highest gross claims were booked in the category of ‘Individual Claims – Surrenders’ at 60%. In public sector, highest claims were booked in the category of ‘Group Claims – other than death’ at 42%. In respect of categories pertaining to death related claims, total gross claims were Rs. 30 billion.




LIFE INSURANCE/ FAMILY TAKAFUL

PROVINCE WISE PREMIUM DISTRIBUTION - INDIVIDUAL LIFE

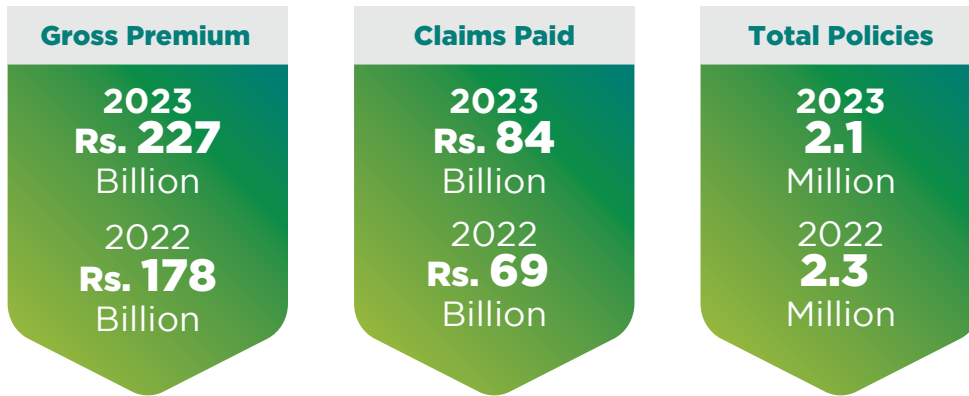


NON-LIFE INSURANCE INDUSTRY

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NON-LIFE INSURANCE / GENERAL TAKAFUL

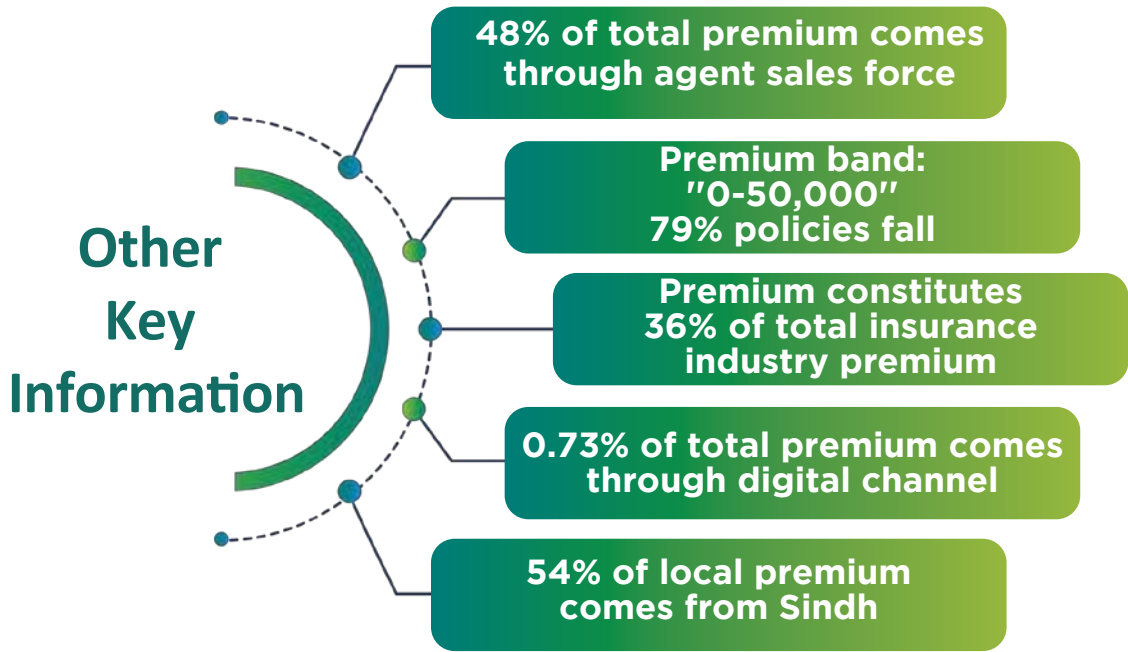
INDUSTRY-WIDE KEY INFORMATION



Sector Wise Premium Distribution



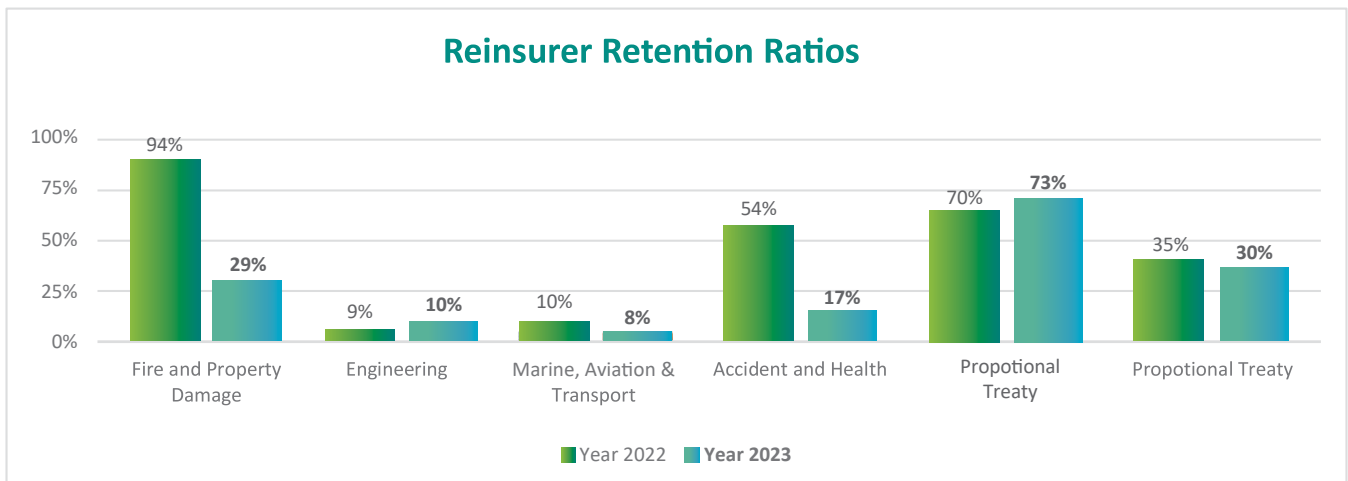
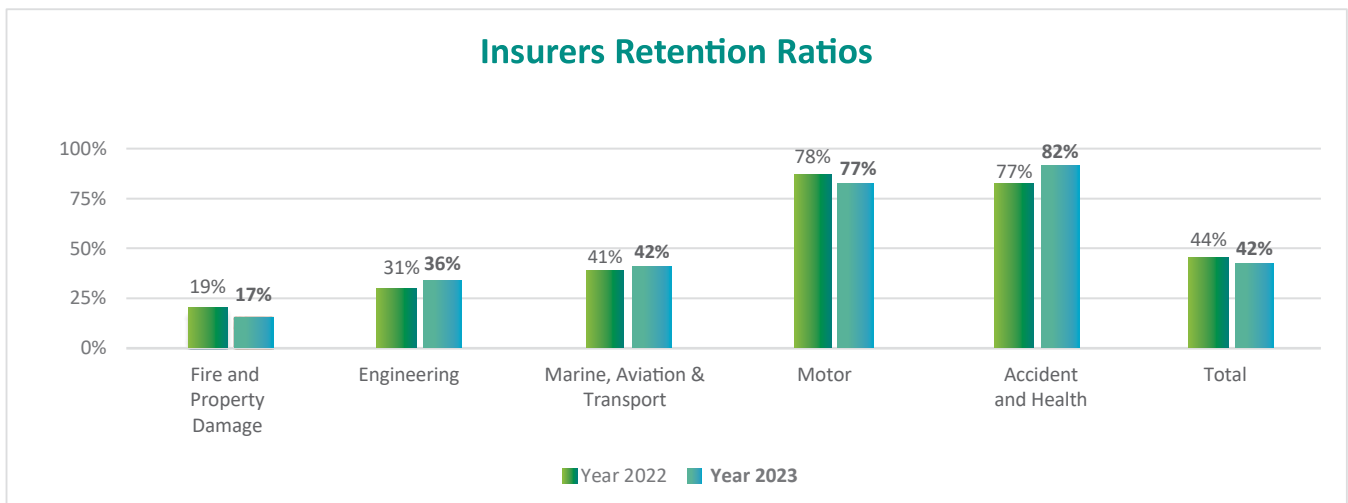
Premium Distribution			
2023		2022	
Conventional	Takaful	Conventional	Takaful
Rs. 202 Bn	Rs. 25 Bn	Rs. 157 Bn	Rs. 21 Bn



NON-LIFE INSURANCE / GENERAL TAKAFUL

RETENTION RATIO

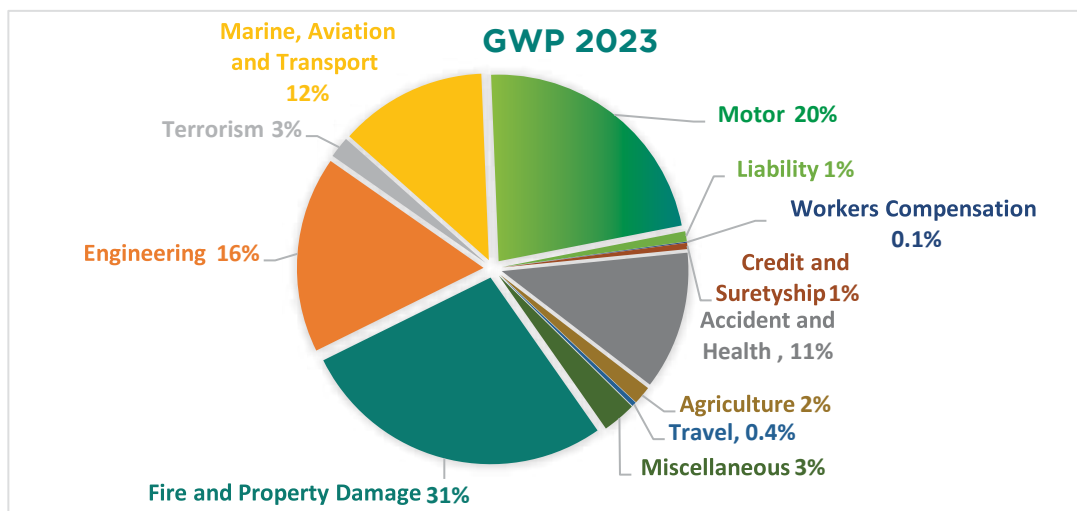
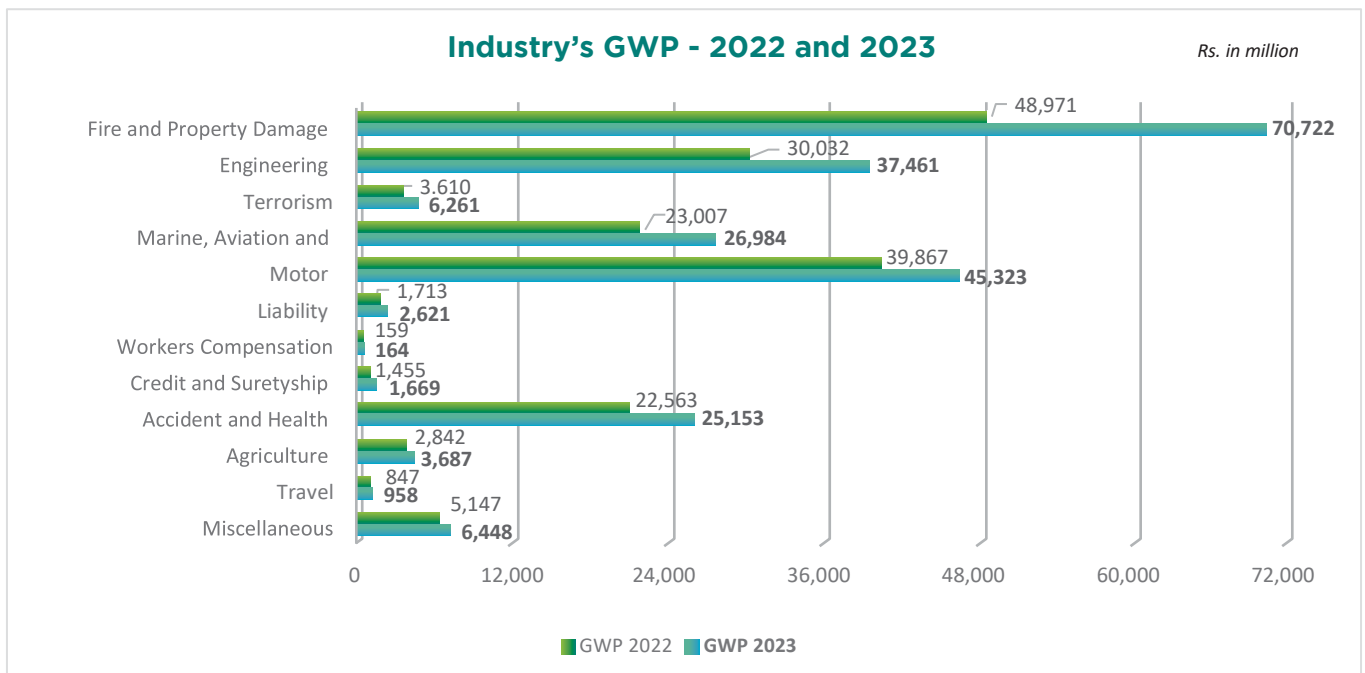
Industry retention ratios are calculated as the ratio of Net Insurance Premium to Gross Written Premium. The industry's retention ratio during the year 2023 was 42%, compared to 44% in 2022. The reinsurer's retention ratio was 30% in 2023, compared to 35% in 2022.



NON-LIFE INSURANCE / GENERAL TAKAFUL

GROSS WRITTEN PREMIUM - CATEGORY WISE DISTRIBUTION

In terms of Gross Written Premium (GWP), Pakistan non-life insurance industry reached a size of Rs. 227 billion in the year 2023 compared to Rs. 178 billion last year, exhibiting growth of 27%, in terms of premium. Premium written in the category of Fire and property damage was highest at 31% of total premium amounting to Rs. 71 billion (2022: Rs. 49 billion) followed by motor insurance at 20% (Rs. 45 billion) and Engineering at 16% (Rs. 37 billion). Dedicated personal lines of non-life insurance business (Home & Household contents, individual health and travel) constituted only 1% of the total premium in 2023.

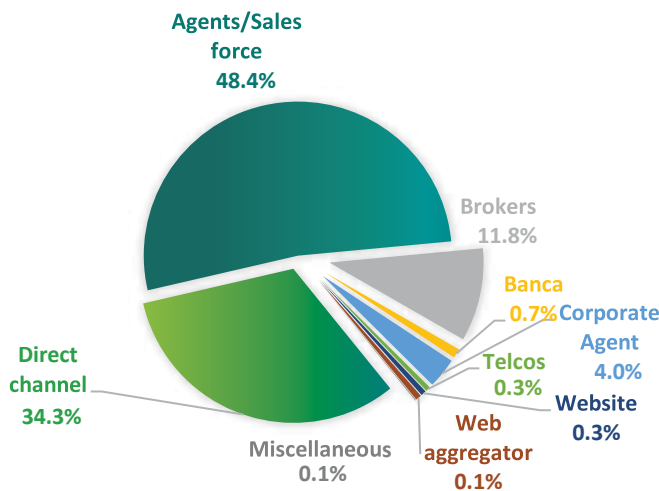


NON-LIFE INSURANCE / GENERAL TAKAFUL

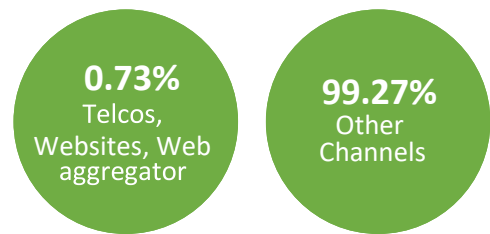
GROSS WRITTEN PREMIUM - CHANNEL WISE DISTRIBUTION

Agency / sales force channel and direct channel continued as being the primary distribution channels of non-life insurance industry in the year 2023, contributing to 83% of total premium written.

Channel wise Premium For 2023

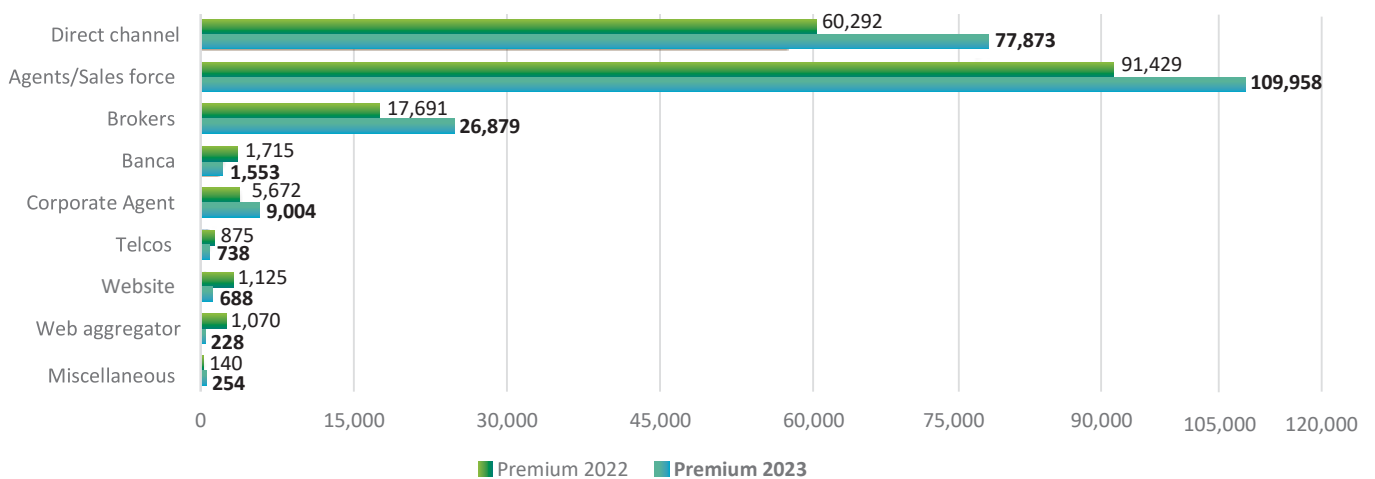


Premium collection (Digital vs Conventional Channel)



Channel wise Premium Distribution

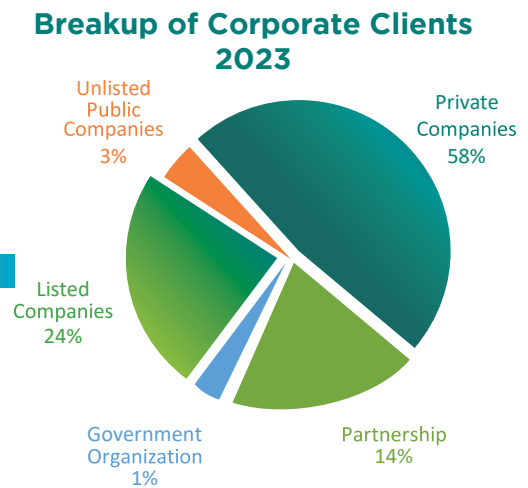
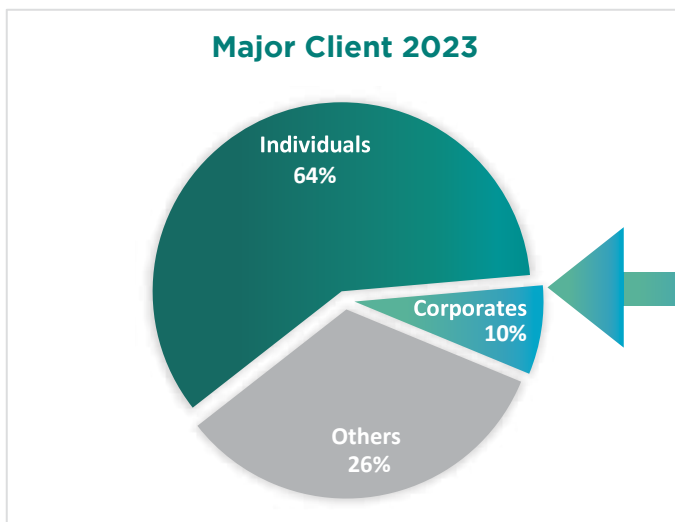
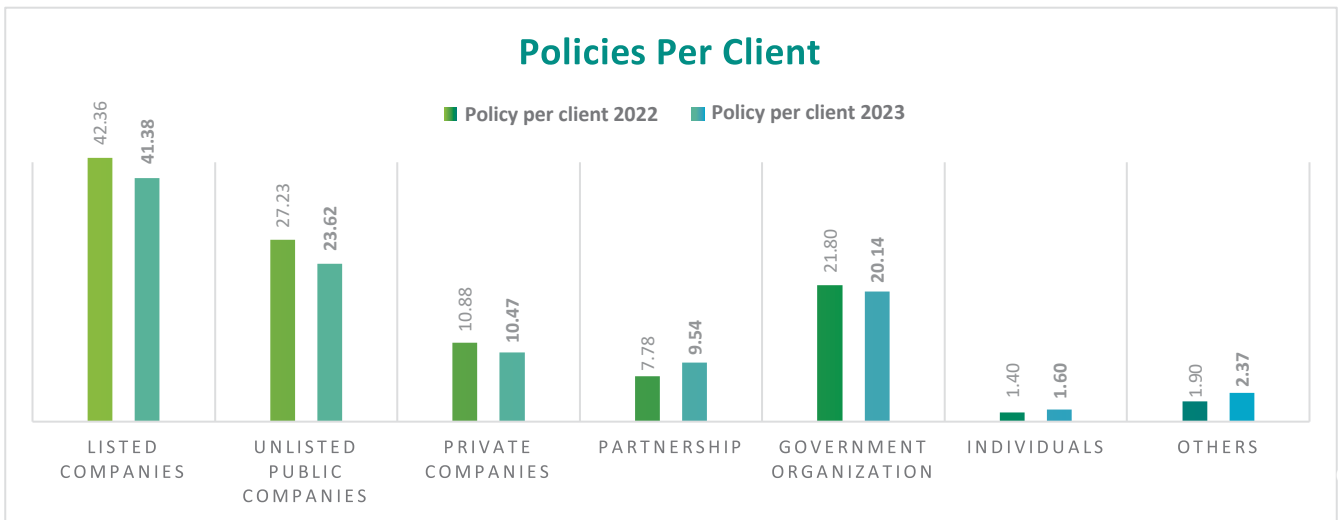
Rs. in million



NON-LIFE INSURANCE / GENERAL TAKAFUL

POLICYHOLDER WISE DISTRIBUTION

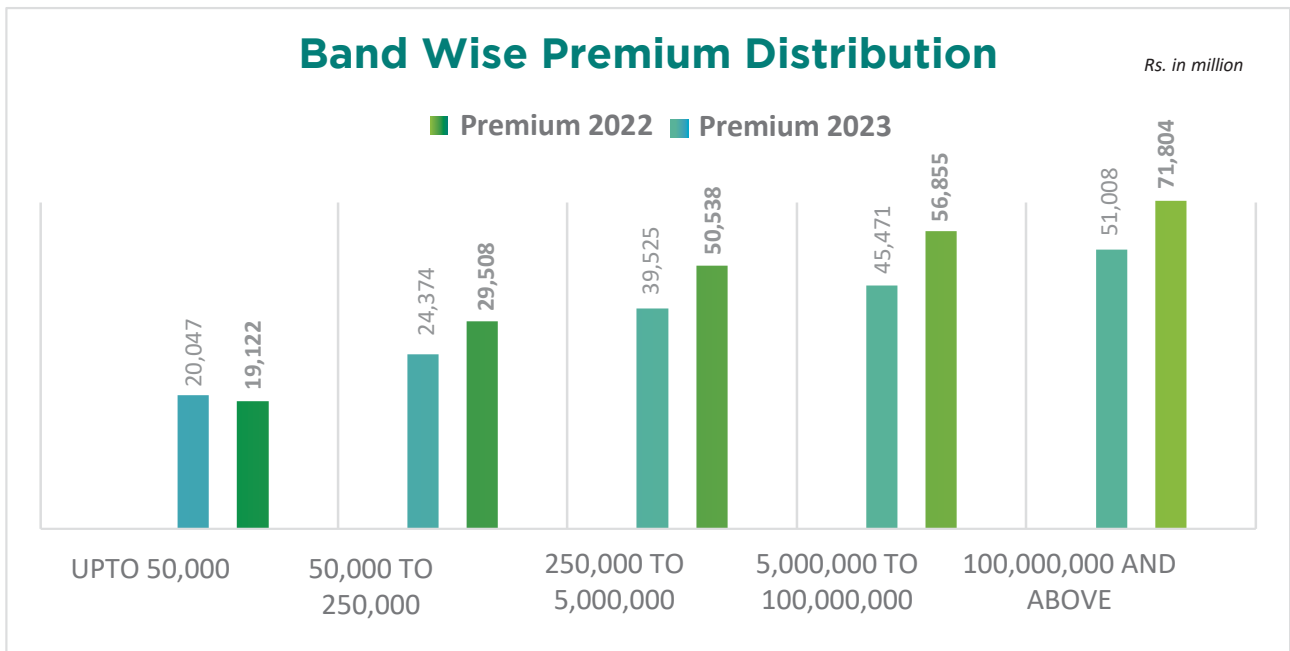
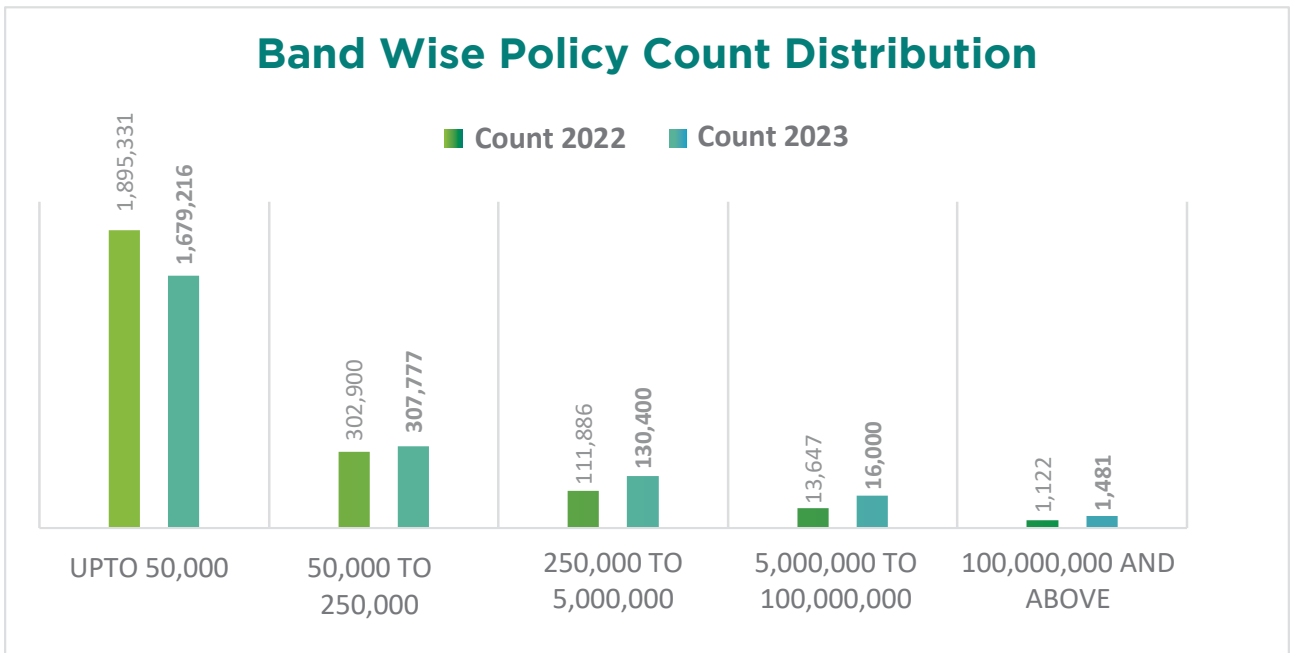
In 2023, highest no. of clients of non-life insurers were from the category of ‘individuals’ at 0.39 million. The category of Individual clients also held maximum no. of policies. However, when the same is viewed in the context of policies / client category, category of listed companies topped the list at 41 followed by the category of unlisted public companies at 24.



NON-LIFE INSURANCE / GENERAL TAKAFUL

PREMIUM BAND WISE POLICY COUNT AND PREMIUM

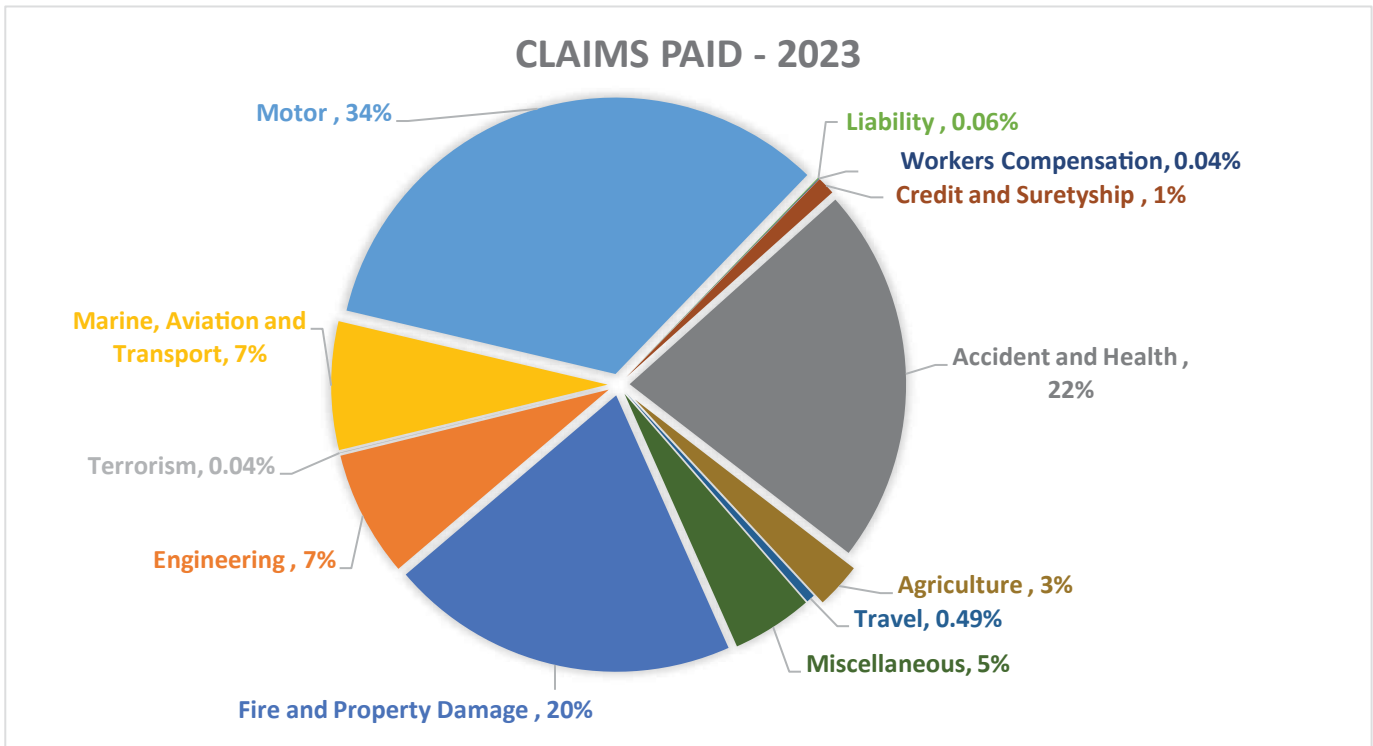
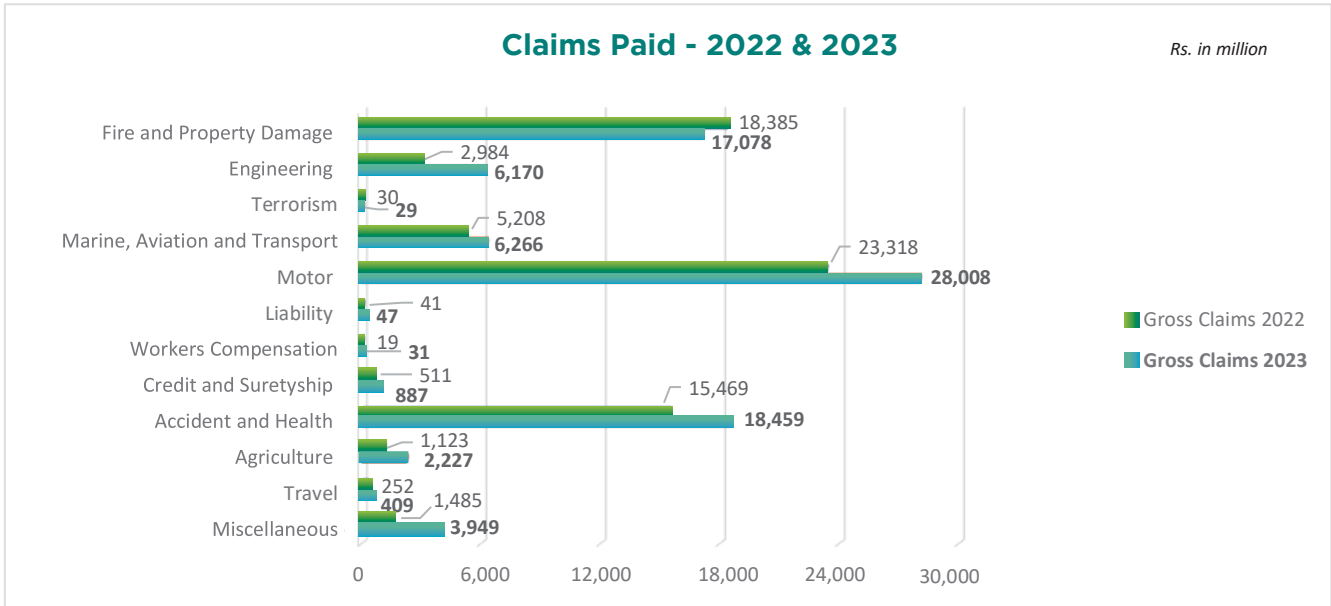
Total policy count as at 2023 stood at 2.1 million policies with 78% of the total policies written in the premium band of “0 – Rs 50,000” being highest in number when compared with policies written in other premium bands. Whereas policies falling in the premium band of “Rs 100,000,000 and above”, being only 0.07% of total policies, were a source of 32% of the total premium, being highest in terms of premium written, when compared with other premium bands.



NON-LIFE INSURANCE / GENERAL TAKAFUL

CLAIMS PAID

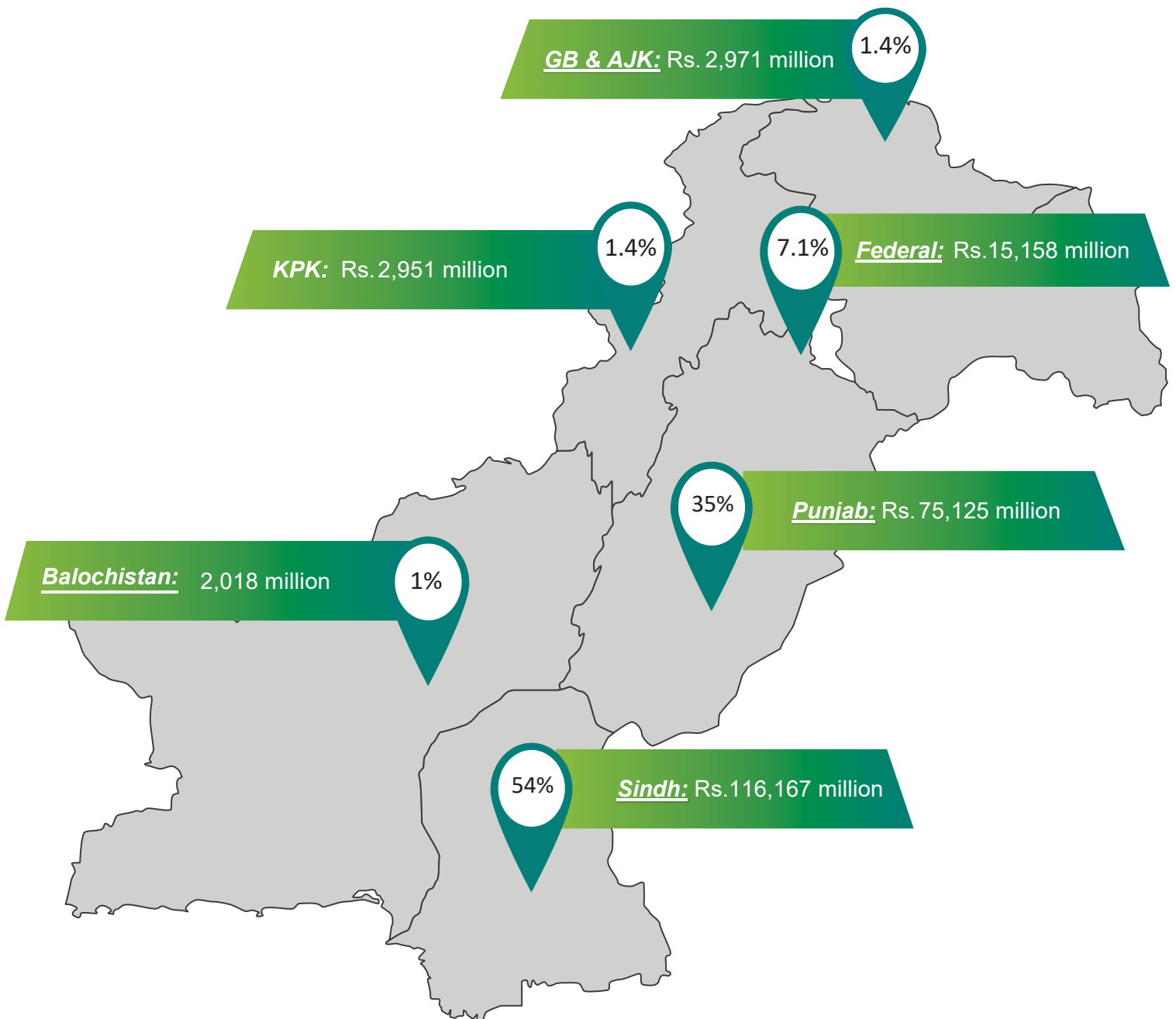
Claims paid by non-life insurance industry stood at Rs. 84 billion in the year 2023 compared to Rs. 69 billion last year. Highest claims were paid in the category of Motor insurance at 34% (Rs. 28 billion), followed by Accident and Health Business at 22% (Rs. 18 billion).



NON-LIFE INSURANCE / GENERAL WINDOW TAKAFUL OPERATORS

PROVINCE WISE PREMIUM DISTRIBUTION

Out of the total gross premium of non-life insurance industry for the year 2023, 55% of the gross premium pertained to the province of Sindh followed by Punjab at 35% and Federal at 6%.



KEY FINANCIAL STATISTICS

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LIFE INSURANCE / FAMILY TAKAFUL

	2023 (Rs.)	2022 (Rs.)	%age change
Total Assets	2,518,356,810,978	2,103,015,446,952	20%
Investments	1,911,668,967,088	1,680,161,237,044	14%
Equity securities	193,837,953,303	142,523,824,463	36%
Government securities	1,627,593,640,874	1,435,122,988,827	13%
Debt securities	33,992,708,093	33,321,879,335	2%
Term deposits	9,988,428,000	25,429,429,000	-61%
Mutual funds	52,850,092,198	43,625,501,086	21%
Commercial papers	-	137,614,333.00	-100%
Equity	73,528,600,346	56,560,807,147	30%
Profit before tax	34,358,987,761	27,330,404,688	26%
Profit after tax	19,860,829,913	17,628,158,187	13%
Gross Premium	404,258,113,374	372,075,907,483	9%
Reinsurance Premium ceded	6,288,668,583	5,703,251,005	10%
Gross claims	367,463,656,651	274,979,336,566	34%
Claims paid	289,455,083,952	206,961,260,924	40%

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 TAKAFUL

	2023 (Rs.)	2022 (Rs.)	%age change
Total Assets	381,111,905,910	317,336,450,971	20%
Investments	145,452,101,887	114,066,326,540	28%
Equity securities	73,125,147,568	52,720,069,358	39%
Government securities	2,620,216,000	2,511,116,127	4%
Debt securities	54,947,037,432	45,051,324,277	22%
Term deposits	14,204,718,551	13,511,468,241	5%
Mutual funds	554,982,336	272,348,537	104%
Equity	135,710,875,722	113,158,060,104	20%
Profit before tax	31,132,063,080	17,695,096,330	76%
Profit after tax	19,517,457,053	11,988,859,797	63%
Written Gross Premium	196,187,647,735	154,368,505,716	27%
Reinsurance expense	90,072,095,099	65,970,073,137	37%
Claims paid	81,893,388,084	66,921,482,012	22%
Claims expense	88,580,347,075	91,001,479,524	-3%

Note - Data of 'National Insurance Company Limited' and 'The Cooperative Insurance Society of Pakistan' 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, 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

On account of restatements in financial statements / rectification of data of / by certain insurers, data for the year 2022 may vary from last year's reported figures.

In the section of life insurance industry, impact of experience refunds amounting to Rs 71.18 billion (2022: 42.8 billion) is not accounted for in the data showing breakup of premium.

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

For insurance penetration, GDP is taken from the table https://www.sbp.org.pk/ecodata/GDP_table.pdf, at constant basic prices of 2015-16 & includes premium of insurers and reinsurer.

For insurance density, results of Sixth Population Census & Housing Census 2017 are used & includes premium of insurers and reinsurer.

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

Data related to Pakistan Reinsurance Company Limited has not been included in this publication, unless specified.

In the section of non-life insurance industry, retention percentages have been computed based on data obtained from the financial statements with the exception of National Insurance Company Limited.

LIST OF COMPANIES THAT SUBMITTED DATA

Non-Life Insurers/ General Takaful Operators

01	Adamjee Insurance Company Limited	16	National Insurance Company Limited
02	Alfalah Insurance Company Limited	17	Pak Qatar General Takaful Limited
03	EFU Health Insurance Limited	18	Premier Insurance Limited
04	Alpha Insurance Company Limited	19	Reliance Insurance Company Limited
05	Asia Insurance Company Limited	20	Security General Insurance Company Limited
06	Askari General Insurance Company Limited	21	Shaheen Insurance Company Limited
07	Atlas Insurance Limited	22	Sindh Insurance Limited
08	Century Insurance Company Limited	23	Salaam Takaful Limited
09	Chubb Insurance Pakistan Limited	24	The Co-Operative Insurance Society
10	Crescent Star Insurance Company Limited	25	The United Insurance Company of Pakistan Limited
11	EFU General Insurance Limited	26	The Universal Insurance Company Limited
12	East West Insurance Co, Limited	27	TPL Insurance Limited
13	Habib Insurance Company Limited	28	Trafco Insurance Company Limited
14	IGI General Insurance Limited	29	UBL Insurers Limited
15	Jubilee General Insurance Company Limited		

Life Insurers/ Family Takaful Operators

01	Adamjee Life Assurance Company Limited
02	Askari Life Assurance Company Limited
03	Dawood Family Takaful Limited
04	EFU Life Assurance Company Limited
05	IGI Life Insurance Limited
06	Jubilee Life Insurance Company Limited
07	Pak-Qatar Family Takaful Limited
08	State Life Insurance Corporation of Pakistan
09	TPL Life Insurance Limited
10	5th Pillar Family Takaful Limited



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