

Press Release

SEC Holds Seminar on Reinsurance in Karachi, Lahore

Islamabad – November 18, 2005: The Securities and Exchange Commission of Pakistan (SEC) held a workshop, focusing on Reinsurance, in Lahore. A similar workshop was also held in Karachi on November 10, 2005.

Both workshops were conducted by Adviser to the SEC on Insurance, Dr. Mumtaz A. Hashmi, and were attended by reinsurance executives and senior officials of state-owned reinsurance company. The participants discussed international best practices and case studies. According to the feedback received, the workshops were informative and useful.

Reinsurance - a technical and specialized segment of the insurance business - is an agreement whereby an insurance company transfers part or all of its risk of loss under insurance policies written by it, by means of a separate contract or treaty with another insurance company. In recent years, availability of sound reinsurance security at affordable price has become difficult. Furthermore, international reinsurers are asking the reinsured to be more like risk-sharing partners with a prudent approach to business.

There is a dearth of reinsurance professionals in Pakistan. Except for some leading companies, many others in the industry are dependent on their brokers and reinsurers in determining reinsurance needs and organizing their respective companies' reinsurance treaty programs.

In the given scenario and in anticipation of forthcoming negotiations between the local industry and foreign reinsurers, these workshops have been a timely initiative of the SEC.