



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

SECP committed to developing microinsurance

KARACHI, December 6: It is imperative to meet the insurance needs of low-income people and businesses not served by conventional insurance schemes. The recent floods have shown that in the absence of proper insurance coverage the economic losses suffered by the people can have a very adverse effect on their stability.

Unlike microfinance, the microinsurance is severely underdeveloped despite its huge potential economic impact on the target community. Being the apex regulator of the insurance industry, the Securities and Exchange Commission of Pakistan (SECP) is fully cognizant of its responsibility to develop the microinsurance industry.

In this regard, a 16-member task force has been set up comprising major stakeholders including representatives from the SECP, the State Bank, insurance companies, microfinance banks, Insurance Association of Pakistan, Pakistan Microfinance Network, Kashf Foundation, National Rural Support Programme. It is supported by the Center for International Private Enterprise.

Headed by the SECP Executive Director (Insurance), the task force has been divided into three subgroups, focusing on their respective areas including the development of regulatory framework for microinsurance, discussing the feasibility of a viable and specialized microinsurance companies and recommending sustainable business model for microinsurance business.

The task force met on December 6-7 in Karachi to compare notes on proposed regulatory framework and the sustainable business models for delivering microinsurance. In Pakistan the insurance penetration is a mere 0.7% of the GDP, this initiative is expected to help in creating a transparent and enabling environment thereby increasing the insurance density and affordable outreach to low-income people. The task force will next meet in a month's time to discuss the findings of subgroups.

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