



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

SECP revises maximum management expense limits

ISLAMABAD, March 22: The Securities and Exchange Commission of Pakistan while monitoring the insurance sector is also endeavoring to remove bottlenecks that hamper its growth and is attempting to bring it at par with international standards.

The SECP protects the interest of the policyholders and ensures that the companies have the ability to pay claims to consumers, even when there is a slowdown in investment growth.

Vide a previous circular, the Commission put a ceiling on life insurers and family takaful operators registered under the Insurance Ordinance 2000, in respect of management expense limits which include operating expenses, business acquisition costs i.e. commission to agents etc., ensuring that they are maintained at the optimum levels.

Recently, taking cognizance of the operational difficulties being faced by a few life insurance companies, the SECP has reviewed and prescribed new maximum management expense limits for two years, i.e., 2011 and 2012.

Whilst granting the relaxation, the SEC urged upon the life insurance and family takaful companies to focus on various cost-cutting measures viz. distribution channels, type of sales force, adopting internal controls on variable costs, etc.

Shakil Ahmad Chaudhary
Head, Internal and External Communication
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Islamabad
Tel: 921-4005 or 921-4009 ext. 378
Fax: 920-6459
Cell: 0302-855-2254
email: shakil.chaudhary@secp.gov.pk