



Press Release

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For immediate release

SECP promoting microinsurance

ISLAMABAD, August 5: The Securities and Exchange Commission of Pakistan (SECP) is taking vigorous steps for the promotion of microinsurance market to enhance the insurance penetration and financial inclusion. It is being done in the wake of Microinsurance Rules that were issued to promote the microinsurance market in Pakistan.

The SECP is encouraging all insurance companies to include microinsurance business in their annual business plans. In this regard, a few steps which SECP is considering taking are to have lower capital requirements for dedicated microinsurance companies or to reduce solvency requirements relating to microinsurance business. Another step to promote microinsurance is encouraging insurance companies to invest in necessary technological infrastructure. For this purpose, the SECP may relax the requirements relating to admissibility of investment in technological infrastructure for the purpose of solvency.

It may be added here that serious efforts for microinsurance at the national level only picked up in the last decade with the advent of microfinance institutions (MFIs) and a mushrooming growth of NGOs. However, there is still tremendous scope for growth in this area.