



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Media and Corporate Communications Department

### Press Release

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*For immediate release*

#### **SECP specifies growth rate for life insurance and family takaful**

ISLAMABAD: January 5: The Securities and Exchange Commission of Pakistan (SECP), through a circular, has specified growth rate scenarios for life insurance and family takaful illustration for 2015. Like 2014, the growth rate scenarios for life insurance and family takaful illustration will remain at 7%, 9% and 11% for 2015 and beyond.

Life insurance and family takaful product illustration is an integral part of the overall sales process. It helps enhance transparency, provides better understanding of the product to prospective policyholders and enables them to make informed decisions as well as compare various life insurance and family takaful products.

Life insurance and family takaful companies use three growth rate scenarios to demonstrate projected benefits to potential policyholders. The SECP specifies these scenarios based on long-term interest rate outlook prevalent in Pakistan after consultation with the Pakistan Society of Actuaries (PSA).

In January 2014, the SECP had specified three scenarios for the rates of return assumption as specified for 2014 through circular No. 1/2014 of January 7, 2014. For 2015, the SECP has decided that there should be no change in these scenarios.