



PRESS RELEASE

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For Immediate Release

SECP specifies growth rate scenarios for life insurance and family takaful illustration for the year 2014

ISLAMABAD: January 8: The Securities and Exchange Commission of Pakistan (SECP) has specified growth rate scenarios for life insurance and family takaful illustration for the year 2014 through Circular No 1 of 2014 dated January 7, 2014.

Life Insurance & Family Takaful Product Illustration is an integral part of the overall sales process. It helps to enhance transparency, provides better understanding of the product to prospective policy holders and enables them to make informed decisions as well as making comparisons between 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 (PSOA).

In January 2013, The SECP has specified three scenarios for the rates of return assumption as specified for the year 2013 through Circular No. 1/2013 dated January 16, 2013. For the year 2014, the SECP has decided that there should be no change in these scenarios. Accordingly, the growth rate scenarios for Life insurance and Family Takaful illustration will remain at 7%, 9% and 11% for the year 2014 and onwards.

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