



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Talent Management, Finance and Communication Division

PRESS RELEASE

SECP to issue regulation policy for microinsurance

KARACHI, October 16: The Security and Exchange Commission of Pakistan (SECP) launched the country diagnostic report that covers the demand and supply-side analysis of microinsurance in Pakistan. The report was launched during the Roundtable on Microinsurance held here Tuesday.

A diagnostic study, completed with the assistance from FIRST Initiative/ World Bank, forms the basis of stocktaking where the subject stands today and where it needs to be taken.

The SECP is in process of formulating a regulatory framework for the microinsurance sector. The policy regulations will be issued following the completion of methodical deliberation and consultative process with the stakeholders on proposed framework.

The participants at the Policy Roundtable have a focused discussion on policy issues and deliberated on viable microinsurance business models. It was recognized in the roundtable that without meeting the insurance needs of low-income people, the risks to economic development wouldn't be safeguarded.

Addressing the meeting SECP Commissioner Insurance Muhammad Asif Arif said that a conducive and enabling regulatory environment is required for the development of microinsurance. The Commissioner said that the SECP is extensively working in the area of developing the microinsurance segment, including the regulatory framework for this important line of business. He said that the microinsurance products will also provide an opportunity to small farmers to get their crops and livestock insured against the natural calamities such as floods.

Nadeem Hussain, Vice Chairman, Pakistan Microfinance Network said that it has also been proved by the recent floods in Pakistan where, in the absence of proper insurance coverage, the economic losses suffered by the masses had an adverse effect on the overall financial and economic stability. He said that such incidents may be seen as threats but at the same time these are opportunities for the insurance industry to shoulder the economic burden of the government yet keeping it profitable for itself.

In Pakistan, where insurance penetration is mere 0.8 percent of GDP, it is anticipated that this initiative will help in creating a transparent and enabling environment thereby increasing the insurance density and affordable outreach to low-income people, and alleviation of poverty. The roundtable meeting was attended by a wide stratum of participants from government authorities, international donor organizations, insurance companies and microfinance banks.

Zafar Iqbal Qadir, Chairman, National Disaster Management Authority (NDMA), Tahir Ahmed, Chairman, Insurance Association of Pakistan (IAP), Shahid Aziz Siddiqui, Chairman, State Life Insurance Corporation (SLIC) and Gabi G. Afram, Senior Financial Economist, World Bank (USA) also attended the policy roundtable on microinsurance.

TICKERS

1. SECP organized Business policy roundtable on microinsurance in Karachi.
2. Roundtable discussed proposed regulatory framework for microinsurance in Pakistan
3. SECP launched country diagnostic report on microinsurance in Pakistan.

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