



Press Release

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For immediate release

SECP to set up insurance repository

KARACHI, April 24: The Chairman Securities and Exchange Commission of Pakistan (SECP) Mr. Zafar Hijazi said that the SECP is working on a fast track basis to establish an Insurance Repository in Pakistan.

Mr Hijazi was speaking at a roundtable on establishment of insurance repository in Pakistan, organized by the SECP. Senior officials from the SECP, life insurance industry and the Central Depository of Pakistan were present. He said that the Insurance Repository will improve the image of the insurance industry and enhance the confidence of policyholders. The insurance repository will be beneficial for each insurance company, overall insurance industry and for the policyholders. Mr Hijazi hoped that it would ensure speedy settlement of claims and reduction in disputes between insurers and insurance policyholder.

While explaining the objectives of the repository, Mr. Fida Hussain Samoo, the Commissioner (Insurance), SECP, said that an insurance repository basically facilitates dematerialization of life insurance policies which are long term financial protection and investment contracts. The repository shall be developed and managed by an entity independent of insurance companies. It will maintain data relating to life insurance policies in electronic format including the history of transactions throughout the term of the policy. The repository shall make the information easily accessible to all related entities with speed and accuracy, he added.

The first phase of insurance repository has already been implemented in the form of the *Centralized Information Solution for the Life Insurance Industry (CISSII)* being operated by the Central Depository Company of Pakistan Limited.

He said the repository will also help reduce the number of claim disputes relating to improper implementation or record keeping of insurance policy endorsements and other terms and conditions of insurance policy. Through the single integrated e-Insurance Account for each customer, each insurance company shall have access to complete information about prospective policyholders. Thus the insurance underwriting function will be facilitated to determine the appropriateness of an insurance policy, the level of insurance coverage and affordability of the insurance policy for the customer which will ultimately result in need

Media and Corporate Communications Department

Securities and Exchange Commission of Pakistan

NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad – 44000 Pakistan

Direct # +92 51 9214005 Fax # +92 51 9206515

www.secp.gov.pk

based selling and substantial reduction in misselling. Through dematerialization of life insurance policies, there will be no need for physical documentation at the time of claim.

While highlighting the background of this reform, the Insurance Commissioner said that the SECP had constituted the Insurance Industry Reforms Committee (IIRC) in 2012 having representation from the insurance industry and the SECP. The recommendations of the committee outlining future roadmap were made public in February 2014 in the form of IIRC Report 2014. The IIRC recommendations include establishment of an insurance repository in Pakistan.