



Press Release

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For immediate release

SECP to strengthen insurance regulatory framework

ISLAMABAD: January 6: The Chairman, Securities and Exchange Commission of Pakistan (SECP) is working with the World Bank on strengthening and reforming insurance regulatory framework coupled with the enhancement of the supervisory capacity of the SECP.

A team of technical experts from the World Bank called on Chairman SECP Mr Zafar Hijazi to discuss bank's assistance in the insurance law reforms. Commissioner Insurance Mr Fida Hussain Samoo and other senior officers also attended the meeting.

The World Bank team was briefed about the background, objectives, and the current status of the World Bank's technical assistance project for review and reform in the insurance sector laws and regulatory framework.

Zafar Hijazi stressed the SECP and World Bank team that the recommendations in the report should be framed considering the socio-economic outlook of Pakistan along with implementation roadmap. The Chairman SECP assured the World Bank's team that SECP will extend full cooperation to the bank for effectively meeting the objectives of this engagement.

A technical assistance project between the World Bank and SECP is underway which aims to help SECP in strengthening and reforming the insurance laws in Pakistan. The project is also aimed at the introduction of a *Risk-Based Capital (RBC)* regime and Risk-Based Supervision (RBS) of insurance companies. Under the first phase of the project, the World Bank will provide a comprehensive report based on analysis of the gaps in the existing insurance regulatory framework, international best practices including the *Insurance Core Principals (ICP)* of the International Association of Insurance Supervisors (IAIS) and strategic policy decisions of the SECP relating to the development and reforms of the insurance industry. The second phase aims to enhance the insurance supervisory capacity of the SECP with a special focus on risk-based supervision.

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