



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Talent Management, Finance and Communication Division

PRESS RELEASE

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SECP's Working Group to develop Microinsurance

KARACHI, December 14: The Securities and Exchange Commission of Pakistan (SECP) in its efforts to augment the development of microinsurance, which is rapidly growing and benefiting the low-income population of Pakistan, on Friday announced the constitution of a Working Group to recommend the regulatory framework for microinsurance, in line with best international practices, backed by technology-based solutions and addressing the issues of capacity building of stakeholders.

Led by Mr Nadeem Hussain, President/Chief Executive Officer, Tameer Microfinance Bank Limited, this private sector-driven working group has representatives from the Insurance Association of Pakistan, Pakistan Microfinance Network, Pakistan Poverty Alleviation Fund, DFID Pakistan and other insurance industry stakeholders.

The natural catastrophes, particularly the monsoonal rains resulting in floods, have created havoc across Asia, especially in Pakistan. In 2012, the damage to agricultural land and infrastructure in Pakistan alone was estimated at Rs250 billion due to floods, which is becoming a major challenge for the government as well as the insurance industry. The SECP has been working proactively with the stakeholders to promote microinsurance through various policy reforms and supporting various initiatives. A recently released diagnostic report by the SECP has also been insightful about the demand and supply of microinsurance in Pakistan.

During the introductory meeting held on Friday at the SECP office, Mr Nadeem Hussain appreciated the groundwork done by the regulator and looked forward to the support of the members in achieving the twofold objectives of this working group including providing recommendations on the draft prudential regulatory framework and devising the strategy for microinsurance development. Mr. Tahir Ahmed, "chairman, Insurance Association of Pakistan, said that the development of infrastructure and rightly designed products are crucial for the success of microinsurance in Pakistan.

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