

Press Release

Chairman SEC Proposes to declare 2005 as Year of Development of Insurance Sector

Islamabad – February 16 2005: The Chairman, Securities and Exchange Commission of Pakistan (SEC), Dr. Tariq Hassan has proposed to declare 2005 as the year of development of Insurance Sector in Pakistan for the improvement of this key sector of national economy.

He was addressing a luncheon at the Insurance Association of Pakistan (IAP) at Karachi on Wednesday. Also present on the occasion were IAP Chairman Mr. Saifuddin N. Zoomkawala and other members of IAP.

Dr. Hassan suggested necessary steps to improve the Insurance sector, saying that at present the country had the second lowest insurance density among the world countries. He said the IAP could play a positive role to improve the situation and stressed the need to take steps to produce trained and well-versed insurance personnel.

In order to achieve the objective of having sound and prudent management as required under the Insurance Ordinance, he said that the promotion of insurance education was utmost necessary. Insurance intermediaries need to be qualified and the foundation course being offered by IAP should be made compulsory for them to improve the working knowledge of the agents in the field of insurance. "This will enable them to provide value added services to their clients, which would ultimately enhance the insurance penetration," he said.

The SEC Chairman also suggested starting an insurance awareness program on the print and electronic media to apprise the general public about the importance of insurance. "I understand that efforts must be made to inform and educate all sections of the society with the benefits and usefulness of insurance," he maintained.

Dr. Hassan said both IAP and the SEC have a common objective to preserve market/financial integrity and to protect policyholders/shareholders interests. The SEC, he added was attempting to provide an enabling environment which will create a less complex regulatory structure and bring greater clarity and certainty to our regulatory processes for all the stakeholders.

The SEC Chairman also held meeting with Pakistan Insurance Institute and Pakistan Society of Actuaries where he was given briefings on the functioning of the two bodies.