

PRESS RELEASE

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Insurance sector: SECP to focus on market development and structural reforms

ISLAMABAD, February 26: The insurance industry is changing in response to a wide range of social, technological and global economic forces. The last two decades have shown considerable growth in the life insurance sector due to emergence of new distribution channels such as Bancassurance and certain technology-based distribution channels.

However, the share of insurance industry of Pakistan in its overall economic activities remains considerably low as against its comparable international jurisdictions. Therefore, in order to place enhanced focus on market development of the insurance sector in Pakistan, the SECP is contemplating a comprehensive road map and engaging with all stakeholders in public and private sectors. The SECP has also undertaken internal restructuring to place focus on market development and growth-conducive policymaking. For this purpose, the SECP has redefined its internal objectives by recognizing the specific and thematic objectives for the supervision of the insurance sector. The SECP has restructured the Insurance Division into three independent departments: Supervision Department, Enforcement Department and Market Development and Policy and Regulation Department.

The specific objectives of these departments focuses on entity-level regulation, supervision, macro-prudential regulation (group-wide), anti-money laundering /countering financing of terrorism, consumer protection and inclusive market development.

The thematic objectives include incorporating proportionality in all aspects of the regulation, recognizing the technological needs of the industry and promoting use of regulatory technology (RegTech) in the insurance industry and enhanced focus on the principles for sustainable insurance.

Moreover, in order to strengthen the knowledge and skill base of the Insurance Division to cope with the growing needs of the insurance sector, the SECP has also introduced educational policy to encourage its employees in obtaining insurance-related qualification in the areas of actuarial sciences and operational aspects of the insurance business.