

## **PRESS RELEASE**

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### **SECP's 'International InsureImpact Conference 2023' concludes**

KARACHI, December 14: The Securities and Exchange Commission of Pakistan (SECP) hosted the International InsureImpact Conference 2023 on December 13-14. On the conference's second day, prominent experts and professionals from the insurance and financial sectors discussed crucial issues within the insurance industry to outline a strategic roadmap for the future trajectory of the country's insurance sector.

The second day of conference was opened by President of Pakistan, Honorable Dr. Arif Alvi online. Dr. Alvi highlighted the importance of insurance in times of crisis. He asked SECP to focus on low penetration and come up with schemes to cover the need for disaster risk financing in times of calamity. Alvi Highlighted the challenges faced by insurance companies, including high insurance costs and deceptive marketing methods and emphasized the need for cost transparency and public image improvement in the insurance industry. President Alvi praised SECP for taking the initiative and developing a five-year strategy with precise goals. He stated that the five-year plan is step in the right direction as it is critical to give social security coverage to Pakistanis through insurance penetration. Dr. Alvi emphasized the need to create awareness among the masses regarding the importance of insurance but also advised th industry to adopt a swift complaint redressal mechanism and resolve the issue of misleading marketing practices by insurance agents.

Dr. Ishrat Hussain addressed the audience as key note speaker and shared his valuable insights for the insurance sector way forward. During his opening remarks, Dr. Hussain advised regulators to adopt two-track approach: Lighter regulatory oversight for running businesses and handholding for start-ups. He urged SECP to identify obstacles and establish conducive environment for nurturing of new business. Dr. Ishrat said that the SECP being the unique regulator with dynamic jurisdiction, has a huge potential to mobilize households' savings as well as corporate savings by developing and energizing the NBFC. He urged the private sector to leverage technology to digitalize distribution channels to tap the huge business potential in the areas of crop insurance, health insurance and disaster risk insurance.

The first session of the 2<sup>nd</sup> day of the conference was a detailed dialogue about the potential of takaful sector in Pakistan, where a diverse panel discussed the current state of takaful in Pakistan in light of international case studies and the potential gaps to work on to increase its acceptability among the masses.

The next session was kicked off with a presentation of concept paper on insurance pool dynamics by SECP namely “Demystifying the Complexities and Developing Collaborative Protection Structures”. The panelists, in light of their experiences discussed the way forward for re-insurance optimization to ensure retention of large risks within the country through leveraging of pool structure.

On the session about the adoption of International Financial Reporting Standards and Risk Based Capital Regime, the speakers discussed on the limitations being faced by the industry players in the implementation of IFRS-17 and the possible approach for its smooth adoption. The speakers also discussed on the synergies to be achieved in the adoption of Risk Based Capital Regime, post implementation of IFRS-17.

During the second half of the day, SECP presented its draft report on the topic of “Unlocking the Potential of Micro and Inclusive Insurance in Pakistan”. This was followed by a panel discussion about the budding market of small ticket insurance products and how such products can prove to be a game changer for the sector. Among other suggestions, the panelist also recommended to take steps for including microinsurance under the overall umbrella of compulsory insurance regime.

The last session of the day was a grand session on collaboration, technology and innovation where industry practitioners from various sectors assessed the possibility of association and collaborations between different sectors for the achievement of ultimate vision of increased insurance penetration in Pakistan.

During the closing remarks, Mr. Andres McCartney from Asian Development Bank (ADB) briefed about ADB’s program of supporting the initiative of increasing insurance coverage in Pakistan.

Summing up the conference, Commissioner Insurance, Mr. Aamir Khan, said that insurance is the social and financial safety net and through better perception building and collective efforts insurance sector can be taken forward.

Chairman SECP Mr. Akif Saeed in his concluding remarks asked the participants to carry forward the knowledge gained, the connections made, and the inspiration received during the conference to propel the insurance industry to new heights. He also thanked the sponsors for supporting the conference and the attendees for taking time out to participate.

The closing ceremony of the conference was graced by Chief Minister of Sindh, honorable Justice (Retired) Maqbool Baqir. Justice Baqir congratulated SECP for successful organization of the International Insureimpact Conference 2023. He acknowledged that the valuable insights shared throughout the conference have the potential to shape the future of insurance sector of Pakistan. He further highlighted the importance of discussions held on the topic of crop insurance, microinsurance, insurance pool, takaful, collaboration and technology. Justice Baqir also appreciated the five-year strategic plan developed by the SECP and hoped for the successful implementation of this plan. Mr. Baqir assured that Government of Sindh will work closely with

SECP and industry to improve crop and livestock insurance and form some strategy for disaster risk insurance in Sindh.

After that Justice Baqir distributed shields among the speakers, moderators and panelists.

The 2<sup>nd</sup> day of the conference was also attended by sector experts, consultants, donor agencies and professionals of diversified backgrounds.