



International Information Exchange

Pakistan

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PAKISTAN FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	796,095 km ²		Pakistan Bureau of Statistics (PBS)
Climate/Weather	Islamabad	Average Yearly Temp.: Variable Annual Rainfall: Variable	High temperatures in the southern regions, moderate in the central and low temperatures in the northern strip (Ranges from -20 to 50 C approx.)
Population	196,174,380		Index Mundi (Est. 2014)
Young Population (0-14)	65,393,715 (33.3%)		
Productive Population (15-64)	122,339,430 (62.3%)		
Elderly Population (Over 65)	8,441,235 (4.3%)		
Average Life Expectancy	Male: 65.16 Years / Female: 69.03 Years		Index Mundi (Est. 2014)
Total Fertility Rate (*)	2.86 Children Born / Woman		Index Mundi (Est. 2014)
GDP (Nominal GDP)	236.518 (USD Billion)		Index Mundi (2014)
GDP per Capita	1,295 (US \$)		Index Mundi (2014)
Social Security Program	Income Support Program (BISP) Annuity (Old-age / Survivor / Accidental), Health Care, Nursing Care		
Remarks	<ul style="list-style-type: none"> ▪ Equipped with mineral resources and all four weathers ▪ One of the best irrigation system of the World – Agri-centric economy is giving rapid rise to Crop Insurance ▪ Sports goods are manufactured in the city of Sialkot – Biggest supplier of the FIFA World Cup Footballs 		

Oriental Life Insurance Cultural Development Center



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2013 LIFE INSURANCE INDUSTRY FAST FACTS

		(Policies, PKR)		(Policies, PKR)		
Type	New Business (FY2013)		Policy In-Force (FY2013)		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	1,037,964	390,085,298,190	5,250,120	1,391,461,272,609	0.026763	7,092.98
Indiv. Annuity	124	9,484,214	124	9,484,214	0.000001	0.05
Group	6,136	479,130,304,102	9,347	3,843,161,764,851	0.000048	19,590.54

Criteria	FY2011	FY2012	FY2013
# of Life Insurers	9	9	9
Net Premium Income	69,936,839,000	91,406,670,816	112,467,521,350
Payment of Insurance Claim			39,134,950,059
Total Assets		428,911,542,186	530,496,480,771
Main Products	Whole Life, Accident & Health, Term, Pension, Investment-Linked		

Distribution Channel	Scale	Participation rate (Source: JILI)
Tied-Agents	-	-
Life Office Counter	-	-
Agencies	Banks - entities	-
	Corporate - entities	-
	Individual - entities	-
Mail Order, Internet	# of Life Insurers 9 entities	-
Working Office, Others	-	-

*Calculated based on the exchange rate of JP¥102.92=US\$1 (2014.3.31TTM).

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Challenges of Pakistan's Life Insurance Industry

❑ Lack of Information Sharing & Process Automation

Insurance industry of Pakistan has no practice of sharing information like information about policyholders for better KYC and underwriting. This can address the issues relating to over-insurance. SECP has recently taken initiatives to develop a centralized insurance repository.

❑ Treatment of Family Takaful Accounting

Islamic life insurance (Family Takaful) is different in nature and kind than any other conventional life insurance, therefore, the accounting and recording of Family Takaful Contracts is a new challenge for the industry. Globally, Takaful experts are quite less in number, which has created hindrance in the rapid development of FT industry.

❑ Responding to Antisocial Forces–Money Laundering

One of the most important issues for the sound development of the life insurance business is to cut off the ties with anti-social forces to eliminate money laundering. This is a social responsibility imposed on life insurers.

❑ High Front-End Load for Unit Linked Policies

Life insurers have an in-built issue of high front-end costs (including the acquisition cost) especially in the case of unit linked policies, which is an unbundled product having investment as well as risk component. This is essentially due to the conventional modes of selling the policies i.e. through agents.