



## Date

29-Jun-21

## Analyst

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## Applicable Criteria

- Methodology | LI | Jun-20

## Related Research

- Sector Study | Life Insurance | Jun-20

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## PACRA Maintains IFS Rating of IGI Life Insurance Company

Rating Type	IFS	
	Current (29-Jun-21)	Previous (29-Jun-20)
Action	Maintain	Maintain
Long Term	A+	A+
Short Term	-	-
Outlook	Stable	Stable
Rating Watch	-	-

The rating derives assurance from IGI Life Insurance Company's (the Company) association with Packages Group as well as its strong governance structure. Packages Group, with the brand of "IGI", has been operational in the industry since 1953. "IGI" has been a step towards a holistic presence in the insurance industry - General as well as Life, gaining synergistic benefits. The topline of the Company has grown by 27.9% in CY-20, supported through a boost in Individual life regular premium, increasing by 34%, as well as Single premium/contribution individual policies displaying a staggering growth of 175% for the given period. The focus of the Development expenditure related to the "Vitality" product and expansion of IT infrastructure has adversely affected the bottom-line, however, the loss for the year has plummeted by 54.2%, compared on a YoY basis. Going forward, IGI Life aims to improve market penetration, on the back of expansion in their branch network and gradually building up their portfolio through product diversification.

During CY20, the total GPW of the industry grew by 4.6% to PKR 233bln in CY-20 as against a decline of 1.2% to PKR 223bln in CY-19. COVID-19 is an ongoing challenge. While it has taken a toll on many businesses, its ramifications are still unfolding. However, due to current pandemic situation, the demand for Life Insurance products is expected to increase over near term which in turn is expected to result in new business growth for the industry.

The rating is dependent upon sustained improvement in the business and financial risk profile of the Company, in line with its relative positioning within the industry. Concurrently, improved equity and liquidity profile should be maintained, in order to cushion the policyholder's liabilities. The performance of 'Vitality' remains essential.

## About the Entity

IGI Life Insurance Limited (IGI Life), a quoted public company, listed on the Pakistan Stock Exchange, started its operations in May-1995. With its head office in Karachi, the company operates through three business Hubs - South, Central and North - with an operational network of 34 branches. Majority ownership of IGI Life is held by IGI Holdings.

The overall control of the company vests in seven-member board of directors. Mr. Syed Hyder Ali, the CEO of the company since Apr-14, carries more than three decades of experience in different industries. Currently, he is also serving as CEO of Packages Limited. Vital insight and guidance are provided by Mr. Tahir Masaud and Mr. Ali Nadim through their roles as, Head of Business & Operations and COO, respectively. They are assisted by a team of experienced professionals

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