



## Date

29-Jun-22

## Analyst

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## Applicable Criteria

- Criteria | Rating Modifiers | Jun-21
- Methodology | Life Insurance Rating | Mar-22

## Related Research

- Sector Study | Life Insurance | Jun-21

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## PACRA Maintains IFS Rating of IGI Life Insurance Company

Rating Type	IFS	
	Current (29-Jun-22 )	Previous (31-Mar-22 )
Action	Maintain	Harmonize
IFS Rating	A++ (ifs)	A++ (ifs)
Outlook	Stable	Stable
Rating Watch	-	-

The rating derives assurance from IGI Life Insurance Company's association with "Packages Group" as well as the Company's strong governance structure. Packages Group, with the brand "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. Although there has been a decline in the topline of the Company for the period ended Mar'22, the Company has shown a growth of 15% in GPW for the period ended Dec'21, supported through a boost in individual life regular premium, increasing by 21%. The second-year premium has shown a growth of 71% YoY basis. Moreover, the Company has managed to turn its operational losses into profits, the Company has earned profit before taxes of PKR 5mln for the period ended Mar'22. Going forward, IGI Life aims to improve the profitability of the Company, by closing down its loss-making branches and gradually building up its portfolio through product diversification. The Company has investment portfolio of PKR 18,987mln and equity of PKR 1,739mln as at Mar'22. Gross Premium Written (GPW) of the Life Insurance industry in Pakistan stood at PKR~95bln during 1QCY22 (1QCY21: PKR~62bln; CY21: PKR~291bln; CY20: PKR~233bln), showing a YoY growth of ~53%. Major growth has been observed in Govt. sector. Past year has been very challenging due to the COVID-19 which has caused immense stress on most businesses. CY21 has shown a recovery in business and a positive trend in the growth of the industry, as compared to the corresponding period. Recent hike in the policy rate will be a source of safe return for the Companies on Govt. investments. On the other hand, a massive hike in inflation is also going to affect the surplus income of the general public.

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'95. With its head office in Karachi, the Company operates through three business Hubs – South, Central and North – with an operational network of 21 branches. The majority ownership of IGI Life is held by IGI Holdings.

The overall control of the Company vests in a seven-member board of directors. Mr. Shamim Ahmed has maintained his position as the Chairman of the BoD. Mr. Syed Hyder Ali, the CEO of the Company since Apr'14, carries more than three decades of experience in different industries. He is assisted by a team of experienced professionals.

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