



SECP
Insurance Division
Karachi

January 16, 2013

Circular No. 1/2013

Rate of Return Assumptions for Life Insurance and Family Takaful Illustrations.
For the year 2013

Reference is made to Clause 5.1 & 7.2 of the "Guidelines for Life Insurance and Family Takaful Illustrations – 2009", issued via Circular No 39/2009 dated December 24, 2009.

Life insurance and family takaful companies use three growth rate scenarios to demonstrate projected benefits to the potential policyholders. SECP specifies these scenarios based on long term interest rate outlook prevalent in the country. It was felt necessary to revise these scenarios as the interest rates have been gradually decreased in the country. Accordingly, the growth rates scenarios for Life insurance and Family takaful illustration have been decided by the SECP to be 7%, 9% and 11% for the year 2013.

All new illustrations on or after 1st February 2013, should be made on these scenarios. All Life insurance and Family takaful companies are required to submit sample illustration for each product to the SECP on or before the above date.

Handwritten signature and date: 16/1/2013

Syed Nayyar Hussain
Director

Distribution:

1. Chief Executives of all Life insurance companies.
2. Chief Executives of all Family takaful operators.
3. Chairman Insurance Association of Pakistan (IAP).
4. President (Institute of Chartered Accountants of Pakistan)
5. President (Pakistan Society of Actuaries)
6. President (Institute of Cost and Management Accountants of Pakistan)
7. Executive Director (IS & T) (SECP Islamabad.)
8. Secretary to Commission (SECP Islamabad).

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SECURITIES & EXCHANGE
COMMISSION OF PAKISTAN
Insurance Division, State Life Building-2
4th Floor, Wallace Road, Karachi. Pakistan

Tel: +92-21-32461053, +92-21-32465469 Fax: +92-21-32423248 Web: www.secp.gov.pk

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**Office # 05, Ground Floor, Arshad Mansion, Near Chowk A.G Office,
Nabha Road Lahore.Ph. 042-37350473 Cell # 0300-8848226**