



SECP
Insurance Division
Karachi

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Date: June 14, 2013


Circular No: 11 of 2013

Subject: Amendment to SECP Circular No. 9 of 2005 on Group Insurance Premium Rates

This Commission had issued the Circular No. 9 of 2005 dated August 16, 2005 on group insurance premium rates. The aforementioned circular required, amongst other, that the appointed actuary of a life insurer shall certify that the premium rates and other terms and conditions of each group insurance policy with annual premium of Rs. 1,000,000 or above are sound and workable.

The Commission has carried out a survey of group life insurance market recently to assess the effectiveness of the regulatory measures introduced in that Circular. The survey demonstrates that the number of group life policies with premium exceeding Rs 1,000,000 have increased considerably causing practical difficulties for the life insurers and the appointed actuaries. The survey also demonstrates that overall claim ratios have been reasonably stable over the last six years. Now the Commission is pleased to increase the limit from Rs 1,000,000 to Rs 2,000,000 for the certification by appointed actuary of a life insurer.

This circular shall be effective from July 1, 2013.


14/6/2013
Syed Nayyar Hussain
Director

Distribution:

1. Chief Executives of all Life and Non-Life Insurance Companies.
2. Chief Executives of all Family Takaful & General Takaful Operators.
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7. Executive Director (IS & T) (SECP Islamabad)
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