



Rating Action

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PACRA MAINTAINS IFS RATING OF ADAMJEE LIFE ASSURANCE COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the Insurer Financial Strength (IFS) rating of Adamjee Life Assurance Company Limited (ALAC) at "A" (Single A). The rating denotes ALAC's strong capacity to meet policyholder and contract obligations. At the same time, risk factors are moderate, and the impact of any adverse business and economic factors is expected to be limited.

The rating reflects ALAC's association with established business groups - Hollard, offering life insurance experience and support in strategy setting and infrastructure development; and Nishat, providing access to solid banking and general insurance platform to build business volumes. The management of Adamjee Life is gradually building protocol to yield synergic benefits from its parentage. It has started working with Adamjee Insurance Company and MCB Bank for business expansion and has also captured sizable group business. Initial losses due to gestation phase, though gradually receding, have dented the equity base of the company. In this regard, the rating factors in sponsors commitment to support, in case the need arises. Meanwhile, ALAC's commitment to improve organizational structure along with expanding operations to further strengthen risk management and control environment is vital.

The company: Adamjee Life Assurance Company Limited (ALAC) started its operations in 2009. ALAC is a partnership between Adamjee Insurance Company Limited (55%) and Hollard Insurance Company Limited (45%), South Africa. Starting with life insurance schemes, the company intends to gradually build a large range of products, including Group Life, Savings / Investments, Credit Life and Health cover.

The company's BoD comprises seven members, including the CEO of the company. There are three directors from Hollard, while four directors represents AICL. Mr. Fredrik de Beer, the Chief Executive Officer, has over two decades of experience in insurance industry.

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