



Rating Action

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PACRA MAINTAINS IFS RATING OF IGI INSURANCE LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the IFS rating of IGI Insurance Limited (IGI) at "AA" (**Double A**). The rating denotes a very strong capacity of the company to meet policyholder and contract obligations. At the same time, risk factors are considered modest, and the impact of any adverse business and economic factors is expected to be very limited.

IGI's rating is a reflection of the company's very strong risk absorption capacity stemming from healthy equity base and sound underwriting practices. Meanwhile, a sizeable strategic investment portfolio continues to support the company's financial strength, though the performance of the portfolio is volatile due to some of the associates being under pressure. The rating takes note of substantial improvement in the risk management framework, augmented by robust IT infrastructure. The company has revamped its claim processing system, thereby bringing efficiency in claim handling system. At the same time, association of the company with Packages Group is also a key consideration.

The rating remains dependent on the management's ability to strengthen its market position while maintaining its underwriting performance trend. Meanwhile, any material deterioration in the value of investment book, thereby, significantly impairing the equity base, would have negative implications for the rating.

About the company

IGI Insurance Limited, listed on Karachi and Lahore stock exchanges, is largely owned by Packages Group - country's prominent business group with diversified interests in packaging, dairy, chemicals, and the financial sector. IGI Insurance is the holding company of the Packages Group's (PG) interest in the financial sector.

The company has an experienced eight-member board of directors with Syed Babar Ali holding the Chairman's position. The overall governance structure and transparency of PG in general and IGI in particular meets high standards in the industry. Mr. Jalees Ahmed Siddiqi joined the company in January 2009 as CEO, an engineering graduate from Karachi University, possesses vast national and international experience and is assisted by a team of qualified professionals.

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