



The Pakistan Credit Rating Agency Limited

IGI INSURANCE LIMITED (IGI)

IFS RATING REPORT

	NEW [NOV-17]	PREVIOUS [JUNE-17]
Insurer Financial Strength (IFS) Rating	AA	AA
Outlook	Rating Watch	Rating Watch

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IGI Insurance Limited (IGI)

BALANCE SHEET	30-Sep-16	31-Dec-15	31-Dec-14
Investments			
Liquid Investments	589	715	439
Investment in Associates	15,063	11,977	12,072
Other Investments	182	191	127
	15,834	12,883	12,639
Insurance Related Assets	1,804	1,073	1,086
Other Assets	939	694	765
TOTAL ASSETS	18,576	14,651	14,490
Equity	12,595	12,261	11,579
Underwriting Provisions	1,307	821	721
Insurance Related Liabilities	1,860	1,121	1,096
Other Liabilities	462	300	339
Borrowings	2,352	148	755
TOTAL EQUITY & LIABILITIES	18,576	14,651	14,490

INCOME STATEMENT	30-Sep-16	31-Dec-15	31-Dec-14
Gross Premium Written (GPW)	2,379	2,344	2,140
Net Premium Revenue (NPR)	1,027	1,122	1,045
Net Claims	(547)	(586)	(595)
Net Operational Expenses	(437)	(454)	(431)
UNDERWRITING INCOME / (LOSS) - Adjusted	42	81	20
Investment Income	1,237	1,472	979
Other Income/ (expense) including financial charges	(48)	(21)	(57)
PROFIT BEFORE TAX	1,231	1,532	942

RATIO ANALYSIS	30-Sep-16	31-Dec-15	31-Dec-14
Underwriting Results			
Loss Ratio	53%	52%	57%
Combined Ratio	96%	93%	98%
Performance			
Operating Ratio	-20%	-37%	10%
Investment Yield	2%	12%	34%
Liquidity & Solvency			
Liquidity Ratio – times	1.5	0.9	-0.5

IGI Insurance Limited (IGI)

December 2016



RATING SYMBOLS & DEFINITIONS:

**INSURER FINANCIAL STRENGTH (IFS)
RATING SCALE & DEFINITIONS**

Insurer Financial Strength (IFS) rating reflects forward-looking opinion on relative ability of the insurance company to meet policyholders and contractual obligations.

RATING SCALE	DEFINITION
AAA	Exceptionally Strong. Exceptionally strong capacity to meet policyholder and contract obligations. Risk factors are minimal and the impact of any adverse business and economic factors is expected to be extremely small.
AA+ AA AA-	Very Strong. Very strong capacity to meet policyholder and contract obligations. Risk factors are modest, and the impact of any adverse business and economic factors is expected to be very small
A+ A A-	Strong. Strong capacity to meet policyholder and contract obligations. Risk factors are moderate, and the impact of any adverse business and economic factors is expected to be small.
BBB+ BBB BBB-	Good. Good capacity to meet policyholder and contract obligations. Although risk factors are somewhat high, and the impact of any adverse business and economic factors is expected to be manageable.
BB+ BB BB-	Moderately Weak. Moderately weak with an uncertain capacity to meet policyholder and contract obligations. Though positive factors are present, overall risk factors are high, and the impact of any adverse business and economic factors is expected to be significant.
B+ B B-	Weak. Weak capacity to meet policyholder and contract obligations. Risk factors are very high, and the impact of any adverse business and economic factors is expected to be very significant.
CCC CC C	Very Weak. Very weak with a very poor capacity to meet policyholder and contract obligations. 'CCC': Risk factors are extremely high, and the impact of any adverse business and economic factors is expected to be insurmountable. 'CC': Some form of insolvency or liquidity impairment appears probable. 'C': Insolvency or liquidity impairment appears imminent.
D	Distressed Extremely weak capacity with limited liquid assets to meet policyholders and contractual obligations, or subjected to some form of regulatory intervention and declared insolvent by the regulator.

Outlook (Stable, Positive, Negative, Developing)

Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.

Rating Watch

Alerts to the possibility of a rating change subsequent to, or in anticipation of, a) some material identifiable event and/or b) deviation from expected trend. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating Watch may accompany Outlook of the respective opinion.

Suspension

It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future, but may stay in abeyance for long. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn

A rating is withdrawn on a) termination of rating mandate, b) cessation of underlying entity, or c) the rating remains suspended for six months.

Disclaimer: PACRA's IFS rating does not constitute any form of guarantee of the ability of the insurance company to meet policyholders' obligations; nor does it constitute a recommendation to effect or discontinue any policy of insurance. PACRA's rating is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.

