



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## **PRESS RELEASE**

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### **SECP recommends formation of Pools to meet Insured Pakistan vision**

ISLAMABAD, July 31: To meet the objectives of the Insured Pakistan 5-year Strategic Plan, the Securities and Exchange Commission of Pakistan (SECP) has released a comprehensive report titled “Insured Pakistan: Pools Dynamics.”

This report underscores the necessity for establishing insurance pools in Pakistan by evaluating the current insurance landscape and existing official insurance schemes. It discusses international case studies and examples, evaluates domestic legal and regulatory frameworks, and proposes an action plan for creating insurance pools in Pakistan, emphasizing the collective responsibilities of involved stakeholders.

Pakistan is exposed to multiple risks such as disaster risks, energy and power sector risks, agriculture risks, etc., and yet the country remains largely uninsured. In the event of an undesired event, major reliance is placed on budgetary allocations for loss and recovery financing.

The insurance pools serve as risk pooling mechanisms for managing large and specialized risks, the coverage of which is not feasible for an individual insurance company, both in terms of expertise and financial strength. They shall not only help in managing these varied risks optimally and efficiently, but also assist the insurance sector in expanding the coverage and protection to the country and the population. The report includes an action matrix outlining the responsibilities of diverse stakeholders.

Commissioner Insurance, Aamir Khan, in his message, emphasized the need for establishing specialized risk pools in Pakistan, as the pooling of risk and resources in a systematic manner shall enable the government, insurance industry and policyholders to collectively mitigate large risks. The report's draft version was unveiled in December 2023 at the International InsureImpact Conference 2023 held in Karachi. It has been meticulously revised following stakeholder input.

For more information and to access the full report, please visit our website at <https://www.secp.gov.pk/document/insured-pakistan-pool-dynamics-report/?wpdmdl=52432&refresh=66aa2388279aa1722426248>