



**Rating Action**

Lahore: (03-March-2010)

**Analyst**

Amara Gondal  
(+92-42-3586 9504)  
Amara.gondal@pacra.com  
www.pacra.com

**PACRA MAINTAINS IFS RATING OF ASKARI GENERAL INSURANCE COMPANY LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the Insurer Financial Strength (IFS) rating of Askari General Insurance Company Limited (AGICO) at “A-” (Single A minus). The rating denotes a 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.

The rating reflects AGICO’s diversified portfolio mix which has enabled the company to sustain pressure on its growth despite weak economic fundamentals of the country. Although the company’s underwriting profitability came under pressure primarily due to health losses, strengthening of the underwriting practices and centralization of claims department are expected to reflect positively on AGICO’s performance. The management’s focus on consolidation of business, while improving the overall control environment is likely to further improve the company’s risk profile. Meanwhile, AGICO’s brand equity, due to its association with AWT, is also a key rating factor.

**About the company:**

Askari General Insurance Company Limited (AGICO), listed on all three bourses of the country, commenced commercial operations as a general insurance company in 1995. The company has a nationwide network of over 18 branches with head office in Rawalpindi. AGICO’s market share stood at around 3% at end-June09. Army Welfare Trust (AWT) group has majority stake of 53% in AGICO. AWT was set up in 1971 and has evolved into a large business group, and is currently engaged in banking & leasing, insurance, cement, sugar, textile and travel services.

AGICO has an eight-member BoD including the CEO. Four of them are retired army officials while the remaining members are experienced business professionals. Lt. Gen (Retd.) Imtiaz Hussain is chairman of the board. The Chief Executive, Mr. Mohammad Hussain Hirji, a qualified Chartered Insurer with over 17 years of experience in the insurance sector, assumed this position in February 2009. A team of professionals, some of whom has recently joined AGICO, assists the CEO.

**Disclaimer**

*This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA.*

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity.

PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings.

PACRA's opinion 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.