



Rating Action

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PACRA MAINTAINS IFS RATING OF JUBILEE GENERAL INSURANCE COMPANY LIMITED; OUTLOOK IS POSITIVE

The Pakistan Credit Rating Agency (PACRA) has maintained the IFS rating of Jubilee General Insurance Company Limited (Jubilee) [formerly New Jubilee Insurance Company Limited] at "AA" (**Double A**) with **positive outlook**. 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.

The rating reflects Jubilee's robust risk management framework facilitating the company in sustaining sound underwriting practices despite volatile socio-economic fundamentals. The rating recognizes the management's persistent efforts of penetrating relatively untapped segments through innovative products, also reflected in its relatively more diverse premium mix compared to peers. Moreover, the rating takes into account Jubilee General's sound equity base and sufficient liquidity engendering strong risk absorption capacity. The ability of key sponsor of the company, AKDN group, to foster synergies amongst its financial institutions operating in Pakistan - HBL, Jubilee General, and Jubilee Life - and in the group's different insurance companies across the globe, lately branded as "Jubilee", is also a key rating factor.

The positive outlook to the rating takes into account Jubilee General's improving competitive position, an outcome of management's focused strategy to generate profitability through prudent underwriting, without impairing the growth momentum. A more structured approach to claims handling system, thereby reducing the volume of outstanding claims, would remain important for the rating elevation. At the same time, advancement in the IT infrastructure to make it real time and refinement in the investment management framework would have positive connotation for the rating.

About the company

Jubilee General Insurance (Jubilee) [formerly New Jubilee Insurance Company Limited], incorporated in 1953, is the third largest general insurance company in Pakistan with a market share of ~13% at end-Dec10. It is listed on Karachi and Lahore stock exchanges of Pakistan. The company has recently changed its corporate name from "New Jubilee Insurance Company Limited" to "Jubilee General Insurance Company Limited" to create a strong brand identity. Significant shareholders of Jubilee include Agha Khan Development Network (54%) including Habib Bank Limited, and Hashoo Group (16%).

Jubilee's board of directors comprises eight members. The Chairman of the board, Mr. Towfiq H. Chinoy, is a distinguished industrialist. The company's MD, Mr. Tahir Ahmed, a graduate engineer, MBA, and a Chartered Insurer, possesses extensive experience in the field of insurance. He has been associated with the company since August 2004.

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