



Rating Action

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PACRA ASSIGNS POSITIVE OUTLOOK TO INSURER FINANCIAL STRENGTH RATING OF NEW JUBILEE INSURANCE COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has assigned “**Positive Outlook**” to Insurer Financial Strength (IFS) rating of “**AA**” (Double A) of New Jubilee Insurance Company Limited (NJI). The rating denotes a very strong capacity to meet policyholder and contract obligations. Risk factors are considered modest, and the impact of any adverse business and economic factors is expected to be modest.

The rating reflects NJI’s well designed risk management systems facilitating the company in sustaining sound underwriting practices despite occasional shocks. The rating recognizes the management’s continuing efforts of exploring relatively untapped segments through innovative products, also reflected in its relatively more diverse premium mix compared to peers. Meanwhile, the rating takes into account NJI’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, NJI, and NJI Life – is also a key rating factor.

About the company: NJI, incorporated in 1953, is the third largest general insurance company in Pakistan with a market share of ~12%. Significant shareholders of NJI comprise Aga Khan Development Network (50%), including Habib Bank Limited, and Hashoo group (16%). In addition to traditional insurance segments, NJI has significant presence in engineering, health, and personal line insurance.

NJI’s board of directors comprises eight members. The Chairman of the board, Mr. Towfiq H. Chinoy, is an industrialist by profession and is on the board of many other companies. 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 NJI since August 2004.

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