



Rating Action

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PACRA ASSIGNS POSITIVE OUTLOOK TO IFS RATING OF SHAHEEN INSURANCE COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has updated Insurer Financial Strength rating of Shaheen Insurance Company Limited (SIC) at ‘A-’ (Single A Minus). The rating has been assigned a **positive outlook**. The rating denotes strong capacity to meet policyholder and contract obligations. At the same time, risk factors are moderate, and the impact of adverse and economic factors is expected to be modest.

The rating reflects the company’s association with a diverse set of strong sponsors. Moreover, the management, being cognizant of the importance of the information and risk management systems, has lately concentrated on strengthening its systems and controls. This is expected to improve the quality of underwriting and help in prudent business growth. At the same time, the rating factors in the healthy investment income that while contributing towards the overall profitability provides adequate liquidity.

The company: SIC commenced commercial operations as a general insurance company in 1995, and is currently listed on all three bourses of the country. With its head office in Karachi, the company has a nationwide network of over 31 branches and liaison offices. The company has three major shareholders, a). Hollard Insurance Company Limited, the third largest insurance company in South Africa underwriting all classes of short-term insurance business b). First Capital Security Corporation (FCSC), mainly holding company of First Capital Group, having interests in financial, insurance, media and real estate services and c). Shaheen Foundation that is promoting welfare activities for the benefit of serving and retired Pakistan Air Force personnel, having diversified business interests.

The overall control of the company vests in the seven-member BoD having representation of all major shareholders. The present CEO, who assumed this position in 2004, has spearheaded the turnaround at SIC and leads a cohesive, effective team of experienced individuals.

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