



Rating Action

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PACRA ASSIGNS IFS RATING TO TRAKKER DIRECT INSURANCE COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has assigned the Insurer Financial Strength (IFS) rating of “A-” (Single A minus) to Trakker Direct Insurance Limited (TDI). The rating denotes a strong capacity to meet policyholder and contract obligations. Risk factors are considered moderate, and the impact of any adverse business and economic factors is expected to be small.

The rating reflects TDI’s unique position in the insurance sector emanating from rapidly developed market niche supported by robust technology platform, quality human resource, systems and processes. The business model envisages comprehensive evaluation of risk prior to writing it, which, in turn, benefit in the form of low loss ratio. TDI’s currently limited profitability, mainly an outcome of rollout phase of its operations, is expected to improve on the back of targeted volume expansion. At the same time, the rating factors in the company’s improving solvency position with augmentation in the equity base through right issue.

About the company: TDI, a wholly owned subsidiary of Trakker (Pvt.) Limited, Pakistan’s first and the largest vehicle tracking and fleet management company, is the country’s first direct insurance company with exclusive focus on personal line insurance. TDI, currently only focusing on motor insurance, was launched in July 2005 with a unique business model of direct insurance through multiple channels, mainly a 24 hours call center. Pioneering web-based services allows customers to interact and retrieve progress of insurance policies and claims. Moreover, the company offers customized insurance rates that are based on the driver’s background information and vehicle profile.

TDI’s Chief Executive, Mr. Iqbal Siddiqui, who has recently joined the company, possesses a rich experience of working for leading insurance companies in Pakistan and internationally. He holds a BS and MBA degree from USA in addition to being a Chartered Insurance Professional (CIP) from Insurance Institute of Canada.

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