VIS
Credit Rating Company Limited

RATING REPORT

THE UNITED INSURANCE COMPANY

Analyst:
Rida Hashmi
(rida.hashmi@vis.com.pk)

RATING DETAILS		
RATINGS CATEGORY	Latest Rating Long-term	Previous Rating Long-term
IFS RATING	AA+(IFS)	AA+(IFS)
RATING DATE	September 21, 2026	September 26, 2025
RATING OUTLOOK/ WATCH	Stable	Stable
RATING ACTION	Reaffirmed	Maintained

Company Information

Incorporated in 1959	**External auditors:** Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants
Public Limited Company	**Chief Executive Officer:** Mr. Mian M.A. Shahid
Key Shareholders (with stake 5% or more):	**Chairman:** Mr. Muhammad Ashraf Khan
United Track System (Pvt.) Limited – 27.85%	
United Software and technologies International (Pvt.) Limited – 25.35%	
Tawasul Healthcare TPA (Pvt.) Limited – 16.34%	
Tawasul Risk Management Services (Pvt.) Limited – 8.40%	
Mr. Mian M. A. Shahid – 5.32%	
General Public & Others – 7.75%	

Applicable Rating Methodology

Applicable Rating Criteria: General Insurance

https://docs.vis.com.pk/docs/GeneralInsurance-2023.pdf

Rating Scale

https://docs.vis.com.pk/docs/VISRatingScales.pdf

Rating Rationale

The assigned ratings of The United Insurance Company ('UIC' or the 'Company') reflect its position in Pakistan's general insurance sector, supported by its established market presence, adequate underwriting performance and strong panel of reinsurers. The Company's financial risk profile remains supported by comfortable capitalization. Underwriting performance has remained favourable, with a low net claims ratio and combined ratio, despite pressure from higher underwriting expenses. The Company also maintains a diversified reinsurance panel, with substantial capacity placed with established reinsurers. The rating remains sensitive to concentration in the Miscellaneous segment, required improvement in insurance receivables and ageing of claims payable. Going forward, the rating profile will remain dependent on strengthening premium growth and liquidity, improving collections, maintaining adequate capitalization, and sustaining prudent underwriting and risk management practices amid evolving regulatory and operating conditions.

Company Profile

United Insurance Company Limited ('UIC' or the 'Company') was incorporated on October 20, 1959, in Pakistan as a Public Limited Company under the Defunct Companies Act, 1913, now the Companies Act, 2017.The company undertakes Fire & Property Damage, Marine Aviation & Transport, Motor, Crop and Miscellaneous General Insurance. Moreover, it conducts Window Takaful Operation as permitted by the Securities and Exchange Commission of Pakistan (SECP) under the Takaful Rules, 2012. The Company has not transacted any insurance business outside Pakistan.

Sponsor Profile

UIC is part of United International Group (UIG). UIG is a conglomerate founded in 1959 and headquartered in Lahore. It operates major enterprises spanning general insurance, vehicle tracking, software development, healthcare administration, agriculture, and risk management. Core Group Companies include UIC, United Tracker System (Pvt) Ltd, United Software & Technologies International (Pvt) Ltd, Tawasul Insurance LLC (Abu Dhabi) and Tawasul Healthcare. Over 90% of UIC is held by UIG, group companies and the founder shareholder, Mian M. A. Shahid.

REGULATORY DEVELOPMENTS

Under S.R.O. 311(I)/2025, SECP introduced key changes to the General Takaful Accounting Regulations, 2019. Insurers with Window Takaful Operations (WTO) must report and consolidate the total assets and liabilities of both the Operator's Fund (OPF) and the Participants' Takaful Fund (PTF) into their primary financial statements. Also, Incomes and expenses of conventional business and window general Takaful operations must be combined in the main financial statements when applicable, backed by detailed segment disclosures. This requirement is applicable to the Companies where WTO constitutes 25% or more of their total business based on gross contribution.

Also, SECP has recently imposed a minimum higher capital requirement of PKR 2,000.0mn. As of Mar'26, out of 28 companies in General Insurance Sector, 5 fall short of meeting the minimum capital requirement, which is required to be met by 2030. SECP's recent approval of Pakistan's first digital-only non-life insurer in 2025 marked a significant milestone, signaling the emergence of tech-driven distribution. In addition, the mandatory enforcement of Motor Third-Party Liability insurance is expected to improve regulatory compliance, expand insurance penetration, and support the sector's long-term structural development.

The implementation of IFRS 17, effective from January 2026, represents another key structural reform for the insurance industry. The new accounting standard is expected to enhance the consistency, transparency, and comparability of financial reporting by introducing a more uniform approach to the recognition and measurement of insurance contract liabilities. Currently, UIC is at stage 4 of implementation of IFRS 17, with accounts submitted to SECP for review.

Governance and Management

CHAIRMAN/CEO PROFILE

Mr. Muhammad Ashraf Khan is the Chairman of UIC. He is a retired Central Banker with a career spanning more than 35 years. He is a Master of Business Administration (MBA) in Finance and Diploma Associate of Institute of Bankers Pakistan (IBP), Pakistan. He is also a "Certified Director" from Pakistan Institute of Corporate Governance (PICG).

Mr. Muhammad Akram Shahid is the CEO of UIC. He is a finance professional with a career spanning more than 30 years. He is a Law Graduate from S.M. Law College and certified Director from Pakistan Institute of Corporate Governance (PICG).

BOARD & SENIOR MANAGEMENT

Sr. No.	Name	Position
1	Mr. Muhammad Ashraf Khan	Chairman/Independent Director
2	Mr. Ihsan ul Haq Khan	Independent Director
3	Mr. Khawas Khan Niazi	Non-Executive Directors
4	Mr. Muhammad Rahat Siddiq	
5	Mr. Abdul Hadi Shahid	

6	Ms. Huma Waheed	Executive Director
7	Mr. Mian M. A. Shahid	Chief Executive Officer

UIC's Board comprises seven members, including two independent directors, three non-executive directors, and two executive directors (including the CEO and a female director). Independent directors represent one-third of the Board, in line with SECP Corporate Governance requirements. No casual vacancies or changes were reported during the year.

The Board operates through Board-level Committees, including the Ethics, Human Resources & Remuneration Committee (EHRRC), Investment Committee (IC), and Audit Committee (AC), to maintain oversight over key control functions. While EHRRC and Audit Committee are to be chaired by independent directors, only EHRRC is chaired by independent director while AC is chaired by a non-executive director, marking a deviation from regulatory requirements. During the year, four meetings of the Board were held, with satisfactory attendance. The Board's composition reflects a mix of professional experience across insurance, finance, and banking, supported by relevant academic qualifications. This provides an adequate level of oversight and governance in line with the company's operational and strategic requirements.

UIC's management team has remained largely stable, with continuity observed across key functions. The organizational structure remains adequately staffed, with no vacant key management positions reported during the year. No changes and vacancies were reported on the Board or Senior Management. Several management committees have been instituted including the Underwriting Committee (UC), Claims Settlement Committee (CSC), Reinsurance & Co-insurance Committee (RCC), and Risk Management & Compliance Committee (RMCC) to maintain oversight of operational activities.

SHARIAH COMPLIANCE

UIC's Window Retakaful Operations (WTO) are overseen by Shariah Advisor Mufti Farhan Farooq, with independent assurance provided by RSM Avais Hyder Liaquat Nauman & Co Chartered Accountants. As an operator of Window Takaful Operations (WTO), UIC is committed to conducting its business in strict adherence to Shariah principles. To ensure full compliance, all business practices, products, and operations are structured in accordance with Shariah rules under the regulatory framework. To strengthen its Takaful operations, the Company invests in regular training programs. In-house sessions, conducted by the Shariah Advisor, are arranged for senior management as per the Takaful Rules, 2012. Additionally, continuous training for other staff members and the sales force is provided through reputable institutions duly approved by the Securities and Exchange Commission of Pakistan (SECP).

The Shariah Review Report confirms that the financial arrangements, contracts and transactions, entered into by WTO of UIC are in compliance with the Takaful Rules, 2012. Additionally, the requirement under S.R.O. 311(I)/2025 is not applicable at UIC since Takaful operations contribute less than 25% to its gross contribution.

TRANSITIONAL PLAN

In compliance with SRO 3968/2025 dated April 17, 2025, the Company has adopted a structured, phased plan to transition from conventional insurance to a fully Shariah-compliant Takaful model, centered on six key pillars: Shariah governance, fund segregation, product transformation, ethical investments, capacity building, and financial cleansing. The plan includes establishing a Shariah Governance Framework, forming a Shariah Supervisory Board (SSB) and Shariah Compliance Department, segregating funds, converting products, and implementing cleansing and certification processes. The Board approved the transition plan in 2025, subject to SECP approval and regulatory guidance. The transition is expected to progress toward full operational implementation by end-2028, followed by financial realignment in 2029. As Takaful operations expand, the conventional business will be progressively phased out, with paid-up capital transferred under regulatory guidance and retained earnings capitalized only after the required financial cleansing in accordance with SECP directives.

AUDITOR'S OPINION

RSM Avais Hyder Liaquat Nauman & Co Chartered Accountants, categorized as 'Category A' on the SBP's Panel of Auditors and with satisfactory QCR rating from ICAP, has provided an unmodified opinion and unqualified report for CY25. UIC has appointed Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants for CY26, which is also categorized as 'A' on SBP's panel.

ON-SITE SECP REVIEW

The last full on-site inspection of UIC by the Securities and Exchange Commission of Pakistan (SECP) was conducted in 2025. The SECP had raised observations pertaining to AML/CFT and risk management. In response, UIC maintains comprehensive Board-approved AML/CFT and risk management policies, which are implemented across the Company, with compliance and risk-related matters reviewed through quarterly reporting to the Board.

Business Risk

INDUSTRY UPDATE

Despite a challenging operating environment during CY25, Pakistan's insurance sector demonstrated resilient growth. Total gross premiums (including takaful) increased by 13.9% to PKR 245.2bn (CY24: PKR 215.2bn), primarily driven by the takaful segment, where gross contributions rose to PKR 41.7bn (CY24: PKR 26.2bn). Growth was supported by stronger demand for Shariah-compliant products, enhanced Shariah governance, and expanding banca-takaful partnerships. The positive momentum continued into 1QCY26, with total gross premiums reaching PKR 11.6bn (1QCY25: PKR 7.8bn).

Monsoon floods during 2025 led to a sharp increase in claims, particularly motor claims in Punjab and Khyber Pakhtunkhwa, resulting in the industry's net claims ratio deteriorating to 54.1% (CY24: 51.2%) and further to 57.4% in 1QCY26 (1QCY25: 50.6%). Although insured losses remained limited due to insurance penetration of below 1% of GDP, the events reinforced the need for effective catastrophe-risk financing. Reinsurance conditions improved relative to the hard market of 2023–24; with Pakistan Reinsurance Company anchoring compulsory cessions and international reinsurers focusing on upper-layer catastrophe cover.

In terms of composition, the non-life (general) and life insurance segments account for ~35% and ~65% of the Gross Written Premium, respectively, including the Takaful Contribution. Despite near-term challenges, the sector's underlying potential remains substantial. Penetration is still among the lowest in Asia, leaving major growth potential in bancassurance, telco-based micro-insurance, agricultural protection, health coverage expansion, and digital-first distribution untapped. Climate-related risks will continue to shape the operating environment, influencing reinsurance terms, capital requirements, and future claims volatility, but also creating new avenues for innovation. Overall, Pakistan's insurance industry demonstrated resilience in 2024 and adaptability in 2025.

Regional geopolitical tensions, particularly the Iran-Israel conflict, have heightened risks across key shipping corridors during CY26 and are expected to increase war-risk premiums, reinsurance costs, and claims inflation through higher freight, repair, and replacement costs. Prolonged instability may continue to tighten reinsurance capacity and exert pressure on underwriting margins, necessitating disciplined underwriting and prudent pricing. Meanwhile, the recent increase in Pakistan's policy rate is expected to enhance insurers' investment income through higher yields on fixed-income portfolios, albeit with potential mark-to-market losses on longer-duration securities. Higher borrowing costs may also moderate demand for auto and housing finance, constraining new motor and property insurance business and tempering premium growth across these segments.

OPERATIONAL PERFORMANCE

Gross written Premium (GWP) Mix	CY24	CY25	1HCY26	1HCY25
Fire and property damage	12.7%	10.0%	6.9%	11.8%
Marine, aviation & transport	6.8%	5.8%	4.7%	9.1%
Motor	18.3%	21.3%	17.8%	29.0%
Crop	14.5%	9.9%	12.3%	6.6%
Miscellaneous	47.6%	52.9%	58.3%	43.5%
Total (PKR Mn)	**13,026.2**	**10,054.1**	**5,048.3**	**4,568.9**
GWP (Conventional %)	81.5%	83.1%	84.1%	75.0%
GWP (Takaful %)	18.5%	16.9%	15.9%	25.0%

Gross written premium (GWP) was reported at PKR 10,054.1mn during CY25 (CY24: PKR 13,062.2mn; CY23: PKR 10,066.1mn). Conventional business accounted for 83.1% of total GWP, while Takaful operations contributed the remaining 16.9%. The Company recorded a decline of around 23% compared to CY24, underperforming an otherwise growing industry during the same period. This decline was primarily attributable to the cessation of UIC's guarantee business following SECP's directive. Given that miscellaneous business constituted 58.3% of GWP, the overall premium base declined. However, following the suspension of SECP's directive by the High Court of Islamabad, UIC's guarantee business resumed in September 2025. During 1HCY26, GWP increased to PKR 5,048.3mn (1HCY25), primarily attributable to increase in the miscellaneous segment, with major contribution from health followed by credit suretyship business. The expected GWP in CY26 is around PKR 13.0bn indicating an expected recovery of business momentum lost in 2025.

Going forward, the miscellaneous segment is expected to remain the primary contributor to business volumes, while the proportion of Takaful business is expected to gradually increase as the Company progresses with its transition towards Shariah compliance.

Cession Ratio	CY24	CY25	1HCY26	1HCY25
Fire and property damage	50.6%	70.6%	70.3%	61.3%
Marine, aviation & transport	36.8%	35.3%	35.5%	28.4%
Motor	45.7%	37.9%	31.6%	29.1%

Crop	48.8%	48.1%	43.2%	129.5%
Miscellaneous	28.0%	39.1%	33.9%	30.7%
Overall Cession Ratio	37.7%	42.7%	37.2%	40.2%

Net Premium Revenue	CY24	CY25	1HCY26	1HCY25
Fire and property damage	775.1	641.3	155.7	364.5
Marine, aviation & transport	560.7	413.3	152.2	316.2
Motor	1,112.7	1,563.1	697.8	742.2
Crop	908.3	584.2	348.6	9.2
Miscellaneous	3,838.3	3,943.5	1,749.6	1,796.6
Total Net Premium Revenue	7,195.1	7,145.3	3,103.9	3,228.8

The overall cession ratio slightly decreased to 37.2% during 1HCY26 (1HCY25: 40.2%), owing to a significant decline in cession ratio in the crop-segment. Net premium revenue declined to PKR 3,103.9mn (1HCY25: PKR 3,228.8mn), reflecting the decline in gross premium, and with higher cession in fire, marine and motor, which collectively constitutes 29.4% of the total business. Cessions remain structurally high in fire and property damage (70.6%), in line with the severity and catastrophe exposure of these segments. In contrast, motor and miscellaneous business, together accounting for 74.2% of total premiums, are largely retained. Overall, reinsurance utilization remains aligned with the Company's risk profile and capital position.

REINSURANCE ARRANGEMENTS

UIC maintains excess-of-loss (XoL), quota-share and stop-loss reinsurance treaties with a panel comprising approximately 80% A-rated and above reinsurers, including Swiss Re (AA- by Fitch Ratings), Chaucer MENA Underwriting Ltd (A by S&P), Korean Re (A+ by S&P), Hannover Re (AA- by S&P), Echo Re (A by S&P), PRCL (AA+ by VIS), Canopius Asia Pte Limited (A+ by S&P), Kuwait Re (A- by S&P), AM First Speciality Insurance Company (A- by A.M. Best), Atlantic Reinsurance Company (B++ by A.M. Best) and Speciality MGA (on behalf of PVI Insurance (A- by A.M. Best)). In terms of changes on the reinsurers' panel, AmFirst Speciality Insurance Company replaced Hannover Re in miscellaneous segment. In terms of conventional treaty, Miscellaneous capacity has increased to PKR 750.0mn (CY25: PKR 450.0n) in CY26 with total retention increased to PKR 1.5mn (CY25: PKR 1.0mn), Motor capacity increased to PKR 25.0mn (CY25: PKR 13.0mn) with an additional layer of PKR 12.0mn and retention remained unchanged at PKR 6.5mn, while Crop capacity stood at PKR 406.2mn (CY25: PKR 565.6mn) with PKR 232.0mn (CY25: PKR 323.2mn) being retention. Treaty terms for fire & engineering, marine cargo, and workmen's compensation segments remain unchanged for CY26.

Of the total ceded business, 15.0% (CY25: 40.0%) was placed through facultative arrangements – a favorable trend - with the remaining portion ceded under treaty arrangements. In terms of Takaful treaties, the Fire segment has a quota-share treaty with a capacity of PKR 600.0mn and PKR 150.0mn retention, while Engineering has a quota-share treaty with a capacity of PKR 400.0mn and PKR 100.0mn retention. Marine and Miscellaneous have quota-share treaties with capacities of PKR 300.0mn and PKR 30.0mn, with PKR 75.0mn and PKR 7.5mn retention, respectively. Motor is covered through an XoL treaty with a capacity of PKR 20.0mn and PKR 5.0mn retention, while the Fire & Engineering CAT treaty has a capacity of PKR 300.0mn with PKR 150.0mn retention. Takaful treaties remained unchanged for CY26. Swiss Retakaful, PRCL, and Kuwait Re are the major retakaful operators. However, during CY26, the Company's retakaful arrangements were primarily placed with Swiss Retakaful and PRCL.

The capacity and retention levels for both conventional and re-takaful arrangements are on a per-risk basis, with no other material changes reported. Overall, UIC's retention levels remain relatively high compared with peers operating in similar segments. As per information provided by the Company, the maximum sum insured remains within the respective treaty capacity, while risks exceeding treaty capacity are placed through facultative reinsurance arrangements.

Financial Risk

CLAIMS EXPERIENCES

Gross Claims Ratio	CY24	CY25	1HCY26	1HCY25
Fire and property damage	21.4%	147.2%	20.9%	49.0%

Marine, aviation & transport	17.4%	49.7%	-2.7%	3.3%
Motor	58.8%	79.7%	81.8%	68.4%
Crop	60.0%	62.2%	41.3%	-52.7%
Miscellaneous	42.9%	41.6%	24.7%	40.3%
Overall Gross Claim Ratio	43.6%	63.9%	35.0%	35.8%
Gross Claim (Conventional %)	33.6%	51.5%	87.4%	61.1%
Gross Claim (Takaful %)	66.4%	48.5%	12.6%	38.9%

During CY25, claims expense amounted to PKR 6,750.4mn; after adjusting for reinsurance recoveries, net claims expense stood at PKR 2,076.5mn, translating into a gross claims ratio of 63.9% and a net claims ratio of 29.1% for the year. The higher claims ratio was primarily driven by a material increase in claims incidence across the fire, motor, and marine segments during the period. Nevertheless, the ratio remained favourable relative to the industry-wide net claims ratio of 54.1%. During 1HCY26, claims expense amounted to PKR 1,617.6mn (1HCY25: PKR 1,633.5mn); after adjusting for reinsurance recoveries, net claims expense stood at PKR 528.1mn, translating into a gross claims ratio of 35.0% (1HCY25: 35.8%) and a net claims ratio of 17.0% (1HCY25: 22.1%). The lower claims ratio was primarily driven by a decline in claims incidence within the fire, miscellaneous and marine segment during the period.

The Company's reinsurance program, comprising excess-of-loss (XoL), quota-share and stop-loss treaties.

Net Claims Ratio	CY24	CY25	1HCY26	1HCY25
Fire and property damage	20.3%	83.4%	11.1%	32.8%
Marine, aviation & transport	7.9%	2.3%	4.9%	-2.5%
Motor	43.1%	36.7%	38.5%	36.8%
Crop	36.3%	48.3%	26.9%	51.0%
Miscellaneous	41.9%	17.2%	8.0%	18.0%
Overall Net Claims Ratio	36.4%	29.1%	17.0%	22.1%

PROFITABILITY

	CY24	CY25	1HCY26	1HCY25
Underwriting Expense Ratio	34.2%	36.4%	45.4%	40.3%
Combined Ratio	70.6%	65.5%	62.4%	62.4%
Recurring Investment Income (PKR Mn)	236.5	183.2	139.2	116.1
Net Premium Revenue (PKR Mn)	7,195.1	7,145.3	3,103.9	3,228.8
Net Operating Ratio	67.3%	62.5%	57.9%	58.8%
Total Underwriting Profit (PKR Mn)	2,088.4	2,468.2	1,144.8	1,178.6

The underwriting expense ratio increased to 36.0% in CY25 (CY24: 34.2%) and continued to compare favorably with the industry average of 38.5%. Consequently, the combined ratio slightly declined to 65.5% on account of low net claims ratio in CY25 and remained well below the industry average of 92.6%, supporting underwriting performance relative to peers and translating into an underwriting profit of PKR 2,468.2mn (CY24: PKR 2,088.4mn). Investment loss stood at PKR 250.6mn, as opposed to an investment income of PKR 474.1mn in CY24. This loss in investment income was primarily attributable to a reversal of gain booked in 2024 on sale of shares of investment in associate (13.97% share in Apna Microfinance Bank) to related parties and amounting PKR 359.6mn. Profit after Tax (PaT) therefore fell materially to PKR 1,506.2mn (CY24: PKR 2,062.9mn).

During 1HCY26, underwriting expense ratio increased to 45.4% (1HCY25: 40.3%). However, the combined ratio remained range-bound due to lower net claims ratio. Therefore, the underwriting profit declined to PKR 1,144.8mn (1HCY25: PKR 1,178.6mn). Investment income stood at PKR 85.9mn, as oppossed to a loss on investment income of PKR 286.3mn in the corresponding year last year. This gain in investment income was primarily attributable to a higher return on term deposits of PKR 38.9mn (1HCY25: PKR 27.1mn) and a realized gain on equity investments of PKR 0.7mn, as oppossed to a loss of PKR 359.6mn in the corresponding year last year. Profit after Tax (PaT) therefore posted improvement at PKR 935.2mn (1HCY25: PKR 628.6mn).

INVESTMENT PROFILE

The Company's investment portfolio, comprising equity securities, debt securities, and term deposits, increased to PKR 1,962.3mn in 1HCY26 (CY25: PKR 1,947.6mn; CY24: PKR 1,572.1mn; CY23: PKR 1,414.1mn). Term deposits accounted for approximately 61.1% of the portfolio, with rates ranging from 2.25% to 16.0% per annum, broadly in line with the previous year. Term deposits of PKR 290.3mn (2024: PKR 237.0mn) are under lien against guarantees of an equivalent amount issued by the bank in favour of the Company for International Air Transport Association requirements related to travel insurance. Approximately 38.6% of the portfolio is invested in 10-year PIBs, while only 0.02% is deployed in equities, limiting exposure to equity market volatility. The PIB portfolio is entirely fixed-rate, exposing the Company to interest rate risk amid expectations of rising interest rates, which could exert pressure on the valuation of these investments. Going forward, the investment mix is expected to remain broadly unchanged.

LIQUIDITY PROFILE

Liquidity Indicators	CY24	CY25	1HCY26
Liquid Assets/Net technical reserves	96.6%	274.0%	226.5%
Insurance Debt to Gross Premium	29.8%	50.2%	63.7%

The liquidity is adequate, with liquid assets to net technical reserves improving to 226.5% (CY25: 274.0%; CY24: 96.6%), after adjusting liquid assets for the term-certificates provided in lien, and net technical reserves for the prepaid reinsurance ceded and reinsurance recoveries. The insurance debt-to-gross premium ratio significantly increased to 50.2% (CY24: 29.8%) in CY25, owing to higher receivables from insurance contract holders and compared unfavourably with peer average which stood at 30.4%. Insurance debt to gross premium further increased to 63.7% in 1HCY26. The ageing of premium receivables has increased, with 16.0% (CY25: 3.1%) of premiums outstanding for more than one year as at end-1HCY26. Claims payable, continue to exhibit relatively elevated ageing, with 21.8% of outstanding claims aged over one year as at end-1HCY26, albeit significantly lower than 47.9% recorded in CY24.

CAPITALIZATION

Capitalization Indicators	CY24	CY25	1HCY26
Equity (PKR mn)	5,436.0	6,991.5	7,966.1
Operating Leverage	132.4%	102.2%	77.9%
Financial Leverage	76.2%	64.2%	59.3%

UIC's capitalization levels have remained comfortable, owing to higher share capital. UIC's equity is well above the minimum paid-up capital requirement of PKR 2,000.0mn prescribed under the revised regulatory framework, which is subject to phased implementation through 2030 and has consistently increased over the past two years. The equity stood at PKR 7,966.1mn as at Jun'26. Consequently, the Company remains compliant with the solvency requirement, as its total admissible assets continue to exceed its liabilities. During the review period, both operating leverage & financial leverage decreased, given the decline in business, likely to pick pace from the current year onwards. Nevertheless, the company is not estimated to require external equity in the foreseeable future.

Financial Summary				(PKR Mn)
Balance Sheet	CY24	CY25	1HCY26	1HCY25
Cash and Bank Accounts	813.0	827.4	2,064.5	809.2
Investments (Adjusted for lien)	1,202.5	1,657.3	916.9	823.4
Liquid Assets	2,015.5	2,484.7	2,981.4	1,632.6
Investment Property	487.2	533.1	544.8	533.2
Insurance Debt	3,167.1	4,196.7	5,406.2	2,620.1
Total Assets (including Window Takaful)	18,437.7	21,874.9	23,846.5	16,477.1
Paid Up Capital	3,467.5	4,161.0	4,993.2	4,161.0
Net Worth	5,436.0	6,991.5	7,966.1	6,080.8
Total Liabilities	9,585.6	11,331.8	12,390.0	9,823.7
Income Statement	CY24	CY25	1HCY26	1HCY25
Gross Premium Revenue	13,026.2	10,054.1	5,048.3	4,568.9
Net Premium Revenue	7,195.1	7,145.3	3,103.9	3,228.8
Net Claims	2,619.3	2,076.5	528.1	712.3
Underwriting Profit/(Loss)	2,088.4	2,468.2	1,144.8	1,178.6
Investment Income	474.1	(250.6)	85.9	(286.3)
Profit Before Tax	2,792.5	2,308.6	935.3	935.3
Profit After Tax	2,026.9	1,506.2	935.2	628.6
Ratio Analysis	CY24	CY25	1HCY26	1HCY25
Market Share (%)	6.1%	4.1%	NA	1.9%
Cession Ratio (%)	37.7%	42.7%	37.2%	40.2%
Gross Claims Ratio (%)	43.6%	63.9%	35.0%	35.8%
Net Claims Ratio (%)	36.4%	29.1%	17.0%	22.1%
Underwriting Expense Ratio (%)	34.2%	36.4%	45.4%	40.3%
Combined Ratio (%)	70.6%	65.5%	62.4%	62.4%
Insurance Debt to Gross Premium (%)	29.8%	50.2%	63.7%	38.2%
Operating Leverage (%)	132.4%	102.2%	77.9%	106.2%
Liquid Assets to Net Technical Reserves (%)	96.6%	274.0%	226.5%	102.3%
Adjusted Financial Leverage	76.2%	64.2%	59.3%	61.9%

**Annualized*

REGULATORY DISCLOSURES	Appendix I
Name of Rated Entity	United Insurance Company Limited
Sector	General Insurance
Type of Relationship	Solicited
Purpose of Rating	Insurer Financial Strength

Rating History

Rating Date	REIT Rating	Rating Outlook	Rating Action
RATING TYPE: ENTITY			
21/09/2026	AA+ (IFS)	Stable	Reaffirmed
26/09/2025	AA+ (IFS)	Stable	Maintained
27/05/2025	AA+ (IFS)	Rating Watch - Developing	Maintained
05/08/2024	AA+ (IFS)	Stable	Reaffirmed
27/07/2023	AA+ (IFS)	Stable	Reaffirmed
31/03/2022	AA+ (IFS)	Stable	Harmonised
14/10/2021	AA	Stable	Upgrade
10/06/2020	AA-	Stable	Reaffirmed
22/03/2019	AA-	Stable	Initial

Instrument Structure	N/A
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

Due Diligence Meeting Conducted

	Name	Designation	Date
1	Mr. Maqbool Ahmad	Chief Financial Officer	August 19th, 2026
2	Mr. Malik Saad Munir	DGM Accounts & Finance	