RATING REPORT

IGI General Insurance Limited

REPORT DATE:
December 29, 2022

RATING ANALYSTS:
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RATING DETAILS		
Rating Category	**Latest Rating**	**Previous Rating**
Insurer Financial Strength	AA+	AA+
Rating Date	*29th December, 2022*	*31st March, 2022*
Rating Outlook	Stable	Stable

COMPANY INFORMATION	
Incorporated in 2016	**External auditors:** M/s A.F. Ferguson & Co. Chartered Accountants
Public Limited Company	**Chairman of the Board:** Mr. Shamim Ahmad Khan
Key Shareholders (with stake 5% or more):	**Chief Executive Officer:** Mr. Tahir Masaud
IGI Holdings Limited – 100%	

APPLICABLE METHODOLOGY(IES)
VIS Entity Rating Criteria: General Insurance (November 2019)
http://www.vis.com.pk/kc-meth.aspx

IGI General Insurance Limited

OVERVIEW OF THE INSTITUTION

IGI General Insurance Limited (IGI) was incorporated as a public limited company in 2016, under the Companies Ordinance, 1984. Primary business of the company includes provision of both general insurance and window takaful operations. IGI commenced its window takaful operations with effect from July 2017. The company has a registered office situated in Karachi and operates through a network of nine branches nationwide.

Profile of Chairman:

Mr. Shamim Ahmad Khan is associated with the Company as a Non-Executive Director, He has served various government organizations in different capacities namely Securities and Exchange Commission of Pakistan (SECP) and Ministry of Commerce (MoC).

Profile of CEO:

Mr. Tahir Masaud is the Chief Executive Officer of IGI General Insurance Limited. Mr. Masaud brings with him over 17 years of rich and varied experience gained in senior leadership positions within the general insurance sector in Pakistan and United Kingdom. His background includes sales and marketing administration, product development and project management.

RATING RATIONALE

IGI Holdings Limited (IGI Holdings) holds 100% stake in IGI General Insurance Limited (IGI). IGI Holdings is associated with Packages Group, a diversified conglomerate with strong financial strength, holding investments in companies that have presence in the manufacture and sale of packaging material, paper, paperboard and corrugated boxes, biaxial oriented polypropylene film and cast polypropylene film, inks, production and sale of ground calcium carbonate products, and companies engaged in insurance (life and non-life), stock brokerage and real estate businesses.

Group
IGI Holdings Limited (Parent company)
IGI Life Insurance Company Limited (Subsidiary of Parent)
IGI Investments (Private) Limited (Subsidiary of Parent)
IGI Finex Securities Limited (Subsidiary of Parent)
IGI FSI (Private) Limited
Packages Limited
Packages Convertors Limited
Packages Real Estate (Private) Limited
Bulleh Shah Packaging (Private) Limited
Tri-Pack Films Ltd
Packages Lanka Private Limited
DIC Pakistan Ltd.
Flexible Packages Converters Pty Limited
OmyaPack (Private) Limited
S.C. Johnson & Son of Pakistan (Private) Limited

Rating assigned to IGI derive strength from association with its primary shareholder, improved penetration of un-tapped markets and surpassing business targets despite downturn in global and local economic indicators during the rating review period. Rating incorporates reduction in overall underwriting profit during the review period due to sizable losses under fire segment during the ongoing year. In addition, stemming from higher loss ratio reported the rating factors in weakening of combined ratio, financial leverage and liquidity indictors. On the flip side, despite incurrence of an aforementioned loss coupled with flood related losses, the reporting of positive bottom line during CY22 and 3QCY22 exhibits the resilience of the company's operating performance along with sound reinsurance coverages. The rating further incorporates reinsurance arrangements largely with counterparties having sound credit risk profiles with appropriate risk retention on net account to maintain risk appetite of the company. Assigned rating also accounts for the stability and expertise of the management team in the insurance sector. With projected slowdown in the economic activity due to high interest rates, rupee devaluation, and elevated inflation levels, key focus area for the management would remain historically tested fire and motor segments which would be important from the underwriting risk perspective. Conservative investment mix continues to support the rating. On the other hand, the insurance debt in relation to gross premium has increased on a timline basis and needs to be addressed. Nevertheless, the aging of receivables is considered satisfactory. Moreover, the rating remains sensitive to increase in operating and financial leverages; the same remain higher than the rating benchmark. Going forward, achieving growth in market share while maintaining loss ratios, underwriting quality and profitability metrics would remain an important rating driver.

Insurance Sector Update

The gross premiums/ takaful contributions underwritten by the industry grew by 11% in 2021, picking up from 8% in 2020 as data published by Insurance Association of Pakistan (IAP). In HY22, given the increase in inflation, we have noted a change in trend wherein industry underwriting posted a growth of 26% vis-s-vis SPLY. Overall growth for 2022, is expected to be notably higher in the range of 25-30%. The insurance penetration in Pakistan has remained below that of neighboring counterparts, given non-life insurance penetration of ~0.355% vis-à-vis India at 4.2% and Sri-Lanka 1.39%. Further, the industry's combined ratio posted a dip in 2021, which was driven by a drop in both net claims and expense ratios. Overall, the impact of investment returns on industry profitability remained similar, investment returns stood at 17% of the net premium. Even though operating leverage of Pakistan's insurance industry remains adequately high, which is partly explained by lagged growth, in June'22, we have noted a trend of an uptick in operating leverage to 67.3% (annualized). Apart from the overall growth in underwriting, this is also partly attributable to dividend payouts in Q1 and mark to market losses on fixed income portfolios in Q2. Investment returns in HY22, have not depicted much deviation, unlike the one noted in life insurance portfolios. This is partly attributable to a different asset management strategy, albeit also implies that the industry was well placed in terms of portfolio duration leading up to 400 bpts steep drop-in benchmark rates noted in Q2'2022. Given higher benchmark rates, investment yield is expected to improve in 2023. The SECP has issued instructions of phase wise implementation of IFRS 17. The implementation is expected to translate in sizable provisioning burden for the industry, however the actual impact of the same on industry capitalization is yet to be ascertained. No final timeline for the same is announced yet.

Business Strategy

IGI is primarily engaged in providing general insurance and window takaful operations to five primary segments namely fire & property damage, marine, aviation & transport, motor, accident & health and miscellaneous. The company operates via nine branches spread across Pakistan; no new branch was opened during the period under review. Although the business mix of the company remained dominated by fire segment followed by motor, the proportion of motor segments declined during the review period owing to growth in Accident & Health (A&H) segments. Higher premiums were recorded in A&H on account of better reception of health policies by individuals post pandemic situation coupled with structural change in A&H to improve the underwriting performance of the segment; the company focused more on retail-based business during the outgoing year. On the other hand, the business volumes in the motor segment declined owing to increase in car prices along with drop in the car leasing business in line with increasing market interest rate scenario prevalent during the rating review period. The share of miscellaneous segment declined during the ongoing year due to one off engineering policy underwritten in FY21. Subsequently, despite recent catastrophic floods and economic downturn experienced IGI was able to surpass its GWP target of Rs. 7.0b for FY21; business volumes increased to Rs. 8.1b (FY21: 8.5b; FY1: 6.0b) during 9MFY22. Along with addition of new clients, growth in gross premiums has also been facilitated by increase in sum insured across various business lines. The facultative business accepted during 9MFY22 was reported around Rs. 52.0m; the same is expected to remain in single digits by end-FY22 with the proportion of the same to GWP remaining low. The co-insurance & others lead business reaped during the ongoing year was recorded higher at Rs. 1.8b as opposed to Rs. 1.6b in FY21. Business generated from group companies support overall gross premiums with the same constituting around 12% (FY20:14%) of overall gross premiums during FY21. The managements projects that the company would be able to close FY22 at GWP of Rs. 10b as GWP.As per the management, the Group has partnered with a digital distribution partner therefore additional business amounting to Rs. 1.5b will be written by the company under the A&H segment in the next year. Hence, the GWP target for FY23 is estimated around Rs. 13.0b. The snapshot of business mix (conventional & takaful) is presented in the table below:

Business Mix	CY20	CY21	3QCY22
Fire and property damage	34.2%	30.0%	35.5%
Marine, aviation and transport	11.8%	11.0%	12.1%
Motor	28.8%	25.2%	24.2%
Accident & Health	9.0%	14.6%	14.9%
Miscellaneous	16.2%	19.1%	13.3%
Total	**6,014.0**	**8,510.7**	**8,058.4**

To maintain low loss ratios and healthy underwriting performance, the company follows a steady business growth approach whereby business with reputed clients is undertaken. Going forward, the growth in business volumes is projected to be maintained by fire and motor segment; both cumulatively are expected to constitute 60% during the rating horizon. In addition, IGI will continue to tap middle tier clients to avoid imbalance of institution's risk appetite and risk exposure. The cession ratio exhibited a declining trend on a timeline on account of reduction in average sum insured under quota share cum surplus treaties. The highest cession was recorded in the miscellaneous segment owing to higher sum policies ceded to reinsurers. As per the management, out of the entire foreign trade credit business in the miscellaneous segment almost 95% is ceded. In addition, the entire Accident & Health business is retained on company's books. Going forward, the overall cession ratio is expected to remain at current levels if there is no change in the revenue mix. The breakdown of cession segment wise is provided below:

Cession Ratio	CY20	CY21	3QCY22
Fire and property damage	87.6%	83.3%	71.1%
Marine, aviation and transport	62.4%	66.4%	72.9%
Motor	9.4%	8.5%	8.1%
Accident & Health	0.0%	0.0%	0.0%
Miscellaneous	84.8%	72.3%	81.4%
Overall Cession Ratio	**53.7%**	**48.3%**	**46.9%**

On the Window Takaful Operations (WTO) front, the gross and net contribution increased to Rs. 1.1b (FY20: Rs. 537.3m) and Rs. 487.1 (FY20: 210.6m) respectively during FY21 with major increase manifested in A&H segment; the motor segment continued to represent the largest proportion. The participants incurred a deficit of Rs. 95.0m during FY21 as opposed to surplus of Rs. 13.7m booked in preceding year. The deficit is attributable to high loan loss ratio in health business for which corrective measures are being taken. Moreover, business at the Takaful front is expected to grow at a slower pace vis-à-vis conventional insurance given that there is limited capacity in the reinsurance market.

Claims Experiences

Given the industry's trend, the highest net claims ratio during FY21 emanated from the A&H segment on account of full retention on net account. As per the management, the inflationary pressure contributed towards increased health insurance related claims as the medicinal treatment became relatively costly during the ongoing year. However, on account of exercise on identification of lossmaking clients/groups in A&H segment carried out by the management at end-FY21, the net claims ratio improved during the ongoing year as a chunk of unprofitable business was tapered off. On the flip side, the loss ratios in the fire segment scaled up significantly in line with large quantum loss amounting to Rs. 4.5b reported in a group related concern pertaining to packaging sector during the ongoing year. As per the management, the settlement of Rs. 3.6b had been made till end-Sep'22. The gross loss and net loss pertaining to the aforementioned account was recorded at Rs. 90m and Rs. 40m respectively. As per the management, the loss has been settled by end-Nov'22. In addition to that, IGI also faced another claim amounting to around Rs. 160m on gross basis related to a local tire manufacturing firm. As a result, despite adequate reinsurance covers taken, the company's net loss ratio was recorded significantly higher in the fire segment due to one-off event at end-3QFY22. Further, claims ratio also increased for marine, motor and miscellaneous segments on timeline during the ongoing year on account of large quantum losses irrespective of number of loss events remaining the same. In addition, as per the management, the impact of recent floods on gross and net claims was recorded roughly at around Rs. 300m and Rs. 60m respectively during the ongoing year. Going forward, the targeted net claims ratio by IGI is 55% for FY22. The segment-wise net claims ratios are presented in the table below:

Net Claims Ratio	CY20	CY21	3QCY22
Fire and property damage	52.6%	23.4%	130.3%
Marine, aviation and transport	45.5%	47.8%	53.1%
Motor	47.7%	57.9%	56.9%
Accident & Health	83.4%	103.7%	85.4%
Miscellaneous	31.3%	51.7%	49.5%
Total Net Claims Ratio	**53.6%**	**66.7%**	**69.4%**

Underwriting Performance

The company's underwriting performance depicted a downward trend during the rating review period primarily in line with deterioration of claims ratios as the expense ratio improved owing to higher average ticket size and rationalization of management expenses. The net commission expense booked in absolute terms increased to Rs. 204.7m (FY21: Rs. 87.8m; FY20: Rs. 85.9m) on a timeline despite decline in cession ratio at end-3QFY22; however, the rationalization of expense ratio was a factor of sizable growth in scale of operations coupled with higher retention of business on the company's books. Further, as per the management, the impact of floods on gross and net claims was recorded roughly at Rs. 300m and Rs. 60m respectively during the ongoing year. As per the management, as price-based competition is inherent in the insurance sector, high commission is often paid to agents to tap incremental business as the share of the pie has not increased sizably over the course of rating review. Moreover, commission income in the marine segment exhibited positive momentum during the review period as the company received higher end of the commission sliding scale rate on account of reporting relatively low loss ratio in the aforementioned segment. Given increase in claims ratios, particularly in A&H for FY21 and fire segment in the ongoing year, the combined ratio increased and was reported above 100% for both periods exhibiting that the company reported loss from its insurance operations. Apart from marine and motor, all segments reported loss during both periods under review. The ability to maintain overall underwriting performance positive will remain imperative for ratings going forward. The snapshot of underwriting results (conventional & takaful) is tabulated below:

Underwriting Profit (Loss)	CY20	CY21	3QCY22
Fire and property damage	(237.6)	(94.0)	(331.7)
Marine, aviation and transport	71.0	121.0	40.5
Motor	318.8	259.0	257.1
Accident & Health	(23.2)	(207.1)	(12.7)

Miscellaneous	(29.4)	(89.1)	(38.6)
Total Underwriting Profit	99.5	(10.2)	(85.2)

Investment income continues to support the bottom line of the company; the same was reported higher during the ongoing year on account of higher return on government securities and deposits on the back of monetary policy tightening resulting in high benchmark rates set by the central bank. Subsequently, due to higher loss expense booked, IGI reported lower profit after tax during FY21. Furthermore, profitability indicators for 9MCY22 largely mimic outgoing year trend despite improvement in scale of operations and higher investment income owing to further incurrence of sizable insurance claims. The snapshot of underwriting ratios (conventional & takaful) is given below:

	CY20	CY21	3QCY22
Net Claims Ratio	53.6%	66.7%	69.4%
Underwriting Expense Ratio	42.5%	33.6%	33.4%
Combined Ratio	96.1%	100.3%	102.8%

Reinsurance Arrangements

IGI's risk profile is supported by strong reinsurance coverage provided by diversified panel of reinsurers. Risk profile of the reinsurance panel is considered sound as all reinsurers are rated in 'A' band or higher. There was no change in the reinsurance panel during the rating review period. Pakistan Reinsurance Company Limited (PRCL) has the highest share in major segments including property, general accident, engineering, bond and marine cargo by virtue of specific quota to be extended to local reinsurer followed by Hannover Re. On the other hand, Hannover Re leads in motor, crop, terrorism and catastrophic covers. The company has negotiated quota cum surplus treaties for all its major segments protected further by non-proportional treaties. In line with anticipation of enhanced business in major segments including fire catastrophic, property, general accident and engineering the total treaty capacities were enhanced during FY22. Other than general accident where retention on company's net account has decreased, retention in segments including fire CAT (XOL) and engineering, retention on net account increased slightly. Subsequently, size of maximum per risk claim changed during the period under review; however, the same is considered manageable in relation to the company's equity base. Going forward, as per the management, no major change in the treaty terms and commission rate is expected in FY23. However, the management is trying to bring in more reinsurers.

Conservative investments profile with no direct exposure in stock market: The investment portfolio largely remained range bound recorded at Rs. 2.8b (FY21: Rs. 3.0b; FY20: Rs. 2.9b) at end-9MFY22. Nevertheless, there has been shift in the investment mix given considerable investment was made in government securities in FY21 on account of interest-bearing government securities becoming lucrative post covid-19 related recession with prevailing market rate being at the higher end of the spectrum during the review period. With the investment portfolio in terms of size largely remaining the same, the increased investment in government securities was driven by liquidation of mutual funds during the rating review period. Subsequently, around 72% of the investment portfolio mix constitutes of government instruments; the same assists in keeping the credit risk exposure within the company's risk appetite levels. The fixed and floating rate PIBs approximately constitute an equal proportion. The floaters PIBs held by the company are longer tenor with an average effective yield of around 16.0% maturing in FY28 and FY29. Going forward, as per the prevailing market sentiment with interest rates expected to increase slightly by end-FY22, the investment strategy is to only invest in shorter tenor securities. The credit risk emanating from the investment portfolio is considered minimal given considerable investment in risk-free instruments coupled with sound financial profile and credit ratings of the counterparties. On the other hand, given the asset composition, the investment portfolio is subject to considerable market risk. In addition, in line with persistent volatility in the capital market, IGI's investment in equity market is largely limited to equity funds as the quantum of direct investment in the stock market was recorded meager at Rs. 83.7m (FY21: nil, FY20: nil) at end-9mFY22. Investment committee guides the risk in equity market. Moreover, the company has an investment in property having a market value of Rs. 399.6m at end-9MFY22. Going forward, IGI plans to continue with the existing investment mix with no additional capital to be invested in the stock market due to prevailing economic and political uncertainty.

Rs. in millions	FY20		FY21		9MFY22	
	Market Value	%	Market Value	%	Market Value	%
Mutual Funds	497.2	17.1%	952.7	32.1%	402.1	14.6%
Equity	*277.2*	*9.5%*	*947.4*	*99.4%*	-	-
Income /Money Market	*204.0*	*7.0%*	*5.31*	*0.6%*	*402.1*	*14.6%*
Sovereign	*16.0*	*0.6%*	-	-	-	-
T-Bills	1,428.9	49.2%	601.1	20.2%	324.6	11.8%
PIBs	827.5	28.5%	1,264.2	42.6%	1,646.2	59.7%
Sukuks/TFCs	150.0	5.2%	-	-	-	-
Term Deposits	0.0	0.0%	150	5.1%	300.0	10.9%
Shares	-	-	-	-	83.7	3.0%
Total	**2,903.7**	**100.0%**	**2,968.0**	**100.0%**	**2,756.6**	**100%**

Adequate capitalization indicators with significant buffer over minimum solvency requirement; leverage indicators have increased during the ongoing year; significant increase in financial leverage on account of increase in technical reserves: Capitalization levels of the company have improved on a timeline basis as a result of internal capital generation. Moreover, IGI is considered sound from solvency point of view as the company has adequate cushion in terms of total admissible assets over its liabilities. The operating leverage ratio increased during the review period in line with augmentation of scale of operations along with decline in cession ratio, the same indicates increase in risk profile of the company. However, on account of appropriate reinsurance coverage the increase in operating leverage does not pose exponential risk to loss absorption capacity of the company. Moreover, financial leverage ratio was reported higher at end-9MFY22 on account of increase in net technical reserves. The increase in technical reserves was manifested in both higher outstanding claims and unearned premium reserves; higher outstanding claims were an outcome of an unsettled fire claim., meanwhile, unearned premium has an element of cyclicality attached as some of the new business was reaped in July'22. Nevertheless, the aging profile of the claim's payable was satisfactory with only claims amounting to Rs. 98m representing around 1% of total claims, were outstanding for more than a year at end-9MFY22. The leverage indicators of the company continue to remain higher than the rating benchmark on account of current capitalization levels. Going forward, with steady growth expected in business volumes, the operating leverage is expected to increase slightly during the rating horizon.

Liquidity profile demonstrates weakening on account of augmentation of technical reserves: In line with a sizable claim booked during the ongoing year, the liquidity profile in terms of liquid assets maintained in relation to net technical reserves (only adjustment for prepayments) represents deterioration; however, the same depicts a magnified position as once the settlement of Rs. 4.5b claim is made the liquidators indicators will revert to normal. In addition, with the cyclicality prevalent in the insurance sector, the technical reserves will further decline by end-FY22 as the unearned premium reserve is gradually realized. On the other hand, insurance debt in relation to gross premium increased on a timeline during the ongoing year on account of increase in receivables due from insurer/reinsurer;

	the same is slightly over the rating benchmark criterion for the assigned rating. Moreover, the operating ratio also increased on timeline basis despite growth in net premium and higher investment income owing to higher incidence of claims.

IGI General Insurance Limited Appendix I

FINANCIAL SUMMARY *(amounts in PKR millions)*				
BALANCE SHEET	**Dec 31, 2019**	**Dec 31, 2020**	**Dec 31, 2021**	**Sept 30, 2022**
Cash and Bank Deposits	133.1	231.6	203.7	156.5
Investments	3151.5	2,903.7	2,968.0	2,756.6
Investment Properties	377	377.8	399.6	399.6
Insurance Debt	1,424.9	1,873.8	2,549.0	4,179.9
Total Assets	8,681.1	10,255.3	11,656.9	18,688.0
Technical Reserves	3,568.3	4,752.0	5,479.2	11,958.5
Paid-Up Share Capital	1,918.4	1,918.4	1,918.4	1,918.4
Net Worth	2,462.1	2,446.8	2,542.0	2,696.0
Total Liabilities	6,153.2	7,678.4	8,746.5	15,646.5
INCOME STATEMENT				
Net Premium Revenue	2,569.2	2,531.3	3,203.1	3,098.9
Net Claims	1,409.6	1,357.7	2,136.0	2,149.5
Underwriting Profit	203.9	249.8	264.6	76.9
Profit Before Tax	806.9	685.6	603.1	482.3
Profit After Tax	573.2	486.5	427.9	291.2
RATIO ANALYSIS				
Cession Ratio (%)	44.6	53.7	48.3	46.9
Gross Claims Ratio (%)	40.5	63.0	59.8	140.2
Net Claims Ratio (%)	54.9	53.6	66.7	69.4
Underwriting Expense Ratio (%)	39.8	42.4	33.6	33.4
Combined Ratio (%)	94.7	96.0	100.3	102.8
Net Operating Ratio (%)	86.1	81.6	92.0	93.4
Insurance Debt to Gross Premium (%)	25.4	31.2	30.0	38.9
Operating Leverage (%)	104.4	103.5	126.0	153.3
Financial Leverage (%)	105.4	153.3	163.3	370.5
Adjusted Financial Leverage (%)	64.3	64.8	88.0	130.1
Liquid Assets to Technical Reserves (%)	126.5	83.6	76.4	29.2
Liquid Assets to Adjusted Technical Reserves (%)	207.5	197.9	141.8	83.1

ISSUE/ISSUER RATING SCALE & DEFINITIONS — Appendix II

RATING SCALE & DEFINITIONS: INSURER FINANCIAL STRENGTH

AAA(IFS)
Exceptionally Strong. Exceptionally strong capacity to meet policy holders and contract obligations. Risk factors are minimal, and the impact of any adverse business and economic factors is expected to be extremely small.

AA++(IFS), AA+(IFS), AA(IFS)
Very Strong. Very strong capacity to meet policy holders and contract obligations. Risk factors are very low, and the impact of any adverse business and economic factors is expected to be very small.

A++(IFS), A+(IFS), A(IFS)
Strong. Strong capacity to meet policy holders and contract obligations. Risk factors are low, and the impact of any adverse business and economic factors is expected to be small.

BBB++(IFS), BBB+(IFS), BBB(IFS)
Good. Good capacity to meet policyholder and contract obligations. Risk factors are moderate, and the impact of any adverse business and economic factors is expected to be manageable.

BB++(IFS), BB+(IFS), BB(IFS)
Marginal. Marginal capacity to meet policyholders and contract obligations. Though positive factors are present, risk factors are relatively high, and the impact of any adverse business and economic factors is expected to be significant.

B++(IFS), B+(IFS), B(IFS)
Weak. Weak capacity to meet policyholder and contract obligations. Risk factors are high, and the impact of any adverse business and economic factors is expected to be very significant.

CCC(IFS) , CC(IFS), C(IFS)
Very Weak. Very weak capacity to meet policyholder and contract obligations. Risk factors are very high, and the impact of any adverse business and economic factors may lead to insolvency or liquidity impairment.

D(IFS)
Distressed. Extremely weak capacity with limited liquid assets to meet policyholders and contractual obligations, or subjected to some form of regulatory intervention or declared insolvent by the regulator.

Rating Watch: VIS places entities and issues on 'Rating Watch' when it deems that there are conditions present that necessitate re-evaluation of the assigned rating(s). Refer to our 'Criteria for Rating Watch' for details. https://docs.vis.com.pk/docs/criteria_watch.pdf

Rating Outlooks: The three outlooks 'Positive', 'Stable' and 'Negative' qualify the potential direction of the assigned rating(s). An outlook is not necessarily a precursor of a rating change. Refer to our 'Criteria for Rating Outlook' for details. https://docs.vis.com.pk/docs/criteria_outlook.pdf

'p' Rating: A 'p' rating is assigned to entities, where the management has not requested a rating, however, agrees to provide informational support. A 'p' rating is shown with a 'p' subscript and is publicly disclosed. It is not modified by a plus (+) or a minus (-) sign which indicates relative standing within a rating category. Outlook is not assigned to these ratings. Refer to our 'Policy for Private Ratings' for details. https://docs.vis.com.pk/docs/private_ratings.pdf

REGULATORY DISCLOSURES — Appendix III

Name of Rated Entity	IGI General Insurance Limited
Sector	Insurance
Type of Relationship	Solicited
Purpose of Rating	Insurer Financial Strength Rating
Rating History	

Rating Date	Rating	Outlook	Rating Action
29/12/2022	AA+	Stable	Reaffirmed
31/03/2022	AA+	Stable	Harmonized
05/11/2021	AA	Stable	Reaffirmed
30/12/2020	AA	Stable	Reaffirmed
06/12/2019	AA	Stable	Reaffirmed
13/9/2018	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 insurer financial strength 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.
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Due Diligence Meetings Conducted	

Name	Designation	Date
Mr. Syed Awais Amjad	CFO	07-Dec-2022
Mr. S.M Taha Naqvi	Financial Controller	07-Dec-2022
Mr. Faisal Khan	Head Re-Insurance	07-Dec-2022
Mr. Jamshaid Hussain	Head Underwriting	07-Dec-2022
Mr. Ammad Nomani	Finance Manager	07-Dec-2022
Mr. Zahid Mehmood	Head Claims	07-Dec-2022