



## Rating Action

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## PACRA MAINTAINS IFS RATING OF THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the IFS rating of The United Insurance Company Limited (UIC) at "A+" ( **Single A Plus**). The rating denotes strong capacity of the company to meet policyholder and contract obligations.

The rating reflects UIC's strong risk absorption capacity emanating from a robust liquidity profile that amply supports contingencies towards the policy holders. The company is led by strategic vision of the chairman of United International Group - Mian M. A. Shahid, an insurance veteran. The strategy predominantly focuses on wide-spread small sized business volumes through an intensive marketing force. Although this has led to high business acquisition cost on a comparative scale, the benefits are accrued in the form of low loss ratio, engendering superior underwriting performance compared to peers. The rating incorporates improved control environment supplemented by an improving IT platform and a documented investment policy statement.

The rating is dependent upon the company's ability to sustain its market position while ensuring stable underwriting performance. The smooth implementation of investment policy framework and achievement of targeted cost efficiency are important. Any material dilution in the risk absorption capacity would impact the rating.

### About the Company

UIC, established in 1959, is listed on the Karachi Stock Exchange. It is operating through an extensive network of 110 branches - concentrated in the North region. The company is part of The United International Group (UIG) which controls (74.49%) shareholding in the company. UIG is led by the experienced insurance veteran, its chairman Mian M. A. Shahid - having interests in micro finance banking, insurance, farming, vehicle tracking, and software.

The overall control of the company vests in seven members BoD, with two executive director including the CEO. Non-executive directors have been associated with the board for more than a decade and have gained insurance experience along with the company's growth. Mr. M. Rahat Sadiq - associated with UIG for long and CEO since 2011 - is a chartered insurer from UK possessing sound insight into the insurance industry. He is assisted by a team of professionals.

### Applicable Criteria and Related Research

- Insurance | General - Viewpoint | Nov-13
- Insurer Financial Strength Rating Methodology

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