



**Date**

31-Mar-22

**Analyst**

Waqas Ahmad  
waqas.ahmad@pacra.com  
+92-42-35869504  
www.pacra.com

**Applicable Criteria**

- Criteria | Rating Modifiers | Jun-21
- Methodology | General Insurance Rating | Mar-22

**Related Research**

- Sector Study | General Insurance | May-21

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**PACRA Harmonizes IFS Rating of The United Insurance Company of Pakistan Limited**

Rating Type	IFS	
	Current (31-Mar-22 )	Previous (30-Apr-21 )
Action	Harmonize	Maintain
IFS Rating	AA+ (ifs)	AA
Outlook	Stable	Stable
Rating Watch	-	-

Insurer Financial Strength (IFS) rating is an independent opinion on the relative “capacity of an insurance company to meet policyholder and contract obligations”. To facilitate insurance companies and users of IFS ratings, PACRA has modified the IFS rating scale. The primary objective behind this modification was to: a) Create distinction in symbols and definitions of IFS Ratings and Credit Ratings; previously same symbols were being used for both type of ratings. Now IFS symbols are exclusive for IFS ratings b) Eliminate ambiguities in terms of “Rating Category” and “Notch”; this has now been achieved in the modified scale, which will be helpful in understanding the meaning and connotation of each rating category and notch, c) Update certain definitions for more clarity.

This is expected to eliminate any overlap or ambiguity regarding rating categories and notches; thus, facilitating all stakeholders. The modified scale is applicable for all outstanding IFS ratings including “The United Insurance Company of Pakistan Limited”.

**About the Entity**

UIC, established in 1959, is listed on the Pakistan Stock Exchange. It is operating through an extensive network more than 145 branches concentrated in the North region of Pakistan. The company is part of The United International Group (UIG) which controls 85.79% shareholding in the company. The Company is led by the strategic vision of the chairman of United International Group Mian M. A. Shahid, an insurance veteran. UIG has sizeable stake in microfinance banking, through Apna Microfinance Bank, and insurance industry, through UIC and SPI Insurance. The group's presence in insurance is being augmented through takaful operations in both insurance companies. Other ventures include tracking business, farming, and software.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.