

Date

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Analyst

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Applicable Criteria

- Assessment Framework | General Insurance | Mar-24
- Methodology | Rating Modifiers | Apr-24

Related Research

- Sector Study | General Insurance | Jun-24

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PACRA Maintains IFS rating of Askari General Insurance Company Limited

Rating Type	IFS	
	Current (07-Feb-25)	Previous (07-Feb-24)
Action	Maintain	Maintain
IFS Rating	AA+ (ifs)	AA+ (ifs)
Outlook	Stable	Stable
Rating Watch	-	-

Pakistan's general insurance industry holds a total size of ~PKR 99bln during 6MCY24 (6MCY23: ~PKR 84bln), exhibiting a growth of ~18% in Gross Premium Written (GPW). The industry reported an increase of ~130% in underwriting results (6MCY24: ~PKR 6bln, 6MCY23: ~PKR 2.6bln). Overall, the investment income experienced an increase of ~52% to ~PKR 11.7bln during 6MCY24 (6MCY23: ~PKR 7.7bln). However, current economic conditions remain imperative for the overall performance of the insurance industry.

Askari General Insurance Company Limited ('Askari General' or 'the Company') holds a stable risk profile backed by a substantially strong sponsoring Group, Army Welfare Trust ('the Group'). The Company writes non-life insurance business under Conventional (~84%) followed by Window Takaful (~16%) operations. Segment-wise, both - conventional and window takaful operations - remain tilted towards accident and health (~39% of the total GPW), followed by motor (~23%), fire and property (~17%), miscellaneous (~13%), and marine & transport (~8%). The Company's GPW gathered limited volumetric support, while inflationary impact majorly led to ~23% growth (9MCY24: ~PKR 5,223mln, 9MCY23: ~PKR 4,241mln). The real-time operating software provides a tool for holistic oversight and efficient decision-making for the management. This led the underwriting performance to post substantial growth despite higher claim outstanding days. A subsidiary, AskTech, a venture focused on vehicle tracking solutions, has been set up to yield technological synergies and is expected to create diversification by enhancing customer experience. The Company's fully functional Android and IOS-based mobile app - Ask Health enhanced communication and coordination, facilitated through a 24/7 call center. However, the impact is yet to trickle to the Company's bottom line in the health segment. The sustained liquidity profile provides a cushion to the risk absorption capacity. Moreover, the Company holds a stable equity base. Askari General continues to have a sound panel of reinsurers with favorable treaty terms. Going forward, the management intends to fortify the Company's position in non-conventional segments, while using alternative distribution channels. The rating, likewise, takes into account considerable support from the sponsoring Group.

The rating is dependent on the Company's ability to sustain its market share and profitability from the core business along with stable investment income. At the same time, the proportional improvement must be recorded in its liquidity.

About the Entity

Askari General Insurance Company Limited ('Askari General' or 'the Company') was incorporated in Apr-95. Later, in 1996 the Company was listed on the Pakistan Stock Exchange (PSX). The principal activity includes managing non-life insurance through Conventional and Window Takaful operations in Fire and Property, Marine, Accident & Health, Motor, and Miscellaneous segments.

A major stake is held by Sponsoring group directly through Army Welfare Trust (~59.3%) and indirectly through Directors (~0.74%). Financial Institutions and Mutual Funds hold (~1.09%). The remaining stake ~38.9% is held by the general public.

The overall control of the Company lies with a nine-member Board chaired by Lt. Gen Nauman Mahmood (Retd.), while Mr. Abdul Waheed serves as the CEO. He is assisted by a team of professionals.

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