

# Press Release

## VIS Reaffirms IFS Rating of Jubilee Life Insurance Company Limited

Lahore, February 22, 2024: VIS Credit Rating Company Limited has reaffirmed the Insurer Financial Strength Rating of Jubilee Life Insurance Company Limited (JLI) at 'AA++' (Double A Double Plus (IFS)). The rating signifies very strong capacity to meet policyholders and contractual obligations. Risk factors are very low, and the impact of any adverse business and economic factors is expected to be very small. Outlook on the assigned rating is 'Stable'. The previous rating action was announced on February 23, 2023.

JLI is the largest private sector life insurance Company in Pakistan, offering both individual and group life covers. The assigned rating derives strength from the Company's robust sponsorship profile which includes the Aga Khan Fund for Economic Development S.A. (AKFED), Switzerland in addition to indirect holding of AKFED through HBL. However, the business risk profile of the life insurance sector is currently heightened owing to surge in policy surrenders stemming from contraction in disposable income of policy holders amid weak macroeconomic environment coupled with existing issue of low insurance penetration.

This is reflected in the financial risk assessment of the Company which has seen a decline in the topline particularly due to a decrease in business activity in the individual life business, mainly on account of the challenging economic conditions. Persistency levels in particular have declined in line with industry trends owing to increase in policy surrenders which may impact the growth of premiums going forward. While the increase in loss ratios have adversely impacted underwriting performance, the bottom-line was propped up by appreciable income generated from debt securities amidst the high policy rate environment as well as reduction in unrealized losses on financial assets which were held-for-trading. The rating also incorporates sound reinsurance arrangements with renowned international reinsurers with appropriate risk retention on net account to maintain risk appetite of the Company. Furthermore, liquidity and capitalization levels remained satisfactory owing to sufficient available liquid assets along with adequate capital coverage of claims. Going forward, the rating will factor in improvement in the Company's underwriting performance, particularly in its ability to arrest policy surrenders and boost new business generation.

For further information on this ratings announcement, please contact the undersigned at 042-35723411-13 (Ext: 8008) or email at [info@vis.com.pk](mailto:info@vis.com.pk).

Maimoon Rasheed  
Director

Applicable Rating Criteria: Life Insurance Family Takaful  
<https://docs.vis.com.pk/docs/LifeTakaful-Oct-2023.pdf>

## VIS Issue/Issuer Rating Scale

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

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