



## Rating Action

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## PACRA maintains IFS rating of EFU General Insurance Limited

The Pakistan Credit Rating Agency (PACRA) has maintained the IFS rating of "AA+" (**Double A plus**) of EFU General Insurance Limited (EFU General). The rating denotes very strong capacity of the company to meet policyholder and contract obligations.

EFU Group has leading presence in all dimensions of insurance industry - General, Life and Health. This furnishes strength to the brand and ability to serve diverse client needs. The rating interprets the company's vision to lead both in terms of size and profitability. Sponsors (Bhimjee family and JS Group), board, and the management are aligned on this, enabling a better focus in strategy and efforts. Increasing emphasis on customer service including concerted efforts to bring efficacy in claims settlement process with support from technology would help sustain market share. Strong liquidity and sound cash flow generation ability provide strength to the rating.

The rating is dependent on sustained competitiveness of the company with improvement in underwriting quality. Meanwhile, the strength from IT infrastructure along with recently updated system would further strengthen the claims handling system and related MIS leading to improved overall efficiency.

**About the Company:** EFU General, incorporated in 1932, is the largest general insurance company in Pakistan (24% market share in gross premium written in 2015) and is listed on Pakistan Stock Exchange. Significant shareholders of EFU General include JS Group and Bhimjee Group. Among EFU companies are EFU General, EFU Life and Allianz EFU Health Insurance.

EFU General's BoD comprises nine members including the CEO. During the year, Mr. Jahangir Siddiqui resigned from the board and was replaced by Mr. Mahmood Lotia. The Chairman of the board, Mr. Saifuddin N. Zoomkawala - seasoned insurance professional, has been associated with EFU Group since 1964. The board has a good balance between members of Bhimjee family, JS family, and independent members. Mr. Hasanali Abdullah, the company's CEO & MD since July-11, is associated with the EFU Group since 1979. He is supported by a team of experienced professionals, long associated with the company. The emphasis on longevity of association needs careful balance with needs of energy and dynamism.

## Applicable Criteria and Related Research

- Insurance | General - Viewpoint | Nov-15
- General Takaful - Viewpoint | Feb-16
- Insurer Financial Strength Rating Methodology

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