

# Press Release

## VIS Reaffirms IFS Rating of Reliance Insurance Company Limited

Lahore, January 31, 2025: VIS Credit Rating Company Limited (VIS) has reaffirmed the Insurer Financial Strength (IFS) rating of Reliance Insurance Company Limited (RICL) at 'A+ (IFS)' (Single A Plus IFS) with 'Stable' outlook. The rating denotes strong capacity to meet policy holders and contract obligations. Risk factors are low, and the impact of any adverse business and economic factors is expected to be small. The previous rating action was announced on January 02, 2024.

Rating assigned to RICL derives strength from the sponsorship backing of two industrial groups of the country, namely, the Al-Noor Group and the Amin Bawany Group, which have business interests in sugar, modaraba, board manufacturing and trading. The assigned rating also takes into account the stability and experience of the management team. The Company achieved growth in gross written premium (GWP), reflecting its efforts to enhance market share and drive sustainable growth despite a competitive landscape. Additionally, net claim performance remained favorable. The improvement in the net claim ratio and underwriting expense ratio resulted in underwriting profits during 9MCY24. Higher investment income on the back of increase in equity and mutual funds, further supported the bottom-line.

In addition, the rating reflects the overall risk profile being supported by sound reinsurance arrangements with reputed international reinsurers. Rating remains sensitive to sizable investment in equity portfolio entailing higher price risk. The overall liquidity profile, as exhibited by liquid asset coverage of net technical reserves remains sound. While capitalization levels have improved during the review period due to the internal capital generation; the same remains on the lower side indicating room for growth. Going forward, the rating will depend on the Company's ability to improve its market share and improving profitability, especially by optimizing operational efficiencies and pursuing strategic growth initiatives.

For further information on this ratings announcement, please contact at 042-35723411-12 or email at [info@vis.com.pk](mailto:info@vis.com.pk).

Applicable Rating Criteria: General Insurance

<https://docs.vis.com.pk/docs/GeneralInsurance-2023.pdf>

VIS Issue/Issuer Rating Scale

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