

Date

31-Jan-26

Analyst

Muhammad Azmat Shaheen
 azmat.shaheen@pacra.com
 +92-42-35869504
 www.pacra.com

Applicable Criteria

- Assessment Framework | General Insurance | Mar-25
- Methodology | Rating Modifiers | Apr-25

Related Research

- Sector Study | General Insurance | Jul-25

Disclaimer

This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA

PACRA Upgrades the IFS Rating of Sindh Insurance Limited

Rating Type	IFS	
	Current (31-Jan-26)	Previous (31-Jan-25)
Action	Upgrade	Maintain
IFS Rating	AA (ifs)	A++ (ifs)
Outlook	Stable	Stable
Rating Watch	-	-

The rating of Sindh Insurance Limited (“Sindh Insurance” or “the Company”) derives its inherent strength from the Government of Sindh as its sponsor. The company’s parentage underpins its market positioning and institutional credibility, along with the recently visible surge in its premium base. The Company was established under the Sindh Insurance of Public Property Act, 2015, enacted by the Sindh Provincial Assembly, and primarily addresses the insurance requirements of assets owned or financed by the Government of Sindh.

Sindh Insurance operates across both conventional and takaful segments, with conventional insurance contributing approximately 14% of gross premium written (GPW), while window takaful operations account for the remaining 86%. The Company continues to benefit from a stable, captive business base, largely sourced from the Government of Sindh–related entities. Of late, the Company consummated a long-term contractual arrangement with the Sindh Workers Welfare Board, providing PKR 700,000 annual cashless accidental hospitalization coverage to industrial workers. While supporting premium stability and business continuity through the "Digital Worker Welfare Card", this scheme intends to benefit 3.4mln industrial workers across Sindh. This is the second major initiative of the Government of Sindh, after the Universal Accident Insurance Scheme.

The Company’s GPW is expected to increase to above PKR 8.0bln through the same scheme as of CY25 (CY24: PKR 1.7bln), reflecting nearly fivefold growth on a year-on-year basis. The bottom line is supplemented by moderate investment income and prudent underwriting practices. The Company witnessed improvement in both the loss ratio (decreased by 58.0%) and the combined ratio (decreased by 41.6%). On the financial risk front, the upgrade in rating finds comfort from an elevated investment book, primarily invested in government securities, including PIBs, T-Bills, and TFCs and a notable improvement in liquidity profile. Capital adequacy provides added comfort for the rating’s upgrade, underpinned by an uptick in overall funds and the liquidity base. The efficiency profile also witnessed an improvement through diminished claims outstanding and premiums outstanding days. Alongside, the Company also elevated its commercial efficiency mainly on the back of a higher rise in insurance-related assets vs the insurance-related liabilities. Additionally, Sindh Insurance intends to establish a life insurance company to expand its presence in the life insurance market. However, timely and successful materialization of the initiative, without impacting the Company's liquidity, remains imperative to rating. The rating is dependent on the Company’s ability to sustain its market position with improved profitability. The liquidity position/financial risk profile should remain afloat with growth. Growth in underwriting profits, along with equity enhancement as per SECP's requirement, remains crucial, going forward.

About the Entity

Sindh Insurance Limited (“Sindh Insurance” or “the Company”) was incorporated as a non-listed public limited Company on 20-Dec-13. The Company operates in the general insurance sector in fire & property, motor, accident & health, and marine & transport segments. Government of Sindh (GoS) owns a 100% stake in the Company through the Ministry of Finance (MoF). The Company has a seven-member Board chaired by Mr. Saleem Zamindar. Mr. M. Faisal Siddiqui heads the Company as the Chief Executive Officer and is supported by an experienced team of professionals.

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.