Pakistan Fintech Network

PAKISTAN INSURTECH SUMMIT II

Transforming Pakistan's Insurance Landscape: Insights from the Pakistan Insurtech Summit II.

Synergy of Tech, Partnerships, and Policy.

2025

WHITE PAPER

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EXECUTIVE SUMMARY

The second iteration of the **Pakistan Insurtech Summit** took place on November 6th, 2024, at PC Hotel in Karachi, bringing together industry experts, enablers, policymakers, government officials, regulators, and stakeholders from diverse sectors to advance the conversation on the development of insurance and Insurtech in Pakistan**. Despite the insurance sector contributing only 0.94% to the nation's GDP,** significant progress has been made in product development and optimizing distribution channels for the seamless delivery of insurance services. The Insurance Industry stands at a crucial juncture, with technology adoption and industry collaboration playing pivotal roles. However, challenges such as a lack of awareness and public mistrust continue to hinder its growth.

From a regulatory perspective, the Securities and Exchange Commission of Pakistan (SECP) has been proactive in supporting the industry through initiatives like sandboxes and streamlining regulatory processes. Despite these efforts, the insurance sector in Pakistan remains far behind its regional counterparts, such as India and Bangladesh.

The summit featured two insightful presentations, a keynote speech, and a chief guest address, a fireside chat alongside three thought-provoking panel discussions. **With 19 expert panelists from both the industry and regulatory bodies**, the discussions addressed key topics, including financial literacy, regulatory reforms, improving claims processes, and leveraging technology and data to create personalized insurance products.

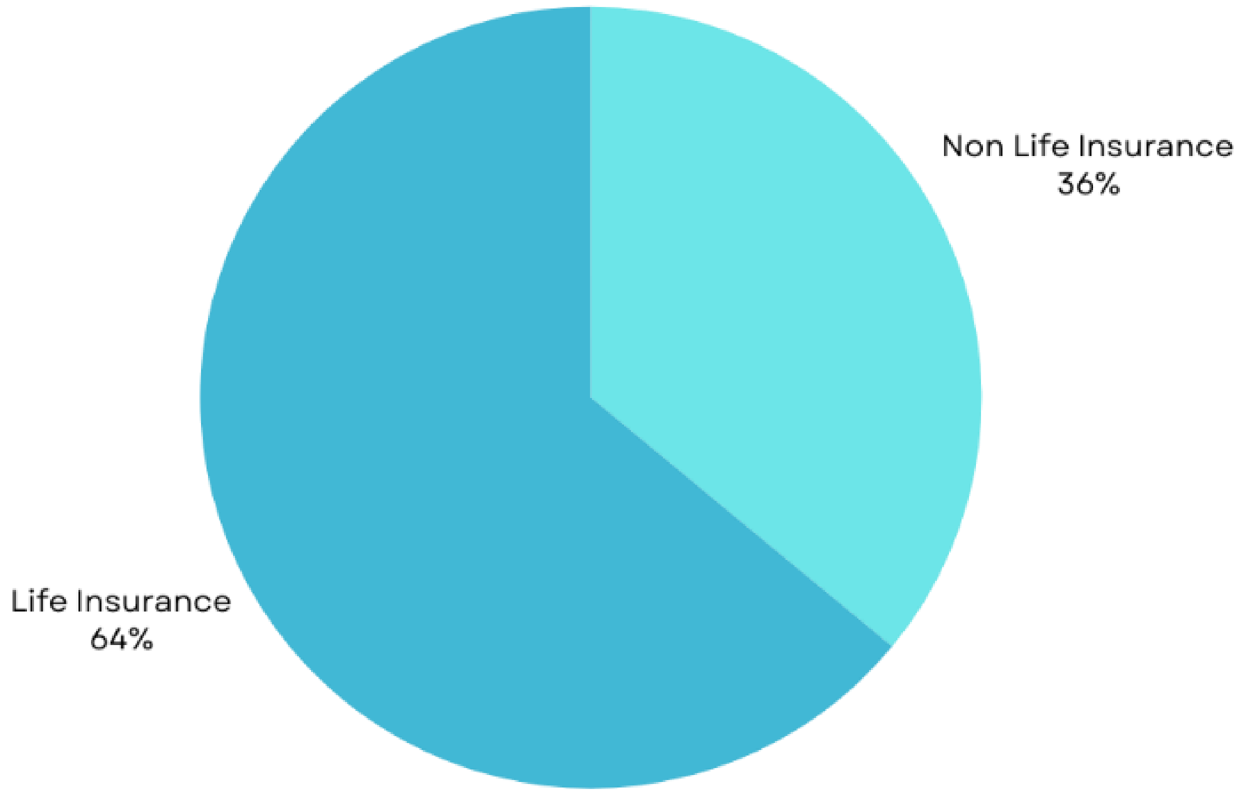
The summit concluded with optimism for the future of insurance and technology in Pakistan. Despite current challenges, **the industry is poised for growth** through collaborations and affordable insurance products. Efforts to increase penetration, focus on enhancing literacy, raising awareness, and streamlining the claims process to build customer trust. The future looks promising for a transformative shift in Pakistan's insurance sector.

PROBLEM STATEMENT

This white paper summarizes key insights from a panel discussion on "Driving Insurance Penetration in Pakistan: The Role of Insurtech, Banks, and Fintech Partnerships" held at the Pakistan Insurtech Summit II. The discussion aimed to address the critically low insurance penetration rate in Pakistan, a significant barrier to the country's economic development. With a life insurance penetration rate of just 0.56% of GDP in 2020, significantly lower than regional averages like India's 3.2% (Source: Swiss Re Institute sigma report 2022), Pakistan presents a substantial untapped market opportunity. This white paper explores the challenges facing the industry and identifies innovative solutions to foster a more inclusive and customer-centric insurance ecosystem. Pakistan's insurance industry has experienced gradual growth over the years, yet it remains underdeveloped compared to global standards. As of 2023, the industry reported a total gross premium of PKR 631 billion (approximately USD 2.27 billion), marking a 14% increase from PKR 553 billion in 2022.

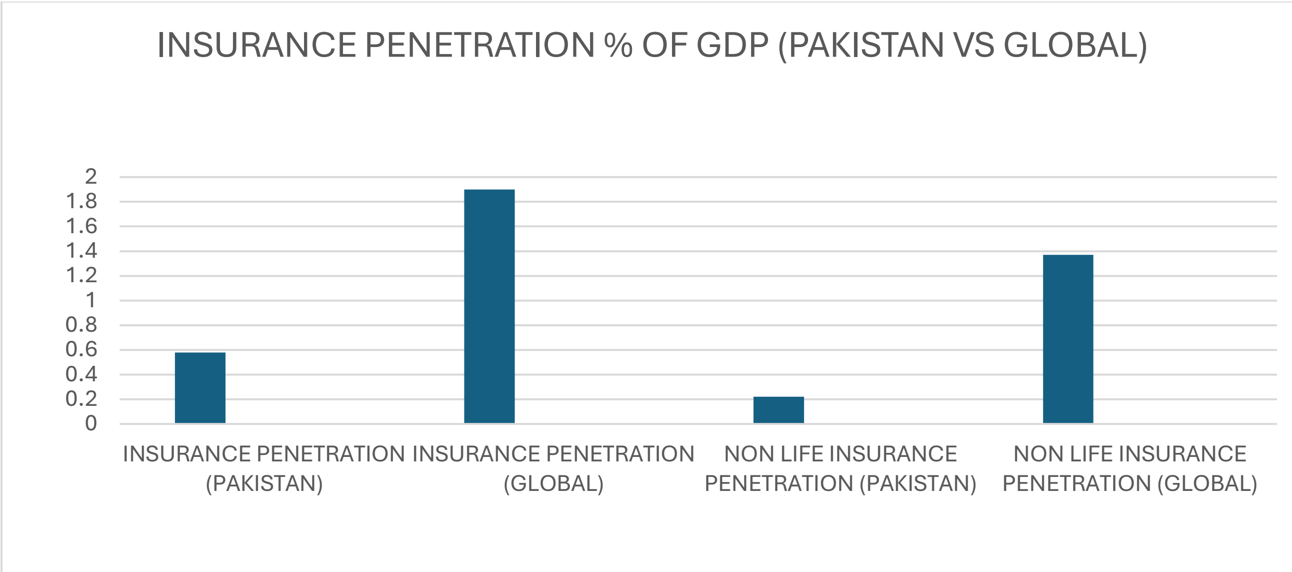
MARKET COMPARISION

The life insurance sector dominates the Pakistan's market, accounting for 64% of the industry's gross premiums in 2023. In contrast, the non-life (general) insurance sector comprises the remaining 36%.



INSURANCE PENETRATION

Insurance penetration in Pakistan remains low. The life insurance premium volume to GDP ratio was reported at 0.57589% in 2020. This figure is significantly lower than the global average, indicating substantial room for growth.



COMPARISON WITH NEIGHBOURS

When compared to other South Asian countries, Pakistan's insurance penetration is relatively low. For instance, India's insurance market is projected to reach a gross written premium of USD 6.80 billion in 2024, with an average spending per capita of USD 27.75. Southeast Asia's insurance market is expected to reach a market size of USD 159.40 billion in 2024, with life insurance dominating the market.

CHALLENGES AND OPPORTUNITIES

The primary challenges facing Pakistan's insurance industry include low public awareness, cultural perceptions, and limited access to insurance products in rural areas. However, these challenges present significant opportunities for growth, especially through the integration of technology and innovative distribution channels.

OVERVIEW OF THE PAKISTAN INSURTECH SUMMIT II

The **PAKISTAN INSURTECH SUMMIT II** was a pivotal event in the country's insurance and technology landscape, bringing together industry leaders, innovators, and policymakers to discuss the future of the insurance sector in Pakistan. Held on **6th November 2024** at the **PC Hotel in Karachi**, the summit provided a platform for key stakeholders to share insights, showcase innovations, and address the challenges facing Pakistan's insurance market.

The summit's central theme focused on how technology, partnerships, and policy reforms can drive transformation in the insurance industry. Industry leaders discussed the evolving role of Insurtech—the integration of technology with insurance services, and how it can enhance customer experiences, improve accessibility, and increase penetration rates.

Opening Remarks – Mr. Fahad Sajid, CEO, Pakistan Fintech Network

In his welcome address, Mr. Fahad Sajid, CEO of Pakistan Fintech Network, expressed gratitude to all distinguished guests, speakers, and participants for their presence at the second edition of the Pakistan Insurtech Summit. Speaking on behalf of Mr. Nadeem Hussain, Chairman PFN, he emphasized PFN's inclusive view of insurtech as a vital subset of fintech, highlighting the network's commitment to fostering cross-sector collaboration.

He shared that PFN had formally launched its insurtech membership vertical last year, and has since onboarded seven insurance companies, signifying growing momentum within this domain. Mr. Fahad underscored PFN's strategic intent to bring together diverse fintech verticals, EMIs, digital banks, PSPs/PSOs, enablers, and insurance providers, to catalyze innovation and partnerships that can drive meaningful growth in insurance penetration across Pakistan.

He acknowledged the existing challenges but stressed that progress can only be achieved through collaborative efforts, particularly between insurance providers and customer-facing digital platforms. Mr. Fahad concluded by inviting the industry's thought leaders and experts present at the Summit to lead the dialogue and share actionable insights on transforming Pakistan's insurance landscape.

KEY DISCUSSIONS AT PAKISTAN INSURTECH SUMMIT II

PANEL 1 SUMMARY:

THEME: *Driving Insurance Penetration in Pakistan: The Role of InsurTech, Banks, FinTech Partnerships, and Intermediaries*

MODERATOR: Ms. Sidra Iqbal

PARTICIPANTS:

Ali Nadim, CEO IGI Life
Muhammad Ali, CEO EFU Life Assurance
Shahmeer Nadeem, Head of Product, EasyPaisa
Ms. Sofia Bibi, Management Executive, SECP
Mr Abid Qamar, State Bank of Pakistan.

KEY TAKEAWAYS

1. INSURANCE PENETRATION CHALLENGE: Pakistan has one of the lowest insurance penetration rates globally, presenting significant opportunities for growth if cultural, financial, and structural barriers are addressed.
2. TECHNOLOGY-DRIVEN GROWTH: InsurTech solutions, such as AI-based underwriting, blockchain for claims management, and mobile platforms, can make insurance more accessible and affordable.
3. PARTNERSHIP SYNERGY: Collaboration between banks, fintechs, and intermediaries was seen as essential for overcoming distribution challenges and reaching underserved populations.
4. CUSTOMER-CENTRIC PRODUCTS: Simplified, real-time insurance products tailored to specific needs can drive customer adoption.
5. REGULATORY REFORM: There is a pressing need for a regulatory framework that fosters innovation while ensuring consumer protection and market stability.

SUMMARY OF DISCUSSIONS

1. LOW INSURANCE PENETRATION AND CULTURAL HESITANCY

The session began with an acknowledgment of Pakistan's low insurance penetration, attributed to cultural mistrust, lack of awareness, and affordability concerns. Participants agreed that targeted financial literacy campaigns and awareness initiatives could mitigate these challenges, particularly in rural and underserved areas.

2. THE ROLE OF TECHNOLOGY IN TRANSFORMATION

The discussion emphasized the transformative potential of technology in reshaping the insurance landscape. Digital ecosystems were highlighted as crucial for reducing operational costs, enhancing customer experiences, and enabling wider coverage. Real-life examples from emerging markets demonstrated how mobile platforms and digital wallets could democratize access to insurance.

3. MICROINSURANCE AS A GAME-CHANGER

Microinsurance products, tailored to the needs of low-income populations, were identified as a high-potential avenue for increasing penetration. Such products could provide affordable coverage while fostering trust through transparent, straightforward processes.

4. PARTNERSHIP ECOSYSTEM

A recurring theme was the importance of partnerships among banks, fintechs, and insurers. Banks provide distribution networks, fintechs offer innovative technological solutions, and insurers bring domain expertise. By working together, these stakeholders could address operational inefficiencies and broaden the reach of insurance products.

5. REGULATORY SUPPORT FOR INNOVATION

The panel noted the importance of a progressive regulatory environment that balances the need for innovation with consumer protection. There was consensus that the SECP and other regulators must adapt to the rapid evolution of InsurTech by introducing frameworks for digital insurance, ensuring data privacy, and fostering competition.

6. CUSTOMER TRUST AND DISTRIBUTION CHANNELS

The discussion highlighted how traditional distribution models are often riddled with inefficiencies and mistrust. Participants proposed leveraging digital-first strategies, including app-based distribution, automated claims handling, and user-friendly interfaces, to rebuild customer confidence.

PROBLEMS DISCUSSED

1. LACK OF AWARENESS: A significant portion of the population is unaware of the benefits of insurance.
2. CULTURAL BARRIERS: Deep-seated mistrust and perceptions about insurance being incompatible with religious beliefs hinder adoption.
3. LIMITED ACCESSIBILITY: Insurance products often fail to reach rural or low-income populations due to limited distribution networks.
4. REGULATORY CONSTRAINTS: Existing regulations are not fully equipped to support digital insurance models.

5. COST BARRIERS: High premiums deter individuals and businesses from opting for insurance coverage.

SOLUTIONS PROPOSED

1. Awareness Campaigns: Launch educational initiatives to demystify insurance and its benefits for the general public.
2. Affordable Products: Develop low-cost, high-impact microinsurance products to cater to low-income segments.
3. Technology Integration: Utilize AI, blockchain, and mobile technology to streamline processes, reduce costs, and offer personalized products.
4. Collaborative Models: Foster partnerships between financial institutions, technology providers, and insurers to expand access and improve distribution efficiency.
5. REGULATORY INNOVATIONS: Work with regulators to establish clear, flexible guidelines for digital insurance platforms and data privacy.
6. TRUST BUILDING: Implement transparent processes, real-time claims settlement, and customer-centric policies to build and sustain consumer trust.

CONCLUSION

Panel Discussion 1 underscored the urgent need for innovation, collaboration, and customer-centric strategies to unlock the insurance sector's potential in Pakistan. Addressing regulatory barriers, leveraging technology, and fostering partnerships were identified as critical steps to drive penetration and financial inclusion. The session highlighted that a collective effort is essential to transform insurance from a niche product into a mainstream financial service.

PANEL DISCUSSION 2 SUMMARY:

THEME: *"Advancing Technology, Innovation, and Enhancing Customer Experience in Insurtech"*

MODERATOR: Mr. Sardar Abubakr, VP, NBD, Jazz

PANELISTS:

Dr. Aftab Imam, State Bank of Pakistan
Dr. Sara Saeed Khurram, CEO, Sehat Kahani
Mr. Fakhar E Alam, Head of Tech & Insurance Products, Waada
Ms. Nilofer Sohail, GM, EFU Life Assurance
Mr Sarosh Ahmed, CEO, Symmetry Group

This panel discussion focused on how technology and innovation are driving advancements in the insurance sector in Pakistan, with an emphasis on enhancing customer experience. Panelists discussed the role of insurtech in transforming traditional insurance models and how technology can be leveraged to meet the growing expectations of consumers in a rapidly digitalizing world.

KEY TAKEAWAYS:

1. ## TECHNOLOGY AS A TRANSFORMATIONAL FORCE:
   The panel highlighted that technology is not just a tool for improvement but a driver of transformation in the insurance industry. Insurtech innovations, such as artificial intelligence (AI), machine learning, and blockchain, are helping insurers streamline processes, improve risk assessment, and reduce operational costs. Technology has the potential to create more transparent and efficient insurance models.

2. ## CUSTOMER-CENTRIC DIGITAL TRANSFORMATION:
   A key theme was the shift towards customer-centric business models in the insurance sector. The panelists agreed that customer expectations are evolving rapidly, with an increasing demand for digital-first, personalized experiences. Insurtech companies must prioritize user-friendly interfaces, quicker claim processing times, and personalized insurance solutions to cater to this new wave of consumers.

3. ## LEVERAGING DATA FOR BETTER INSIGHTS:
   The use of big data and analytics to gain deeper insights into consumer behavior and risk factors was discussed. Data-driven approaches allow insurers to provide more accurate pricing, customized policies, and improved fraud detection. Panelists emphasized the importance of using data to anticipate customer needs and offer products that align with their preferences.

4. ## **EMBEDDED INSURANCE AND NEW DISTRIBUTION MODELS:**
   Embedded insurance, where insurance products are seamlessly integrated into the purchasing process of other products or services, was identified as a game-changer. Panelists discussed how partnerships with non-traditional players, such as e-commerce platforms, can help distribute insurance products in new and innovative ways.

5. ## INNOVATION IN PRODUCT DEVELOPMENT:
   The panel discussed how insurtech is driving innovation in the development of new insurance products. There is a growing emphasis on creating microinsurance products, on-demand insurance, and coverage for emerging risks such as cyber threats, which appeal to younger, tech-savvy consumers who require flexibility in their coverage.

SUMMARY OF DISCUSSIONS:

THE DIGITAL TRANSFORMATION OF INSURANCE:

The discussion opened with a focus on how insurtech is reshaping the traditional insurance landscape by offering new, technology-driven solutions. Panelists highlighted how digital transformation is enabling insurers to automate processes, improve efficiency, and enhance the customer journey. As the sector becomes more tech-driven, it is essential for companies to adapt to digital-first strategies to meet consumer expectations.

CHALLENGES IN ADOPTION OF INSURTECH:

While insurtech offers significant benefits, there are still challenges in its adoption. The panel discussed the reluctance of some traditional insurers to embrace digital transformation, often due to concerns about cybersecurity, regulatory hurdles, and the high cost of implementation. Panelists agreed that overcoming these challenges requires collaboration with regulatory bodies to create frameworks that encourage innovation while ensuring consumer protection.

IMPROVING CUSTOMER EXPERIENCE WITH TECHNOLOGY:

A significant portion of the conversation focused on how insurtech can be leveraged to improve customer experience. Technologies like AI-powered chatbots for customer service, mobile apps for policy management, and automated claims processes were cited as examples of how insurers can enhance their customer engagement. The use of AI to offer personalized recommendations and quicker response times to customer inquiries was also discussed.

1. DATA SECURITY AND REGULATORY CONCERNS:

   As technology plays a greater role in the insurance industry, data security and privacy concerns have become paramount. Panelists discussed how insurers must be vigilant about protecting consumer data, especially as they move to digital platforms that store sensitive information. They also addressed the need for strong regulatory frameworks to ensure that insurers are compliant with data protection laws while fostering innovation.

2. THE FUTURE OF INSURTECH IN PAKISTAN:

   The panel concluded by looking to the future of insurtech in Pakistan. There is optimism about the potential for further growth, particularly in underserved regions. By using technology to bridge the gaps in accessibility, affordability, and education, the insurance industry can expand its reach and deliver value to a broader segment of the population.

PROBLEMS DISCUSSED:

1. LIMITED CUSTOMER ENGAGEMENT:

   Many insurance products are still perceived as difficult to understand, leading to low engagement and trust issues. The lack of transparency in policy offerings and claims processes has been a barrier to broader adoption.

2. CYBERSECURITY RISKS:

   As more insurers move to digital platforms, cybersecurity risks become a significant concern. Protecting sensitive customer data and ensuring secure transactions are top priorities that need to be addressed by insurers and regulators.

3. REGULATORY BARRIERS:

   Regulatory frameworks in Pakistan are still evolving to accommodate insurtech innovations. Some panelists raised concerns about outdated regulations that may hinder the growth of digital insurance solutions and prevent the industry from fully embracing technological advancements.

SOLUTIONS PROPOSED:

1. **EMBRACING DIGITAL TRANSFORMATION:**
   Insurers must invest in technology to improve their processes and enhance customer experience. This includes adopting AI, machine learning, and data analytics for personalized offerings and streamlined operations.
2. **COLLABORATION WITH NON-TRADITIONAL PARTNERS:**
   Insurtech companies can expand their reach by partnering with e-commerce platforms, telcos, and other digital services providers. These collaborations can help distribute insurance products in a seamless, embedded manner.
3. **CREATING CLEAR REGULATORY GUIDELINES:**
   There was consensus on the need for more comprehensive and modern regulatory frameworks to support innovation while ensuring consumer protection. Working closely with regulatory bodies can help insurers navigate the complex landscape of digital insurance solutions.

SUMMARY OF PANEL DISCUSSION 3:

Regulatory and Cultural Hurdles: Examining Roadblocks to New Insurance Products in Pakistan

MODERATOR: Mr. Sibtain Jiwani, CEO, Smart Benefits
PANELISTS:
Mr. Nayyar Hussain, Executive Director, Salaam Takaful
Syed Ali Hassan Zaidi, Chief Operating Officer, TPL Insurance
Mr. Jibran Paracha, Joint Director, Insurance, SECP
Ms. Fatima Bano, SEVP, EFU
Ms. Sana Ehsan, National Project Coordinator, UNDP.

Key Takeaways

1. REGULATORY SUPPORT:

- The SECP (Securities and Exchange Commission of Pakistan) is actively fostering innovation through initiatives like sandboxes, health, and motor insurance repositories.
- Increased minimum capital requirements aim to strengthen the financial health of insurers and encourage innovation, despite some industry resistance.

2. SELF-REGULATION AND INDUSTRY COLLABORATION:

- Self-regulation was emphasized as an essential aspect to complement regulatory efforts.
- The Insurance Association of Pakistan (IAP) is urged to enhance collaboration and establish specialized committees focused on innovation and digitization.

3. INNOVATION CAPITAL:

- The concept of "innovation capital" highlights the need for investment in technology, resources, and training.
- Experimentation is necessary for innovation but requires acceptance of potential failures.

4. STANDARDIZATION:

- Standardizing industry processes and data is a prerequisite for effective digitization and innovation.

5. INTERNATIONAL COLLABORATION:

- The industry should leverage its reinsurance partnerships to gain access to global training and internship opportunities for local talent.

SUMMARY

The discussion commenced with an exploration of regulatory and cultural challenges hindering the introduction of new insurance products in Pakistan. The panel lauded the SECP's proactive stance in enabling innovation through sandboxes, data repositories, and a welcoming approach toward new ideas. However, they stressed that the industry's hesitation to embrace change is a significant barrier.

The discussion shifted to the role of self-regulation, with the panel highlighting the importance of the IAP in fostering collaboration and addressing gaps in the digitization journey. There was a consensus on the need for industry leaders, especially major players, to take the lead in driving innovation and setting standards.

A significant portion of the discussion focused on the need for "innovation capital," comprising financial investment, talent development, and experimentation. The panel emphasized that innovation requires resources, customer research, and the willingness to fail and learn.

The importance of standardization was also discussed as an enabler of digitization and industry-wide transformation. Suggestions included forming committees within the IAP dedicated to digital insurance and leveraging existing resources like the Pakistan Institute of Insurance to create incubation centers.

The discussion concluded with a call for the industry to utilize its international reinsurance relationships to secure training opportunities for local professionals. This would help bring fresh talent and global best practices to Pakistan's insurance sector.

PROBLEMS DISCUSSED

REGULATORY CHALLENGES:

- Resistance to increased capital requirements by some companies.
- Limited focus on digital transformation at the regulatory and industry level.

CULTURAL BARRIERS:

- Hesitation to adopt innovation and new technologies.
- Lack of customer-centric approaches and understanding of consumer needs.

INDUSTRY LIMITATIONS:

- Absence of committees focused on innovation and digitization within IAP.
- Lack of standardization across industry practices.
- Minimal collaboration among top industry players to set the tone for transformation.

SOLUTIONS PROPOSED

REGULATORY INITIATIVES:

- Leverage the SECP’s sandbox program for experimenting with innovative products.
- Advocate for data-driven decision-making using insights from repositories created by the SECP.

INDUSTRY COLLABORATION:

- Form an IAP committee dedicated to digital insurance and innovation.
- Establish incubation centers with resources from institutions like the Pakistan Institute of Insurance.

INVESTMENT IN INNOVATION:

- Encourage industry leaders to invest in "innovation capital," including training, resources, and R&D.
- Promote a culture of experimentation, learning from failures, and iterative development.

GLOBAL COLLABORATION:

- Seek international partnerships for internships and training to upskill local talent.

STANDARDIZATION:

- Standardize data and operational processes to streamline the transition toward digitization.

PRESENTATION SUMMARY: SYED ALI NASIR, CHIEF STRATEGY OFFICER, JAZZ

Title: Shaping the Future of Innovation in Insurance through Technology

In his candid and thought-provoking address, Syed Ali Nasir challenged the insurance industry to rethink its approach in a rapidly digitalizing world. Coming from a telecom and fintech background, he offered an outsider's perspective on why insurance remains underpenetrated in Pakistan—even among financially literate individuals like himself.

Key Takeaways:

1. **Why Insurance Hasn't Clicked with the Modern Consumer:**
    - Despite being educated and financially stable, Ali confessed he has never bought insurance in Pakistan—except for mandatory auto coverage.
    - This gap signals a broader industry failure in accessibility, relevance, and customer engagement.
2. **Tech-Driven Future is Already Here:**
    - Insurance must evolve from being a "safety net" to a **proactive life partner**, enabled by technology.

- AI, machine learning, blockchain, and predictive analytics allow insurers to offer **tailored, just-in-time policies** and **instant claims processing**, especially for younger, tech-savvy demographics.

3. **Leverage of Data and Connectivity:**
    - Drawing from Jazz's telecom experience, Ali emphasized that **data is the new oil**, and its intelligent use can revolutionize customer experience and underwriting.
    - Jazz recently launched its own Insurtech platform "Fikr Free" and is open to collaboration with insurers.
4. **New Consumer Expectations:**
    - Today’s young users demand **instant digital access**, bite-sized services, and seamless delivery—mirroring platforms like ride-hailing and food delivery.
    - Traditional yearly policies don’t resonate; customers want **embedded, on-demand insurance** (e.g., travel or motorway insurance that’s auto-triggered via JazzCash).
5. **Trust & Privacy in the Digital Age:**
    - He underscored the critical role of **data privacy and cybersecurity**, calling for robust protections to build consumer trust in digital insurance services.
6. **Reimagining Distribution & Role of Agents:**
    - The sales agent will evolve—not disappear. With **augmented intelligence**, agents can use digital tools to make real-time, personalized pitches.
    - However, **claims processing must match the ease of policy purchase**, or customer dissatisfaction will persist.
7. **Five Trends to Watch (3 Demand-Side, 2 Supply-Side):**
    - **Demand Side:**
        1. Shift toward **just-in-time, contextual insurance**
        2. Rise of **on-demand, need-based insurance**
        3. Emergence of **digital-first distribution platforms**
    - **Supply Side:**
      1. Redefining insurance as a **utility**, not a luxury
      2. Driving down **operational costs** through full digitalization, allowing better claim fulfillment and product sustainability. Closing Thought:

Closing Thought:

Ali concluded by urging the industry to **embrace disruption** not as a threat but as an opportunity. The low insurance penetration in Pakistan is not just a challenge—**it's the greatest opportunity for Insurtechs to transform how protection and peace of mind are delivered**.

INDUSTRY PERSPECTIVE: EXPANDING ACCESS AND INCLUSION THROUGH INSURTECH – THE WAADA EXPERIENCE BY SHEHRYAR KHAN

In a compelling session at the Pakistan Insurtech Summit II, Shehryar Khan, representing Waada, an innovative insurance technology company, shared insights on the organization's journey, product evolution, and its impact on financial inclusion. Founded in 2020 by Mr. Ishaq Kothawala, Waada focuses on micro-insurance and builds end-to-end digital infrastructure to enable the seamless distribution and servicing of insurance across Pakistan.

Shehryar shared his own transition from food tech and health tech into insurtech—an industry he didn't foresee joining—emphasizing a results-oriented approach. Waada works with leading insurers and underwriters to design **simplified, flexible insurance products** with daily, weekly, or monthly premium models that better suit low-income and underserved segments.

One of Waada's major strengths lies in its **technology-driven claims process**, allowing customers to submit documents through WhatsApp and other digital channels, with most claims resolved within **72 hours**, and a goal to reduce this to **48 hours**.

A key innovation presented was the **Gig Agent App**, launched in pilot phase in September 2024. This platform enables any individual in Pakistan to become an insurance agent through a digital onboarding and training process. With **over 750 registrations** and a **12% conversion rate**, the initiative is already showing promise. Notably, **75% of Waada's nearly 600 sales agents are women**, who have collectively sold **over 1.5 million micro-insurance policies** and engaged in **more than 7.5 million customer interactions**—showcasing the potential of empowering women through insurtech.

Shehryar also highlighted Waada's partnerships with **all major telecom operators**, enabling policy premiums to be deducted directly from **prepaid mobile balances**—a critical innovation in reaching Pakistan's **80% unbanked population**. As a result, **96% of Waada's over 3 million customers are first-time insurance buyers**, significantly expanding the insurance footprint in previously untapped markets.

In closing, Shehryar emphasized that insurtech not only improves insurance access but also transforms livelihoods. With 99% of the population still uninsured, he called for continued innovation, collaboration, and inclusion to unlock the full potential of Pakistan's insurance sector.

Fireside Chat Summary: Mr. Aamir Khan, Commissioner Insurance, SECP

Moderator: Ms. Nilofer Sohail, General Manager, EFU Life Assurance
Theme: Digital Transformation, ESG, and the Future of Insurance in Pakistan

In a powerful and insightful fireside chat moderated by Ms. Nilofer Sohail, General Manager at EFU Life Assurance, Mr. Aamir Khan, Commissioner Insurance at SECP, shared his forward-looking perspective on the evolution of Pakistan's insurance sector. The conversation revolved around the critical need for digital transformation, regulatory expectations, and how collaboration and customer-centricity can drive the industry forward.

Key Highlights:

1. A Regulator Embracing Change:
Mr. Khan reflected on how SECP itself has transformed—from a traditionally conservative body to one now fully committed to digital reform and innovation. He credited a younger, more dynamic team for driving this shift and acknowledged that insurance is now being taken seriously across the financial ecosystem.

2. Digital Transformation as a Strategic Necessity:
He emphasized that Pakistan's insurance industry lags significantly in data management and digital adoption. To catch up, insurers must:

- Build clean and usable internal and external datasets
- Adopt enabling technologies like AI, machine learning, and blockchain
- Develop a skilled, tech-literate workforce across all functions
- Shift organizational culture to support innovation

3. ESG and DEI as Emerging Priorities:
ESG and DEI are not just global trends but essential frameworks for the future of Pakistan’s insurance sector. Mr. Khan highlighted the need for fairness in pricing, inclusiveness in access, and sustainable investment practices as part of regulatory priorities.

4. Customer Experience in the Digital Age:
Mr. Khan advocated for a **hybrid customer experience** model—combining human interaction with digital tools. Technologies like chatbots, AI-driven interfaces, and self-service platforms must become standard, even for low-income or less digitally savvy customers. The key is enabling insurance access through mobile-first, intuitive, and responsive platforms.

5. Collaboration Is Essential:
He stressed that customers belong to **ecosystems, not companies**. To deliver seamless and scalable innovation, insurers must collaborate with regulators, insurtechs, fintechs, telcos, and banks. However, he also warned against aggressive, unchecked partnerships that can lead to poor outcomes like unsustainable claims ratios.

6. Growth Areas in Digital Insurance:

- **Embedded insurance**
- **Cybersecurity insurance for SMEs**
- **Microinsurance and pay-per-use models**
- **Home and lifestyle coverage through digital channels**

These areas represent real potential for growth and impact in Pakistan.

7. Regulator’s Expectations from the Industry:
Mr. Khan outlined key areas of focus for industry stakeholders:

- Strengthen capital bases and retention capacity
- Comply with global standards (e.g., IFRS 17, RBS)
- Prioritize data privacy and governance
- Engage more deeply with SECP’s strategic roadmap
- Invest senior leadership time and resources into digital transformation

Conclusion:

Mr. Khan emphasized that transformation is a **long-term journey**, requiring sustained focus, culture change, and coordinated effort. He affirmed SECP's commitment to working alongside the industry as a supportive, listening regulator, ready to partner in unlocking the true potential of Pakistan's insurance sector in the digital age.