PAKISTAN INSURTECH SUMMIT III

PAKISTAN'S INSURTECH DECADE: VISION 2030

WHITE PAPER

2025

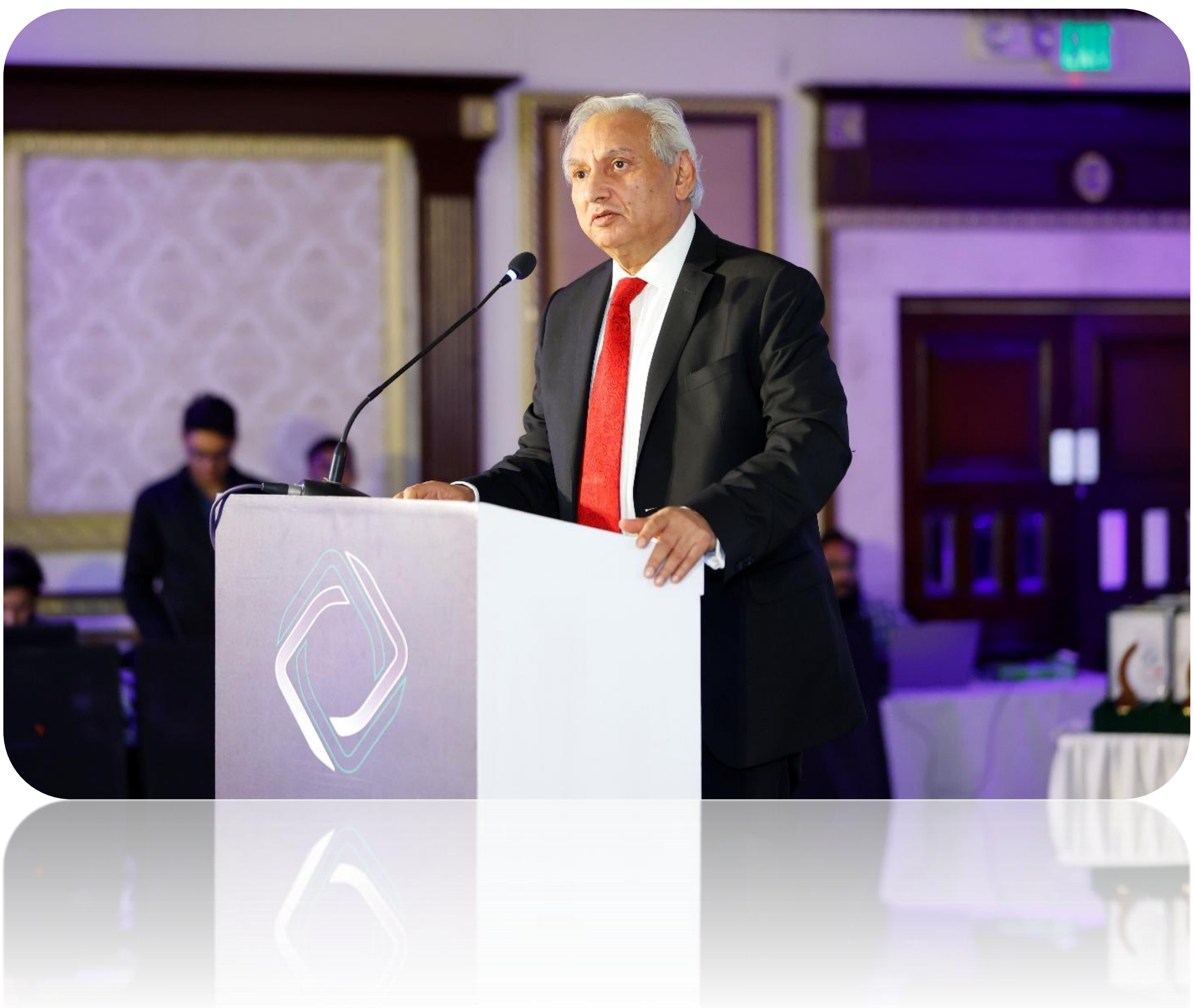
Pakistan Fintech Network

FOREWORD

Pakistan's insurance sector stands at a pivotal moment in its evolution. For decades, insurance penetration in the country has remained low, constrained by structural inefficiencies, limited awareness, trust deficits, and legacy operating models. Yet today, we find ourselves at the intersection of regulatory reform, digital infrastructure, fintech innovation, and data-driven intelligence. The convergence of these forces presents a rare opportunity to redefine the future of insurance in Pakistan.

"The Pakistan Insurtech Summit III is being convened with a singular purpose: to move the industry conversation beyond incremental digitization toward structural transformation."

It is a shared understanding that technology is not merely a tool for efficiency. It is a pathway to inclusion, resilience, and financial dignity.



Over the past year, significant progress has been made. Digital licensing regimes, automated approval processes, centralized repositories, and emerging embedded insurance models are laying the foundation for a modern insurance ecosystem. Digital distribution is accelerating, and collaboration between insurers, fintech platforms, regulators, and technology providers is deepening.

However, the journey ahead demands more than innovation. It requires alignment. It requires strategic focus. It requires collective momentum.

The opportunity is before us. The responsibility is shared.

Let this decade be defined by collaboration, inclusion, and purposeful innovation.

Syed Nadeem Hussain
Chairman, Pakistan Fintech Network

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EXECUTIVE SUMMARY

Setting the strategic direction for Pakistan's insurance decade.

Pakistan's insurance sector stands at a defining moment. With low penetration, limited awareness, and structural inefficiencies, the industry has historically struggled to achieve meaningful inclusion. However, the convergence of digital infrastructure, regulatory reform, embedded finance, artificial intelligence, and behavioral insights now presents a unique opportunity.

Discussions at the **Pakistan Insurtech Summit III** reflected a shared conviction: the next decade will determine whether Pakistan remains under-insured or transitions into a digitally enabled, inclusive protection economy.

Over the past year, decisive steps have been taken to modernize the regulatory framework, introduce digital-only insurers, automate approval regimes, and establish centralized repositories to enhance transparency and enforcement. Digital distribution premiums have more than doubled year-on-year, signaling early traction and growing consumer confidence.

Yet technology alone is not sufficient. The path forward requires structural alignment across regulation, insurers, fintech platforms, health ecosystems, and data infrastructure. The shift must move beyond digitization of processes toward redesigning insurance as an embedded, personalized, preventive, and frictionless experience.

The next ten years will determine whether Pakistan's insurance sector evolves into a foundational financial protection infrastructure or remains a peripheral financial product. The conversations at the Pakistan Insurtech Summit III reflect a clear consensus: incremental reform will not be sufficient. Structural digitization, regulatory modernization, ecosystem partnerships, and consumer trust rebuilding must move in parallel.

This white paper captures the key insights, tensions, and priorities that emerged from the Summit and outlines the foundations of Pakistan's Insurance Decade.

02

Industry Snapshot: Pakistan Insurance Landscape (2025)

Pakistan's insurance sector remains significantly underpenetrated relative to regional and global benchmarks.

- Insurance penetration (gross premiums as % of GDP): approximately 0.8–1.0%
- Insurance density: under $10 per capita
- Life insurance dominates premium composition, while general and health segments remain underdeveloped
- Microinsurance coverage remains limited relative to population size
- A large protection gap persists across health, agriculture, property, and SME risk

Despite these structural gaps, recent years have shown signs of momentum:

- Growth in digital premium collection channels
- Increasing partnerships between insurers and fintechs
- Regulatory openness toward sandbox experimentation
- Rising demand for health and embedded products

The coming decade presents a structural opportunity to convert low penetration into scalable, technology-led inclusion.

03

THE INDUSTRY AT AN INFLECTION POINT

Reframing insurance from legacy constraints to digital opportunity.

THE INDUSTRY AT AN INFLECTION POINT

Pakistan's insurance penetration remains among the lowest in the region. Awareness gaps, product complexity, distrust around claims, and distribution inefficiencies have historically constrained growth.

However, the sector is no longer static.

The global insurance landscape is rapidly transforming through:

- AI-enabled underwriting
- Telematics and usage-based models
- Blockchain-enabled transparency
- Parametric insurance
- Embedded distribution within digital ecosystems

Pakistan now faces a strategic choice: incremental reform or structural leapfrogging.

Summit participants emphasized that the opportunity is not merely to digitize legacy systems but to redesign the ecosystem around accessibility, affordability, and trust.

04

REGULATORY TRANSFORMATION: FROM MANUAL TO DIGITAL GOVERNANCE

Modernizing oversight to enable innovation, transparency, and speed.

REGULATORY TRANSFORMATION: FROM MANUAL TO DIGITAL GOVERNANCE

A significant development highlighted during the Summit was the automation of the insurance licensing and product approval regime.

Historically, regulatory processes were largely manual and supported by legacy systems with limited integration capabilities. As of August 2025, the licensing and approval framework has been fully digitized, allowing insurers to interact with the regulator through structured digital channels.

This shift has produced:

- Greater transparency and accountability
- Reduced processing friction
- Improved internal regulatory efficiency
- Enhanced data integration and traceability

In parallel, a dedicated data science function has been established within the regulatory structure to explore use cases involving analytics, AI, and supervisory technology.

The regulatory stance is evolving from reactive oversight to anticipatory facilitation. The objective is not to constrain innovation but to create controlled experimentation space through digital licensing, sandbox frameworks, and consultative policy design.

Previously, product approvals could take several weeks under manual review cycles. The digitized framework now enables structured, trackable submissions and significantly reduced processing timelines.

The reform process is ongoing. Legal amendments under consideration are expected to further unlock digital insurance adoption and structural modernization.

05

DIGITAL MILESTONES & MARKET SIGNALS

Early indicators that digital insurance adoption is accelerating.

DIGITAL MILESTONES AND MARKET SIGNALS

Several foundational building blocks are now in place:

- Licensing of digital-only insurers
- Growing interest in microinsurance models
- Launch of a centralized Motor Insurance Repository
- Introduction of customer-facing policy verification tools
- Collaboration on sector-wide digital infrastructure design

These initiatives collectively indicate a shift toward data-driven insurance governance.

Notably, premiums generated through digital distribution channels increased from approximately PKR 2.1 billion to PKR 5.9 billion within one year. This growth reflects accelerating consumer adoption and improved digital trust.

However, participants cautioned that digital premium growth alone does not equate to systemic inclusion. True transformation requires integration into everyday financial and behavioral ecosystems.

DIGITAL DISTRIBUTION PREMIUM GROWTH

PKR 2.1 BILLION → PKR 5.9 BILLION

YEAR ON YEAR EXPANSION ON DIGITAL PREMIUMS

The expansion in digital premium volumes reflects not only distribution channel efficiency but changing consumer interaction patterns. Digital onboarding, simplified documentation, and embedded touchpoints are gradually lowering behavioral barriers to insurance adoption. While early-stage, these shifts signal a structural reorientation of how insurance is accessed and experienced.

06

EMBEDDED INSURANCE

Integrating protection seamlessly into everyday digital ecosystems.

EMBEDDED INSURANCE: THE NEXT DISTRIBUTION FRONTIER

Embedded insurance represents a structural shift in distribution strategy. Rather than selling standalone policies through traditional agent networks, insurers increasingly integrate protection products into broader financial and digital ecosystems.

This model reduces acquisition cost, improves contextual relevance, and allows risk products to be offered at the moment of need.

Participants discussed opportunities across:

- E-commerce platforms
- Digital wallets
- Telecom ecosystems
- SME financing channels
- Agricultural value chains

However, embedded models require regulatory clarity on partnerships, data sharing protocols, underwriting responsibility, and consumer disclosure standards.

The next phase of growth will depend on how effectively insurers transition from product-centric distribution to ecosystem-centric integration.

07

PERSONALIZATION & PREVENTIVE INTELLIGENCE

Leveraging data and AI to shift from reactive coverage to proactive risk management.

PERSONALIZATION AND PREVENTIVE INTELLIGENCE

Panel discussions repeatedly underscored personalization as the defining lever of the next decade.

Insurance must transition from broad demographic pricing toward behavior-informed personalization powered by data convergence.

Potential enablers include:

- Health data integration
- Wearables and telemedicine signals
- Transactional financial behavior
- Mobility data
- SME operating data

The objective is not only pricing precision but preventive engagement.

AI-driven models can:

- Identify emerging risk patterns
- Encourage preventive actions
- Reduce claims frequency
- Improve customer experience

Early experimentation in analytics-driven fraud detection and risk modeling indicates growing institutional readiness for advanced underwriting frameworks. However, sustained progress will depend on data quality, governance safeguards, and cross-sector integration rather than isolated technology deployment.

However, the true value lies not in isolated data points but in connecting data ecosystems with strategic focus.

Data abundance without strategic clarity will not produce meaningful transformation. Laser-focused integration aligned with a long-term vision is essential.

08

TRUST, CLAIMS & CONSUMER EXPERIENCE

Rebuilding confidence through transparency, speed, and accountability.

TRUST, CLAIMS, AND CONSUMER EXPERIENCE

No digital transformation can succeed without addressing trust deficits.

Participants highlighted persistent consumer skepticism around claims processing, policy clarity, and perceived delays in settlement. For many first-time policyholders, the claims experience becomes the defining moment that shapes long-term perception of insurance.

Digital repositories, verification tools, and centralized databases aim to:

Prevent fraud
Enable enforcement
Improve visibility
Enhance confidence

However, structural trust cannot be built through infrastructure alone.

Participants emphasized that customer experience must be redesigned end-to-end. This includes simplified policy documentation, transparent disclosure of exclusions, digitized claims submission processes, and real-time status tracking. Reducing ambiguity around timelines and documentation requirements is essential to strengthening confidence.

Faster claims adjudication, supported by automation and data integration, was identified as a critical lever for improving public perception. Predictable turnaround benchmarks and structured grievance redressal mechanisms can further enhance accountability.

Importantly, trust is not a communications challenge. It is an operational one.

Technology can enable transparency, but consistent service standards and responsible conduct ultimately determine credibility. The shift toward digital insurance must therefore be accompanied by measurable improvements in responsiveness, clarity, and fairness.

Trust is earned through experience, not marketing.

09

DATA INFRASTRUCTURE & INTEROPERABILITY

Building the digital backbone required for scalable insurance growth.

DATA INFRASTRUCTURE AND INTEROPERABILITY

A foundational requirement for the insurance decade is interoperable digital infrastructure.

Isolated digitization efforts will not scale. Integration across the following is critical:

- Regulators
- Insurers
- Fintech platforms
- Telecom operators
- Health providers
- Payment networks

Participants acknowledged that fragmented data environments continue to limit seamless coordination between insurers, healthcare providers, fintech platforms, and regulators. Without interoperability standards and secure data exchange protocols, digital transformation risks remaining siloed. Structured alignment across systems is therefore essential to unlock scale.

The collaboration with development partners to design sector-level digital architecture marks an important step. Future expansion must prioritize:

- Secure data-sharing protocols
- Standardized APIs
- Privacy safeguards
- Consent-driven access
- Scalable architecture

Infrastructure decisions made today will determine flexibility for the next decade.

10

INCLUSION THROUGH MICRO & DIGITAL MODELS

Designing accessible protection for underserved and emerging segments.

INCLUSION THROUGH MICRO AND DIGITAL MODELS

Insurance inclusion remains uneven across low-income and underserved segments.

Microinsurance and simplified digital products were identified as essential levers for expanding coverage.

Affordability, ease of enrollment, and claims simplicity are central to reaching first-time policyholders.

Digital channels lower distribution costs. However, product design must reflect income volatility, behavioral realities, and financial literacy constraints

For first-time policyholders, complexity remains a significant deterrent. Microinsurance models discussed during the Summit emphasized simplified coverage terms, shorter policy cycles, and digitally enabled claims processes. These features reduce friction for low-income and informal sector segments whose income patterns and financial literacy levels differ from traditional policyholders.

Inclusion is not achieved through smaller premiums alone but through contextualized product design.

11

THE STRATEGIC IMPERATIVE

Aligning industry, regulators, and technology to define the next decade.

THE STRATEGIC IMPERATIVE: COLLECTIVE MOMENTUM

The Summit discussions made one reality clear: the foundational elements for transformation are now in place.

Digital-only licenses have been introduced. Regulatory systems have been automated. Centralized repositories and verification tools are operational. Digital premium volumes are rising. Cross-sector partnerships are expanding.

The question is no longer whether modernization is possible. The question is whether momentum can be aligned.

The next decade will require deliberate coordination between regulators, insurers, technology platforms, healthcare providers, and digital ecosystems. Innovation in isolation will not deliver systemic change.

Pakistan's opportunity lies not in incremental improvement, but in structured alignment. Strategic clarity, responsible experimentation, and collaborative execution will determine whether the sector can transition from low penetration to meaningful protection at scale.

The imperative is collective. The window is open. The direction must now be sustained.

STRATEGIC PRIORITIES FOR THE INSURANCE DECADE (2026–2035)

As Pakistan's insurance sector transitions toward a more digital, inclusive, and data-driven future, discussions at the Summit indicate several priority areas that may define the industry's trajectory over the next decade.

1. **Digitize Core Infrastructure**
   Mandate phased digital claims processing and standardized reporting frameworks across the industry within five years.
2. **Enable Embedded Ecosystems**
   Establish regulatory clarity for insurer-fintech partnerships and API-based integrations.
3. **Expand Microinsurance at Scale**
   Introduce proportionate capital requirements and simplified onboarding for low-ticket, high-volume products.
4. **Standardize Consumer Transparency**
   Adopt industry-wide disclosure templates and claim tracking systems.
5. **Invest in Data Governance**
   Develop sector-wide data protection and cybersecurity standards aligned with global best practices.
6. **Build Talent & Technical Capacity**
   Support actuarial, data science, and insurtech skill development programs in collaboration with academic institutions.

CONCLUSION

The evolution of Pakistan's insurance sector will be defined by institutional readiness, regulatory agility, and ecosystem collaboration. The conversations at the Summit reflect an industry prepared to modernize responsibly while expanding protection across underserved segments. Sustained dialogue and coordinated action will determine how effectively this transformation unfolds over the coming decade.

ACKNOWLEDGMENT OF SPEAKERS AND CONTRIBUTORS

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Welcome Speech
Syed Nadeem Hussain – Chairman, Pakistan Fintech Network

Chief Guest
Akif Saeed – Former Chairman, SECP

Keynote Speech
Shoaib Javed Hussain – Chairman, IAP

Address to the Industry
Mujtaba Lodhi – Commissioner, Insurance Division, SECP

Panel Moderators

- Sidra Iqbal – TV Presenter
- Nilofer Sohail – GM, EFU Life Assurance
- Sibtain Jiwani – CEO, Smart Choice

Panelists

- Ahmed Saleemi – CEO, Digit
- Ali Nadim – CEO, IGI Life Insurance
- Azfar Arshad – CEO, Jubilee General Insurance
- Dr. Sara Saeed – Co-Founder & CEO, Sehat Kahani
- Farhan Hassan – CDO, Easypaisa Digital Bank
- Furqan Uddin Faisal – Additional Director, SECP
- Hassan Rehman – Founder & Director, Takaful Bazar
- Imtiaz Ahmed – CDO, TPL Insurance
- Khurram Hussain – CEO, Alfalah Insurance
- Muhammad Ali – CEO, EFU Life Assurance
- Muhammad Aminuddin – CEO, TPL Insurance
- Muhammad Javed – CEO, Jubilee Life Insurance
- Sardar Abubakr – Vice President New Business & Fintech Development, Jazz
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- Syed Ahmer Shoaib – Head of Commercial Operations, Adamjee Insurance
- Waqas Ahmad – CEO, Pak Qatar Family Takaful

- Waseem Khan – Director, Head Insurance Division, SECP

The perspectives shared during these sessions have contributed to shaping the strategic themes and priorities outlined in this publication.

About Pakistan Fintech Network

Pakistan Fintech Network (PFN) is a national ecosystem platform dedicated to advancing digital financial services and financial innovation across Pakistan. The Network brings together regulators, financial institutions, fintech companies, technology providers, investors, and policy stakeholders to enable collaboration, knowledge exchange, and responsible sector development.

PFN works to strengthen dialogue between industry and regulators, promote innovation-enabling policy frameworks, and support the growth of emerging financial technologies across payments, lending, insurance, capital markets, and digital infrastructure.

Through industry forums, research publications, strategic consultations, and ecosystem partnerships, PFN seeks to contribute to a more inclusive, transparent, and digitally empowered financial landscape in Pakistan.

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