

**Credit Rating  
Report**

**CREDIT RATING REPORT  
On  
UNITED INSURANCE COMPANY LIMITED**

**REPORT: RR/18848/18**

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating is valid for only one year from the date of rating. After the above period, the rating will not carry any validity unless the company goes for rating surveillance. **CRISL followed Insurance Rating Methodology published in CRISL website www.crislbd.com**

**Address:**  
CRISL  
Nakshi Homes  
(4<sup>th</sup> & 5<sup>th</sup> Floor)  
6/1A, Segunbagicha,  
Dhaka-1000  
Tel: 9530991-4  
Fax: 88-02-9530995  
Email:  
crislhdhk@crislbd.com

**Rating Contact:**

**Tanzirul Islam**  
tanzir@crislbd.com

**Analysts:**

**Md. Shohei Khan**  
shohei@crislbd.com

**Md. Zillur Rahman**  
zillur@crislbd.com

**Surveillance Rating:**  
CPA Rating: AA+

**Outlook:** Stable

**Rating Base:**  
Financials up to Dec' 31,  
2016

**UNITED INSURANCE  
COMPANY LIMITED**

**ACTIVITY**  
Non-Life Insurance

**DATE OF  
INCORPORATION**  
May 07, 1985

**COMMENCEMENT OF  
BUSINESS**  
October 12, 1985

**CHAIRMAN**  
Syed Aziz Ahmad

**MANAGING DIRECTOR  
& CEO**  
Khawja Manzer Nadeem

**EQUITY**  
Tk. 1,202.85 Million

**TOTAL ASSETS**  
Tk. 1,398.85 Million

	Claim Paying Ability
Surveillance Rating-2016	AA+
Outlook	Stable
<b>Date of Rating: March 18, 2018</b>	<b>Valid up to: March 17, 2019</b>

**1.0 RATIONALE**

CRISL has up-graded the Claim Paying Ability (CPA) rating of United Insurance Company Limited (UICL) to 'AA+' (pronounced as Double A plus) from "AA". This has been done on the basis of audited financials up to December 31, 2016 as well as un-audited financials of September 30, 2017 and other relevant qualitative and quantitative information up to the date of rating. The above rating has been largely assigned in consideration of the business growth over the consecutive periods, consistent business and financial performance, consistent solvency, sound liquidity, regular claim payment compared to peer, good return from investment in associates and experienced top management team etc.

UICL sources 100% of its business from national and multinational clients of Bangladesh market. Based on the financial statement of last five years, its gross premium earnings and solvency have improved gradually. CRISL views UICL's investment strategy as diversified and secured with around 98% of its funds residing in cash and fixed deposits as well as in fixed income instruments and rest 2% in capital market investment. Besides, the company has significant amount unrealized gain of Tk.595.74 million as on December 31, 2016 for significant investment in associate which boost up its investment portfolio.

UICL has maintained regulatory capital which stood at Tk.420.00 million as on December 31, 2016. Moreover, equity base rose to Tk.1,202.85 million in 2016 from Tk.1,109.82 million in 2015. Besides, UICL plans to introduce new non-traditional products. Liquidity position has been found to be sound to meet claim immediately. On the other hand, UICL faces challenges from high management expense, moderate market share, low branch networks, however, improvement in these sectors would enhance the overall underwriting and financial performance in this competitive market. CRISL expects the company continue its prudent underwriting approach, improve business portfolio with more new business and take prompt initiative to reduce high management expenses.

CPA rating in this category is adjudged to offer very high claim paying ability. Protection factors are strong. Risk is modest but may vary slightly over time due to underwriting and/or economic conditions.

CRISL also views the company with "Stable Outlook" from the industry viewpoint for overall industry growth and policy and regulations implicated by regulatory authority as well as Insurance Act, 2010. CRISL believes that the company will be able to maintain its fundamentals in foreseeable future.

**2.0 CORPORATE PROFILE**

**2.1 The Genesis**

United Insurance Company Limited (UICL), a first generation non-life insurance company, was incorporated on May 07, 1985 as a public limited company under the Companies Act 1913 with the objective to run all types of non-life insurance business. UICL obtained certificate of commencement of business from the Registrar of Joint Stock Companies on October 12, 1985. Subsequently, the company obtained certificate of registration from the Department of Insurance, Government of the People's Republic of Bangladesh on October 15, 1985 and commenced underwriting operations on October 19, 1985 with the motto 'to provide best and prompt service ensuring security of the clients'. Currently, the company has been operating under the legal framework of Insurance Act, 2010. UICL started its business with paid up