

INSURANCE RULES, 2017

1. INTRODUCTION

The Insurance Rules, 2017 (“**2017 Rules**”) were promulgated by the Securities and Exchange Commission of Pakistan on 9 February 2017, which repealed the Insurance Rules, 2002 (“**2002 Rules**”) and the Securities and Exchange Commission (Insurance) Rules, 2002 (“**SEC Rules**”).

Please find below the following tables:

1. ‘**Insertions**’ made by the 2017 Rules with no corresponding provisions in the 2002 Rules and the SEC Rules;
2. ‘**Modifications**’ to provisions of the 2002 Rules and the SEC Rules by the 2017 Rules; and
3. ‘**Deletions**’ from the 2002 Rules and the SEC Rules with no corresponding provisions in the 2017 Rules.

Please note that the extent to which a provision of the 2017 Rules has not been covered in any of the above, there has been no change to the corresponding provision in the 2002 Rules or the SEC Rules, as the case may be.

2. INSERTIONS¹

INSERTIONS		
S. No.	Section No.	INSURANCE RULES, 2017
1.	8	Annual supervision fee to be paid by an insurer in terms of clause (c) of sub-section (3) of section 11 of the Ordinance. - Every insurer registered under the Ordinance shall pay to the Commission, on or before the fifteenth day of January in every calendar year, an annual supervision fee at the rate of Rs. 2.00 per thousand of gross direct premium written in Pakistan during the calendar year preceding to the last year, subject to a maximum of rupees fifty million.
2.	11	Minimum paid-up capital requirement for insurers. - (1) For the purposes of sub-section (2) of section 28, the amount given in the table below shall be the minimum required amount of paid-up capital for an insurer registered under the Ordinance to carry on insurance business:-

¹ Note that any italicized text appearing in this document is not a new provision introduced by the Insurance Rules 2017, and has only been reproduced herein for the purpose of providing context to the relevant insertion, where required.

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		<table><tr><td rowspan="4">Type of Insurer</td><td colspan="5">Minimum Paid-Up Capital Requirement</td></tr><tr><td colspan="5">Amount given in million rupees</td></tr><tr><td>Year 2015</td><td colspan="2">Year 2016</td><td colspan="2">Year 2017 and onwards</td></tr><tr><td>31st December</td><td>30th June</td><td>31st December</td><td>30th June</td><td>31st December</td></tr><tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td><td>(5)</td><td>(6)</td></tr><tr><td>Life Insurers</td><td>500</td><td>550</td><td>600</td><td>650</td><td>700</td></tr><tr><td>Non-Life Insurers</td><td>300</td><td>350</td><td>400</td><td>450</td><td>500</td></tr></table>				Type of Insurer	Minimum Paid-Up Capital Requirement					Amount given in million rupees					Year 2015	Year 2016		Year 2017 and onwards		31 st December	30 th June	31 st December	30 th June	31 st December	(1)	(2)	(3)	(4)	(5)	(6)	Life Insurers	500	550	600	650	700	Non-Life Insurers	300	350	400	450	500
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		<p>(2) An applicant who, after the commencement of this rule, desires to register itself under the Ordinance shall be required to comply with the above mentioned minimum paid up capital requirement.</p> <p>(3) For the purposes of sub-rule (1), the amount of minimum paid up capital will be net off any discount offered on issue of shares.</p>																																										
3.	13(2)	<p>Valuation.-</p> <p>(2) For the purpose of sub-section (3) of Section 34 of the Ordinance the amounts determined under clauses (c) and (d) of sub-section (2) of section 34 of the Ordinance shall for Accident and Health Business written by a non-life insurer be based on the advice of an Actuary as defined in Rule 3.</p>																																										
4.	25	<p>Power of the Commission to Issue Directives.-</p> <p>For the purposes of Section 60 of the Ordinance, the Commission may, if it believes on reasonable grounds that an insurer registered with the Commission under the Ordinance, has failed, or is about to fail, to comply with the conditions of registration set out in section 11 of the Ordinance, issue such direction, not inconsistent with and not otherwise provided in the Ordinance, to protect the interest of the policyholders, as it deem appropriate.</p>																																										
5.	26	<p>Procedure to be followed by the Commission while issuing direction under rule 25.- While issuing directions the Commission shall follow the following procedure.-</p> <p>(a) Establishment of Non-Compliance with Section 11: The Commission shall ensure that there is a reasonable ground that an insurer has failed, or is about to fail, to comply with any conditions of registration set out in section 11 of the Ordinance.</p>																																										

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		<p>(b) Notice of Non-Compliance: The Commission shall send a notice to insurer to inform him in writing the details and nature of non-compliance or potential non-compliance with section 11 and give fifteen days time period to respond to such notice in writing.</p> <p>(c) Extension of time to respond to the Notice of Non-Compliance: The Commission may grant an extension of time period not exceeding fifteen days to the insurer to respond to the notice as per sub-rule (b) above:</p> <p>Provided that no further extension shall be granted if an insurer fails to respond to such notice within the stipulated time period.</p> <p>(d) Hearing Opportunity: Based on the insurer's written response of the notice, where the Commission determines that the non-compliance or potential non-compliance with Section 11 still exists, the Commission shall, while adjudicating upon the rights of insurer or imposing any other penalty, provide an opportunity of hearing to the insurer within a period of fifteen days by informing the insurer in writing:</p> <p>Provided that the Commission may grant an extension of time period not exceeding fifteen days to the insurer on the written application of insurer to that effect and no further extension shall be granted where an insurer refuses or fails to avail such hearing opportunity within the stipulated time period.</p> <p>Provided further that where the Commission is satisfied that delay in issuing direction to the insurer shall be detrimental to the interest of the insurance policy holders and immediate regulatory action is required, the Commission may, after recording reasons in writing, immediately issue interim direction to an insurer till the time an opportunity of hearing is provided and a final decision is taken within a period of not more than thirty days.</p> <p>(e) Other Considerations: Where the Commission determines that non-compliance or potential non-compliance to Section 11 still exists, the Commission shall issue such directions to the insurer, having regards to the aspects given under sub-section (4) of section 22 of the SECP Act 1997, (XLII of 1997) as it deem appropriate.</p>
6.	38	<p>Fitness and propriety requirements for the Chief Executive and Directors of Insurance Brokers.- (1) For the purposes of sub-section (3) of section 102 of the Ordinance, the following shall be the prescribed fitness and proprietary requirements for the Chief Executive Officer and Directors of the insurance broker.</p> <p>Provided that a proposed director or chief executive officer of an insurance broker shall not assume the charge of office until his appointment has been approved by the Commission.</p>

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S. No.	Section No.	INSURANCE RULES, 2017
		<p>(2) The fitness and propriety of the chief executive officer and director of an insurance broker shall be assessed by taking into account all the relevant factors including but not limited to the following:</p> <p>(a) In determining a person's integrity and track record, a person shall not be considered a Fit and Proper person if such person:</p> <p>(i) has been convicted in criminal breach of trust, fraud, etcetera;</p> <p>(ii) has been convicted of an offence involving moral turpitude;</p> <p>(iii) has been subject to adverse findings, after conducting an inquiry, by the Commission or any other regulatory, judicial or professional body or any government agency or authority;</p> <p>(iv) has been involved in the financial irregularities or malpractices in a Company due to which the registration or license of the Company has been revoked or cancelled or which has gone into liquidation or other similar proceedings;</p> <p>(v) is ineligible, under the Companies Ordinance, 1984 or any other legislation from acting as a director;</p> <p>(vi) has entered into a plea bargain arrangement with the National Accountability Bureau or any other regulatory body;</p> <p>(vii) having served any custodial sentence imposed by a Court of competent jurisdiction, ending within five years preceding the date of the declaration; or</p> <p>(viii) having been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the date of the declaration.</p> <p>(b) In determining a person's financial soundness, the following shall be considered:</p> <p>(i) all persons subject to this Rule shall submit an affidavit to the Commission affirming under the oath that the person and the companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner etc. has no overdue payment of any financial institution.</p>

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		<p>Provided that the Commission shall provide an opportunity of making representation to the person in case of overdue or past due payment;</p> <p>(ii) all persons subject to this Rule shall not be considered as fit and proper if any overdue/past due payment to a financial institution, irrespective of amount, is appearing in the overdue column of latest CIB report of the person and of the companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner etc.</p> <p>Provided that the following exceptions may be granted by the Commission for the purpose of this clause in case where:</p> <p>(a) Amount overdue is under litigation and the same is also appearing as amount under litigation in the CIB report; and</p> <p>(b) No overdue payment appearing in the overdue column in the subsequent latest CIB report.</p> <p>(iii) all persons subject to fit and proper criteria under this Rule shall report any change with reference to their financial soundness to the insurance broker within three business days and the insurance broker shall within a period of seven business days report the same to the Commission.</p> <p>(iv) whether the person has applied to be adjudicated as an insolvent and his application is pending; or</p> <p>(v) whether the person is an un-discharged insolvent.</p> <p>(c) In determining a person's competence and capability the following shall be considered:</p> <p>(i) the chief executive must have a minimum educational qualification of a bachelor's degree or equivalent from an institution recognized by the Higher Education Commission of Pakistan or foreign qualification of equivalent level recognized by the Higher Education Commission of Pakistan along with insurance related qualification, with at least five years of management cadre experience working with an insurer, reinsurer or an insurance/reinsurance broker or surveyor/loss adjustor or corporate agent or in such capacity, in an entity related to insurance business, or at least seven years of senior level experience with any financial institution as it may satisfy the Commission.</p> <p>(d) The position of chief executive or director of an insurance broker shall not give rise to any conflict of interest or potential conflict of interest in accordance with the provisions of the Ordinance.</p>

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S. No.	Section No.	INSURANCE RULES, 2017
		<p>(e) After coming into force of these provisions, the insurance broker applying for a new license shall ensure that the person appointed as chief executive officer or director is in compliance with these provisions; however, the existing chief executive officer and directors of an existing insurance broker shall comply with these requirements as follows:</p> <p>(i) the chief executive officer of an insurance broker shall comply with these provisions before the commencement of his new term in the office, if any, as chief executive officer</p> <p>(ii) the existing directors of an insurance broker shall comply with these provisions before the commencement of their new term in the office, if any, as directors.</p>
7.	44(c)	<p>Authorised surveying officers — <i>For the purposes of clause (c) of sub-section (3) of section 113 of the Ordinance, any person entitled to apply to be registered as an authorised surveying officer shall possess the following qualifications, namely:</i></p> <p>(c) a fresh applicant, seeking first time registration as an authorised surveying officer, shall be registered by the Commission as an authorised surveying officer, on obtaining passing marks in a test for any or all classes of insurance surveying business, which shall be undertaken from any professional institute, approved by the Commission for the purposes of this sub-rule.</p> <p>Provided that, the requirement of this sub-rule, may be waived by the Commission, if the fresh applicant has undertaken a masters' degree in any discipline from an HEC recognized university and also has minimum of three years of experience in the financial sector.</p> <p>Provided further that, the requirement of this sub-rule, may be waived by the Commission, if the fresh applicant is an associate of the Chartered Insurance Institute and has served in a senior management position in the claims or underwriting department of a non-life insurer for a period of not less than ten years.</p>
8.	45	<p>Training and Continuous Professional Development: (1) With effect from January 1, 2018, the directors and chief executive officer of all fresh applicants for classes of insurance surveyor business specified at clause (d), (e), (f), (g) and (h) of sub-rule (1) of rule 41 will submit Continuous Professional Development Certificate as evidence of completion of four days training undertaken during the immediate preceding three years' from an insurance institute(s), approved by the Commission, in the relevant classes.</p> <p>(2) With effect from January 1, 2018, an application by an authorized surveying officer for renewal will be accompanied by an evidence of completion of four hours' Continuous Professional Development in that class in the preceding year from any professional institute, approved by the Commission.</p>

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S. No.	Section No.	INSURANCE RULES, 2017
9.	Proviso to 47 (4)	<p>Surveys and reports of insurance surveyors.- (4) Every survey conducted by, and report given by, an insurance surveyor shall be conducted and given with due diligence and skill, and in good faith and the report shall be finalized as early as possible but within the period of ninety days:</p> <p>Provided that where claim, in motor (to include own damage and third party liability) and marine cargo, hull and aviation and miscellaneous business, amount exceeds rupees one million, and in fire and allied perils and engineering classes amount exceeds rupees ten million, and final report has not been submitted within the 90 days of his appointment, the insurance surveyor shall submit preliminary report to the Commission before expiry of the 90 days, mentioning therein the reasons for delay, if any. In case no preliminary report is submitted within the 90 days in the first instance, he will be required to submit status report thereafter every 90 days.</p>
10.	50(c)	<p>Reporting by insurance brokers.- (1) Each year an insurance broker shall be required to provide to the Commission, as at the preceding 31st December, or in respect of the year then ended –</p> <p>(c) a certificate from the auditors of the insurance broker certifying the amount of net equity maintained by the insurance broker as on the reporting date;</p>
11.	63	Repeal.- The Insurance Rules, 2002 and the Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002 are hereby repealed.
12.	64	Savings.- Save as otherwise specifically provided, nothing in these Rules, or any repeal effected thereby, shall affect or be deemed to affect anything done, action taken, investigation or proceedings commenced, order, appointment, conveyance, mortgage deed, document or agreement made, fee directed, resolution passed, direction given, proceedings taken or instrument executed or issued, under or in pursuance of any rules or notifications repealed by these Rules and any such thing, action, investigation, proceedings, order, appointment, conveyance, mortgage deed, document, agreement, fee, resolution, direction, proceedings or instrument shall if in force at the coming into force of these Rules and not inconsistent with any of the provisions of these Rules, continue to be in force, and have effect as if it were respectively done, taken, commenced, made, directed, passed, given, executed or issued under these Rules.

3. MODIFICATIONS

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INSURANCE RULES, 2002			SEC (INSURANCE) RULES, 2002		INSURANCE RULES, 2017	
S. No.	Section No.	Provision	Section No.	Provision	Section No.	Provision
1.	2(1)(c)	"Class" means the class of insurance surveyors as provided in sub -rule (1) of rule 16.			2(1)(c)	"Class" means the class of insurance surveyors as provided in sub-rule (1) of <u>rule 41.</u>
2.	3	Restricted classes of insurance business. —For the purposes of subsection (6) of section 4 of the Ordinance, the following shall be the restricted classes of insurance business, namely:— (a) For life insurance: (i) pension fund business; and (ii) accident and health business. (b) For non-life insurance: (i) motor third-party compulsory business; (ii) workers' compensation business; (iii) accident and health business; (iv) proportional treaty business; and (v) non -proportional treaty business.			5	Restricted classes of insurance business.- For the purposes of subsection (6) of section 4 of the Ordinance, <u>the Commission while granting licence as a life or non-life insurer, as the case may be, may declare the following as restricted classes of insurance business for that applicant, namely:-</u> (a) For life insurance: (i) pension fund business; and (ii) accident and health business. (b) For non-life insurance: (i) motor third-party compulsory business; (ii) workers' compensation business; (iii) accident and health business; (iv) proportional treaty business; and (v) non -proportional treaty business.
3.			6(3)	For the purposes of section 8 of the Ordinance, the documents specified in clauses (a), (b), (c), (d), (e) and (f) of sub-	7(3)	For the purposes of section 8 of the Ordinance, the documents specified in clauses (a), (b), (c), (d) and (e) of sub-rule

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4.			10	<p>Admissibility of assets.- (1) For the purposes of sub-section (2) of section 32 of the Ordinance, the prescribed percentages for an insurance company which was registered as at the commencement date of the Ordinance, the amount prescribed in the repealed Act shall be applicable until the 31st December, 2002, and thereafter for such companies, and for a company registered after the commencement date, the percentages specified in column (3) of the table below shall apply for the clauses of the said sub-section specified in column (1) of that table in respect of the assets described in column (2) thereof.</p> <table><tr><th>Clause.</th><th>Description of Assets</th><th>Percentage</th></tr><tr><td>(1)</td><td>(2)</td><td>(3)</td></tr><tr><td>(b)</td><td>In a statutory fund of a life insurer, any assets</td><td>Five per cent for life insurer.</td></tr></table>	Clause.	Description of Assets	Percentage	(1)	(2)	(3)	(b)	In a statutory fund of a life insurer, any assets	Five per cent for life insurer.	12	<p>Admissibility of assets.- For the purposes of sub-section (2) of section 32 of the Ordinance, <u>the percentages specified in column (3) of the table below shall apply for the clauses of the said sub-section specified in column (1) of that table in respect of the assets described in column (2) thereof.</u></p> <table><tr><th>Clause</th><th>Description of Assets</th><th>Percentage</th></tr><tr><td>(1)</td><td>(2)</td><td>(3)</td></tr><tr><td>(b)</td><td>In a statutory fund of a life insurer, any assets</td><td>For assets other than bank deposits – five per cent For total bank deposits – one hundred per cent; and For deposits in a single bank – greater of Rs. 25 million or fifteen per cent.</td></tr><tr><td>(f)</td><td>Loans which are secured against immovable property</td><td>Five percent for both life and non-life insurer.</td></tr><tr><td>(n)</td><td>Any one unit of immovable property</td><td>In the case of both a non-life insurer and a life insurer, – fifty percent till 31 December 2011; then thirty five percent till 31 December 2013; then twenty percent till 31 December 2014 and thereafter.</td></tr><tr><td>(o)</td><td>Total immovable property</td><td>In the case of both a non-life insurer and a life insurer, – sixty percent till 31 December 2011;</td></tr></table>	Clause	Description of Assets	Percentage	(1)	(2)	(3)	(b)	In a statutory fund of a life insurer, any assets	For assets other than bank deposits – five per cent For total bank deposits – one hundred per cent; and For deposits in a single bank – greater of Rs. 25 million or fifteen per cent.	(f)	Loans which are secured against immovable property	Five percent for both life and non-life insurer.	(n)	Any one unit of immovable property	In the case of both a non-life insurer and a life insurer, – fifty percent till 31 December 2011; then thirty five percent till 31 December 2013; then twenty percent till 31 December 2014 and thereafter.	(o)	Total immovable property	In the case of both a non-life insurer and a life insurer, – sixty percent till 31 December 2011;
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		then forty five percent till 31 December 2013; then thirty percent till 31 December 2014 and thereafter.																																																							
(p)	Shares in any one company or in group of related companies	five percent in case of life insurer. in the case of a non-life insurer – - till 30 December 2012 twenty-five per cent; and - thereafter as per the following table On and after 31 December 2012 twenty percent On and after 31 December 2013 fifteen percent On and after 31 December 2014 ten percent On or after 31 December 2015 five percent																																																							
(q)	Shares of listed companies in the aggregate	in case of both life and non-life insurers.– Seventy percent till 31 December 2011; Sixty percent till 31 December 2012; Fifty percent till 31 December 2013 and thereafter																																																							
(r)	Shares of companies (not being listed companies) in the aggregate	Five per cent in case of non-life insurer and two and half per cent in case of life insurer till 31 December 2012 and thereafter.																																																							
(s)	Immovable property and shares in the aggregate	in the case of both life and non-life insurers.- Eighty per cent till 31 December 2011; Seventy per cent till 31 December 2012; Sixty per cent till 31 December 2013 and thereafter.																																																							
(t)	Loans to any person or group of related persons	For both life and non-life insurers: • To any one person – one per cent; and • To a group of related persons – two per cent till 31 December 2012 and thereafter.																																																							
(v)	Following assets prescribed by the Commission shall be effective from 31 December 2012:																																																								

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INSURANCE RULES, 2002			SEC (INSURANCE) RULES, 2002		INSURANCE RULES, 2017																			
S. No.	Section No.	Provision	Section No.	Provision	Section No.	Provision																		
						<table><tr><td>Term finance certificates / sukuk bonds issued by one issuer, not being a state owned enterprise</td><td>To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>Term finance certificates / sukuk bonds in aggregate</td><td>To the extent they exceed thirty percent of the non-life insurer's total investment or in case of a life insurer, thirty percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>Units in any one open ended mutual fund</td><td>To the extent they exceed ten percent of the non-life insurer's total investment or in case of a life insurer ten percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>Units in all open ended mutual funds managed by the same asset management company</td><td>To the extent they exceed fifteen percent of the non-life insurer's total investment or in case of a life insurer fifteen percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>Investment in any single real estate investment trust</td><td>To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>Investment in all real estate investment trusts in aggregate</td><td>To the extent they exceed ten percent of the non-life insurer's total investment or in case of a life insurer, ten percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>All investment in shares (listed and unlisted), modaraba certificates, property, mutual funds and real estate investment trusts in aggregate but excluding mutual funds which have no direct or indirect investment in equities or property</td><td>To the extent they exceed sixty percent of the non-life insurer's total investment or in case of a life insurer, sixty percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>Listed modaraba certificates issued by any one company</td><td>To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr><tr><td>Loans to any person or group of related persons in aggregate</td><td>To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.</td></tr></table>	Term finance certificates / sukuk bonds issued by one issuer, not being a state owned enterprise	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.	Term finance certificates / sukuk bonds in aggregate	To the extent they exceed thirty percent of the non-life insurer's total investment or in case of a life insurer, thirty percent of the total investment of the relevant statutory fund or shareholders' fund.	Units in any one open ended mutual fund	To the extent they exceed ten percent of the non-life insurer's total investment or in case of a life insurer ten percent of the total investment of the relevant statutory fund or shareholders' fund.	Units in all open ended mutual funds managed by the same asset management company	To the extent they exceed fifteen percent of the non-life insurer's total investment or in case of a life insurer fifteen percent of the total investment of the relevant statutory fund or shareholders' fund.	Investment in any single real estate investment trust	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.	Investment in all real estate investment trusts in aggregate	To the extent they exceed ten percent of the non-life insurer's total investment or in case of a life insurer, ten percent of the total investment of the relevant statutory fund or shareholders' fund.	All investment in shares (listed and unlisted), modaraba certificates, property, mutual funds and real estate investment trusts in aggregate but excluding mutual funds which have no direct or indirect investment in equities or property	To the extent they exceed sixty percent of the non-life insurer's total investment or in case of a life insurer, sixty percent of the total investment of the relevant statutory fund or shareholders' fund.	Listed modaraba certificates issued by any one company	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.	Loans to any person or group of related persons in aggregate	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.
Term finance certificates / sukuk bonds issued by one issuer, not being a state owned enterprise	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.																							
Term finance certificates / sukuk bonds in aggregate	To the extent they exceed thirty percent of the non-life insurer's total investment or in case of a life insurer, thirty percent of the total investment of the relevant statutory fund or shareholders' fund.																							
Units in any one open ended mutual fund	To the extent they exceed ten percent of the non-life insurer's total investment or in case of a life insurer ten percent of the total investment of the relevant statutory fund or shareholders' fund.																							
Units in all open ended mutual funds managed by the same asset management company	To the extent they exceed fifteen percent of the non-life insurer's total investment or in case of a life insurer fifteen percent of the total investment of the relevant statutory fund or shareholders' fund.																							
Investment in any single real estate investment trust	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.																							
Investment in all real estate investment trusts in aggregate	To the extent they exceed ten percent of the non-life insurer's total investment or in case of a life insurer, ten percent of the total investment of the relevant statutory fund or shareholders' fund.																							
All investment in shares (listed and unlisted), modaraba certificates, property, mutual funds and real estate investment trusts in aggregate but excluding mutual funds which have no direct or indirect investment in equities or property	To the extent they exceed sixty percent of the non-life insurer's total investment or in case of a life insurer, sixty percent of the total investment of the relevant statutory fund or shareholders' fund.																							
Listed modaraba certificates issued by any one company	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.																							
Loans to any person or group of related persons in aggregate	To the extent they exceed five percent of the non-life insurer's total investment or in case of a life insurer five percent of the total investment of the relevant statutory fund or shareholders' fund.																							
5.			12	Minimum required assets in statutory	14	Net admissible assets of life insurers.- (1)																		

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INSURANCE RULES, 2002			SEC (INSURANCE) RULES, 2002		INSURANCE RULES, 2017									
S. No.	Section No.	Provision	Section No.	Provision	Section No.	Provision								
				<p>fund.- For the purposes of sub-sections (3), (4) and (5) of section 35 of the Ordinance, policyholder liabilities shall be determined by the Commission, by notification in the official Gazette:</p> <p>Provided that where sub-section (6) of section 50 applies in respect of a statutory fund, policyholder liabilities for the purposes of the said sub-sections shall not be less than the amount determined by the appointed actuary under that sub-section.</p>		<p>For the purposes of sub-section (2) of section 35 of the Ordinance, the required minimum amount to be maintained in the Shareholders’ Fund shall be the sum of the following:</p> <p>(a) A fixed amount which shall be as follows:</p> <p>- till 30 December 2012 – seventy five million rupees; and</p> <p>- thereafter, as per the following table:</p> <table><tr><th>On or After</th><th>Rupees</th></tr><tr><td>’31 December 2012</td><td>One hundred and five million</td></tr><tr><td>’31 December 2013</td><td>One hundred and thirty five million</td></tr><tr><td>’31 December 2014</td><td>One hundred and sixty five million</td></tr></table> <p>(b) If the company has been given written permission by the Commission under Rule 14(2) below, a solvency margin calculated in accordance with the principles set out in Annexure III.</p> <p>(2) The Commission may grant written permission to a life insurer to maintain the solvency margin calculated in accordance with the principles set out in Annexure III in its shareholders’ fund and statutory funds in aggregate (this being in addition to the fixed amount prescribed</p>	On or After	Rupees	’31 December 2012	One hundred and five million	’31 December 2013	One hundred and thirty five million	’31 December 2014	One hundred and sixty five million
On or After	Rupees													
’31 December 2012	One hundred and five million													
’31 December 2013	One hundred and thirty five million													
’31 December 2014	One hundred and sixty five million													

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						<p>in Rule 14(1)(a)) instead of in each statutory fund on the following conditions:</p> <p>(a) The life insurer makes an application in writing, not less than three months before the date on which such permission is to come into effect, seeking permission to maintain the solvency margin calculated in accordance with the principles set out in Annexure III in its shareholders' fund and statutory funds in aggregate instead of in each statutory fund, such margin being in addition to the fixed amount specified in Rule 14(1)(a); and</p> <p>(b) The application in Rule 14(2)(a) is supported by a non-revocable resolution of the Board of Directors of the life insurer to maintain the solvency margin calculated in accordance with the principles set out in Annexure III in its shareholders' fund and statutory funds in aggregate for a period of not less than ten years from the date of the application, and, during this period, not to declare any dividend without the express written consent of the Appointed Actuary of the life insurer.</p> <p>(3) For the purpose of sub-section (3) of</p>

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						<p>section 35 of the Ordinance, the surplus of admissible assets in Pakistan over liabilities in Pakistan, other than policyholder liabilities, which a life insurer shall maintain at all times in each statutory fund maintained by it for the conduct of business other than investment-linked business shall be the amount of policyholder liabilities plus, unless written permission has been granted to the life insurer under Rule 14(2) to maintain the solvency margin in its shareholders' fund and statutory funds in aggregate, a solvency margin calculated in accordance with the principles set out in Annexure III.</p> <p>(4) For the purpose of sub-section (4) of section 35 of the Ordinance, the surplus of admissible assets in Pakistan over liabilities in Pakistan, other than policyholder liabilities, which a life insurer shall maintain at all times in each statutory fund maintained by it for the conduct of investment-linked business shall be the amount of policyholder liabilities plus, unless written permission has been granted to the life insurer under Rule 14(2) to maintain the solvency margin in its shareholders' fund and</p>

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						<p>statutory funds in aggregate, a solvency margin calculated in accordance with the principles set out in Annexure III.</p> <p>(5) For the purpose of sub-Section (5) of Section 35 of the Ordinance, the surplus of admissible assets denominated in each currency over liabilities including policyholder's liabilities denominated in such currency shall be a solvency margin calculated in accordance with the principles set out in Annexure III with respect to policies denominated in such currency.</p> <p>(6) Where sub-section (6) of section 50 of the Ordinance applies in respect of a statutory fund, policyholder liabilities for the purposes of the said sub-sections shall not be less than the amount determined by the appointed actuary under that sub-section.</p>
6.			13	<p>Solvency of non-life insurer.- (1) For the purposes of clause (a) of sub-section (3) of section 36 of the Ordinance, the following shall be the prescribed amount, namely:-</p> <p>(a) In the case of an insurance company registered after the commencement date, fifty million rupees; and</p>	15	<p>Solvency of non-life insurer.- (1) For the purposes of clause (a) of subsection (3) of section 36 of the Ordinance, the following shall be the prescribed amount, namely:-</p> <p><u>(a) till 31 December 2011, fifty million rupees; and</u></p>

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INSURANCE RULES, 2002			SEC (INSURANCE) RULES, 2002		INSURANCE RULES, 2017									
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				<p>(b) in the case of an insurance company registered at the commencement date-</p> <p>(i) the amount applicable under the repealed Act, until the 31st December, 2002;</p> <p>(ii) fifteen million rupees until the 31st December, 2003;</p> <p>(iii) twenty five million rupees until the 31st December, 2004; and</p> <p>(iv) fifty million rupees until the 31st December, 2005, and thereafter.</p> <p>(2) For the purposes of clause (b) of sub-section (3) of section 36 of the Ordinance, the following shall be the prescribed percentage, namely:-</p> <p>(a) In the case of an insurance company registered after the commencement date, twenty per cent; and</p> <p>(b) in the case of an insurance company registered at the commencement date-</p> <p>(i) ten per cent until the 31st December, 2002;</p> <p>(ii) fifteen per cent until the 31st December, 2004; and</p> <p>(iii) thereafter the percentage as set out in clause (a) of this sub-rule.</p> <p>(3) For the purposes of clause (c) of sub-section (3) of section 36 of the Ordinance, the following shall be the</p>		<p><u>(b) thereafter as per the following table</u></p> <table><tr><th><u>On or After</u></th><th><u>Rupees</u></th></tr><tr><td>31 December 2012</td><td>One hundred million</td></tr><tr><td>31 December 2013</td><td>One hundred and twenty five million</td></tr><tr><td>31 December 2014</td><td>One hundred and fifty million</td></tr></table> <p><u>(2) For the purposes of clause (b) of sub-section (3) of section 36 of the Ordinance, the prescribed percentage shall be twenty per cent.</u></p> <p><u>(3) For the purposes of clause (c) of sub-section (3) of section 36 of the Ordinance, the prescribed percentage shall be twenty per cent.</u></p>	<u>On or After</u>	<u>Rupees</u>	31 December 2012	One hundred million	31 December 2013	One hundred and twenty five million	31 December 2014	One hundred and fifty million
<u>On or After</u>	<u>Rupees</u>													
31 December 2012	One hundred million													
31 December 2013	One hundred and twenty five million													
31 December 2014	One hundred and fifty million													

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				<p>prescribed percentage, namely:-</p> <p>(a) In the case of an insurance company registered after the commencement date, twenty per cent; and</p> <p>(b) in the case of an insurance company registered at the commencement date-</p> <p>(i) ten per cent until the 31st December, 2002;</p> <p>(ii) fifteen per cent until the 31st December, 2004; and</p> <p>(iii) thereafter the percentage as set out in clause (a) of this sub-rule.</p>		
7.	6	<p>Assets to be invested in securities.—</p> <p>(1) Thirty per cent of the assets of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund which contains only investment linked policies, shall be invested in Government securities, under sub - section (7) of section 35 of the Ordinance.</p> <p>(2) A further ten percent of the assets of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund which contains only investment linked policies, shall be invested in a combination of Government securities</p>			16	<p>Assets to be invested in securities.- (1) Thirty per cent of the assets, <u>excluding</u> inter-fund receivables of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund which contains only investment linked policies, shall be invested in Government securities, under sub -section (7) of section 35 of the Ordinance.</p> <p>(2) A further ten percent of the assets, <u>excluding inter-fund receivables</u> of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund which contains only investment linked policies, shall be invested in a combination of Government</p>

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		and other approved securities, under sub -section (7) of section 35 of the Ordinance.				securities and other approved securities, under sub -section (7) of section 35 of the Ordinance.
8.	7(2)(b)	<p>Reinsurance outside Pakistan</p> <p>(2) The Commission may, grant permission under sub - rule (1) in any of the following circumstances, namely:</p> <p>(b) the insurance business, although covered by a treaty arrangement shall be desired to be reinsured facultatively for protecting the treaty or for any other special reason:</p> <p>Provided that such facultative reinsurance shall not run contrary to subsisting contractual obligations under the treaty</p>			18(2)(b)	<p>Reinsurance outside Pakistan</p> <p>(2) The Commission may, grant permission under sub - rule (1) in any of the following circumstances, namely:</p> <p>(b) the insurance business, although covered by a treaty arrangement shall be desired to be reinsured facultatively for protecting the treaty or for any other special reason, <u>subject to satisfaction of the Commission;</u></p> <p>Provided that such facultative reinsurance shall not run contrary to subsisting contractual obligations under the treaty</p>
9.			16	Accounting and reporting.- For the purposes of sub-sections (1) and (2) of section 46 of the Ordinance, the statements as set out in Annexure II shall be furnished.	19	<p>Accounting and reporting.- For the purposes of sub-sections (1) and (2) of section 46 of the Ordinance, the statements as set out in Annexure II shall be furnished.</p> <p><u>Provided that annual accounts for the period ended 31st December, 2016 and quarterly accounts for the period ending 31st March 2017 shall be prepared in accordance with the previous</u></p>

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						<p>requirements.</p> <p>Provided further that where the Commission is satisfied that it is not practicable to give effect or comply with the formats annexed as Annexure II under this rule, the Commission may, for reasons to be recorded in writing, relax such requirement subject to such conditions as it may deem fit.</p>
10.			19	<p>Financial condition report.- For the purposes of section 50 of the Ordinance, the following shall, without limitation, be included in a Financial Condition Report prepared by an actuary in respect of a life insurer, namely:-</p> <p>(a) The date as at which the valuation of policyholder liabilities was performed;</p> <p>(b) the statement required under sub-section (3) of section 50 of the Ordinance;</p> <p>(c) a statement of any reservations or qualifications to which the report is subject, including any material matters in which the appointed actuary has been unable to comply with any relevant professional standards to which the appointed actuary is subject by virtue of his membership of an actuarial institute, faculty, society or association;</p>	22	<p>Financial Condition Report. - For the purposes of Section 50 of the Ordinance, the Financial Condition Report shall be prepared in accordance with the requirements prescribed in Annexure IV.</p>

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				<p>(d) a brief description of— (i) the business underwritten by the life insurer, and the statutory funds in which it is written; (ii) the reinsurance arrangements of the life insurer; (iii) the assets of the life insurer; (iv) the investment policy of the life insurer; (v) the unit pricing policy of the life insurer (where applicable); and (vi) such other matters relating to the business of the life insurer as the appointed actuary believes should be brought to the attention of the life insurer;</p> <p>(e) a statement of the appointed actuary's opinion on the adequacy of premium rates and charges in respect of policies underwritten by the insurer;</p> <p>(f) a statement of the appointed actuary's valuation of policyholder liabilities according to the minimum valuation basis prescribed under sub-section (5) of section 50 including details of— (i) the general principles adopted in the valuation of each class of business and group of policies in force at the valuation date; (ii) the reasons for adoption of those general principles; (iii) the methods adopted in the valuation; (iv) policies which under the valuation</p>		

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				<p>methods would be treated as an asset, and actions taken to identify and eliminate such assets from the valuation; (v) bases adopted for mortality and morbidity; and (vi) currency exchange rates adopted in the translation of liabilities denominated in foreign currency;</p> <p>(g) where sub-section (6) of section 50 applies, a statement of the appointed actuary's valuation of policyholder liabilities under that sub-section;</p> <p>(h) a statement of the appointed actuary's determination of the surplus, surplus arising on participating life insurance business, if any, surplus adjustment, if any, and expense adjustment, if any; and</p> <p>(i) a statement by the appointed actuary, expressing an opinion as to whether—(i) the basis of apportionment of revenues and expenses between the statutory and other funds of the life insurer, and between classes of policy holder within statutory funds, is fair and equitable; (ii) the surplus attributed to participating policyholders has been determined in accordance with the Ordinance; (iii) in relation to each</p>		

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				statutory fund of the insurer, the insurer has complied, on the valuation date, with the provisions of so many as are applicable of sub-sections (3), (4) and (5) of section 35 of the Ordinance, relying on the audited statements of admissible assets; and (iv) the life insurer has adequate capital to continue its business at planned levels for a period of not less than five years.		
11.			20	Minimum valuation basis.- (1) For the purposes of sub-section (5) of section 50 of the Ordinance, the minimum valuation basis shall be such as is determined by the Commission, by notification in the official Gazette. (2) Until the issue of a notification under sub-rule (1), the minimum valuation basis shall be that applicable under the repealed Act immediately before the commencement date of the Ordinance.	23	Minimum valuation basis.- For the purposes of sub-section (5) of section 50 of the Ordinance, the minimum valuation basis shall be such as is <u>set out in Annexure V.</u>
12.			23(4)	Compliance visiting.- (4) The notice of a visit shall set out the provision or provisions of the Ordinance, rules or regulations in respect of which it is proposed to verify compliance.	30 (4)	Compliance visiting.- (4) The notice of a visit shall set out the provision or provisions of the Ordinance, rules, regulations <u>or directives</u> of the <u>Commission</u> in respect of which it is proposed to verify compliance.
13.			23(10)	Compliance visiting.- (10) The	30(10)	Compliance visiting.- (10) The

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				Commission may have regard to the results of a compliance visit in deciding whether to take any action in respect of a party visited under powers given to the Commission or to the Federal Government under the Ordinance, rules or regulations; provided that no such action shall be taken without giving the party visited an opportunity to be heard.		Commission may have regard to the results of a compliance visit in deciding whether to take any action in respect of a party visited under powers given to the Commission under the Ordinance, rules or regulations; provided that no such action shall be taken without giving the party visited an opportunity to be heard.
14.			24(2)	Independent insurance survey to be conducted.- (2) Independent survey shall be conducted in respect of the claim lodged for the amount exceeding fifty thousand rupees except in case of motor and casualty insurance where the amount of loss or claim is for more than twenty-five thousand rupees .	31(2)	Independent insurance survey to be conducted.- (2) Independent survey shall be conducted in respect of the claim lodged for the amount exceeding <u>one hundred thousand rupees</u> except in case of motor and casualty insurance where the amount of loss or claim is for more than <u>fifty thousand rupees</u> .
15.	10	Paid-up policy values. —For the purposes of clause (b) of subsection (3) of section 92 of the Ordinance, the paid-up policy value shall, before the inclusion of bonuses, be not less than— (a) where the whole of the benefits payable under the policy are payable			32	Paid-up policy values.- (1) For the purposes of clause (b) of subsection (3) of section 92 of the Ordinance, the paid-up policy value shall, <u>in the case of participating and non-participating conventional contracts</u> , before the <u>inclusion of bonuses</u> , be not less than— (a) where the whole of the benefits payable under the policy are payable on a

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		<p>on a particular date or on the happening of a particular event, the amount bearing to the total sum insured by the policy exclusive of bonuses the same proportion as the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable; and</p> <p>(b) where the benefits payable under the policy are payable on two or more dates, the amount bearing to total of each planned payment exclusive of bonuses the same proportion as the total period for which premiums have been paid bears to the maximum period for which premiums were originally payable less any benefit paid earlier.</p>				<p>particular date or on the happening of a particular event, the amount bearing to the total sum insured by the policy exclusive of bonuses the same proportion as the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable; and</p> <p>(b) where the benefits payable under the policy are payable on two or more dates, the amount bearing to total of each planned payment exclusive of bonuses the same proportion as the total period for which premiums have been paid bears to the maximum period for which premiums were originally payable less any benefit paid earlier.</p> <p><u>(2) In the case of unit linked and universal life contracts, the paid-up policy value shall be determined in any of the following two manners:</u></p> <p><u>(a) the paid up sum insured shall not be less than the amount of sum cover of the policy at inception, as long as the cash value in the unit/investment account is sufficient to meet the ongoing periodic administration charges and insurance</u></p>

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						<p>coverage charges, otherwise the policy would lapse without value. Under this option, the paid up sum insured is payable at the death of the life assured.</p> <p>(b) The paid up sum insured shall be reduced to zero and the policy shall be maintained for the unit/investment account only. In such case, the insurance coverage charges, shall not be deducted and only the administrative charge shall be deducted. Under this option, the amount payable on the death of the life insured shall be the unit/investment account value, if any.</p>
16.			25(2) (b), (3)	<p>Conduct of agents and insurer.- (2) For the purposes of sections 96 to 99, the following actions of an insurer shall be treated as violations of the Ordinance, and the insurer shall be liable to penalty as per section 156 of the Ordinance, namely:- (b) fails to take action as provided in sub-rule (3) on the written complaint of the policyholder or intending policyholder within a period of one <u>one</u> month;</p> <p>(3) On receipt of a written complaint</p>	33(2) (b), (3)	<p>Conduct of agents and insurer.- (2) For the purposes of sections 96 to 99, the following actions of an insurer shall be treated as violations of the Ordinance, and the insurer shall be liable to penalty as per section 156 of the Ordinance, namely:</p> <p>(b) fails to take action as provided in sub-rule (3) on the written complaint of the policyholder or intending policyholder within a period of <u>two months</u>;</p>

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				from the policyholder or intending policyholder that an agent or any other person related to the agent has received money in relation to a contract of insurance from the complainant and the agent has failed to deposit this money with the insurer, the insurer shall conduct an inquiry into it and inform the policyholder or intending policyholder, as the case may be, about the outcome of the inquiry within one month period of the complaint.		(3) On receipt of a written complaint from the policyholder or intending policyholder that an agent or any other person related to the agent has received money in relation to a contract of insurance from the complainant and the agent has failed to deposit this money with the insurer, the insurer shall conduct an inquiry into it and inform the policyholder or intending policyholder, as the case may be, about the outcome of the inquiry within <u>two months period</u> of the complaint.
17.			26(b)	<p>Qualifications required of insurance agents.- For the purposes of section 97 of the Ordinance, the following shall be the prescribed qualifications, namely:</p> <p>(b) for persons entering into agency contracts after commencement of the Ordinance, the minimum qualification shall be Matriculate or Secondary School Certificate, and in the case of a natural person, that person, or in the case of a body corporate, each director, or in the case of a partnership, each partner, shall have the said qualification, and –</p> <p>(i) agents operating in the non-life insurance business shall be required to</p>	34	<p>Qualifications required of insurance agents.- For the purposes of section 97 of the Ordinance, the following shall be the prescribed qualifications, namely:</p> <p>(b) for persons entering into agency contracts after commencement of the Ordinance, the minimum qualification shall be Matriculate or Secondary School Certificate, and in the case of a natural person, that person, or in the case of a body corporate, each director, or in the case of a partnership, each partner, shall have the said qualification, and -</p> <p>(i) agents operating in the non-life insurance business shall be required to</p>

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				<p>complete the foundation course of the Pakistan Insurance Institute, within a period of three years; and</p> <p>(ii) agents operating in the life insurance business shall be required to complete a foundation course of three months duration, to be organized by the concerned insurance company.</p>		<p>complete the foundation course of the Pakistan Insurance Institute <u>or a foundation course of thirty days' duration, to be organized in-house by the concerned insurance company, subject to that insurance company having prior approval of the course syllabus by the Commission</u>; and</p> <p>(ii) agents operating in the life insurance business shall be required to complete a foundation course of three months duration, to be organized by the concerned insurance company.</p> <p>(c) <u>for persons entering into agency contracts with insurers after June 30, 2017, the minimum qualification shall be Higher Secondary School Certificate or equivalent, and in the case of a natural person, that person, or in the case of a body corporate or a partnership, each of its designated persons engaged in the business of insurance sales, shall have the said qualification, and such agents or designated person shall be required to undergo a foundation course based on a curriculum as approved by the Commission within a period of one year</u></p>

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						<p>from the date of entering into agency contracts, conducted by the respective insurer or an institute recognized by the Commission, and shall also be examined and certified by an institute. The agents or designated person shall also be required to attend a refresher course after every two years from such institute(s) as specified by the Commission for the purposes of continued professional education:</p> <p>Provided that agents and designated persons may be given exemption from the requirement of foundation course who meet such criteria and requirements as may be approved by the Commission from time to time, but such exemption shall be availed through registering with an institute as approved by the Commission.</p> <p>Provided further that agents or designated persons who are matriculate or hold Secondary School Certificate and have already completed a foundation course, in case of non-life insurance from Pakistan Insurance Institute and in case of life insurance from the respective</p>

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						insurer prior to commencement of this sub-rule, shall stand exempted from the requirement of foundation course. Such person shall, however, be required to register with an institute as approved by the Commission within three months of the date of effect of this sub-rule and attend a refresher course after every two years from such institute(s) as specified by the Commission for the purposes of continued professional education.
18.	11(a) (vii), (b) (vii)	Registration of insurance agents.- Every insurer shall, in the register required to be kept by it for the purposes of sub -section (1) of section 98 of the Ordinance, maintain the following details in respect of each insurance agent, namely: (a) For a natural person: (vii) such other particulars as may be specified by the Federal Government . (b) For a body corporate: (vii) such other particulars as may be specified by the Federal Government .			35(a) (vii), (b) (vii)	Registration of insurance agents.- Every insurer shall, in the register required to be kept by it for the purposes of sub -section (1) of section 98 of the Ordinance, maintain the following details in respect of each insurance agent, namely: (a) For a natural person: (vii) such other particulars as may be specified by the <u>Commission</u> . (b) For a body corporate: (vii) such other particulars as may be specified by the <u>Commission</u> .
19.	12(4)	Statement and declaration required of			36(4)	Statement and declaration required of

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		insurance agents. - (4) The statement and declaration shall be retained by the insurer for a period of not less than five years from the date of the declaration and shall be produced to the Federal Government on demand.				insurance agents. - (4) The statement and declaration shall be retained by the insurer for a period of not less than five years from the date of the declaration and shall be produced to the <u>Commission</u> on demand.
20.	13	<p>Requirements for insurance broker's Licence .—For the purposes of sub - section (3) of section 102 of the Ordinance, the following shall be the prescribed qualifications of a company for issuance of an insurance broker's licence, namely :—</p> <p>(a) A minimum paid-up share capital of not less than ten million rupees for local brokers and 0.3 million US dollars for a foreign insurance broker to be registered in Pakistan; -</p> <p>(b) cash or approved securities to the value of not less than an half million rupees, deposited with a bank;</p>			37	<p>Requirements for insurance broker's licence.- For the purposes of sub-section (3) of section 102 of the Ordinance, the following shall be the prescribed qualifications of a company for issuance of an insurance broker's licence, namely:-</p> <p>(a) A minimum paid-up share capital of not less than <u>fifteen million rupees</u> for an insurance broker to be registered in Pakistan: <u>Provided that existing licensed insurance brokers who have paid up capital less than the minimum required amount shall comply with enhanced requirement of the paid up capital by December 31, 2017:</u></p> <p>(b) cash or approved securities to the value of <u>ten percent (10%) of the minimum prescribed paid up capital of the insurance broker</u>, deposited with the <u>State Bank of Pakistan</u>;</p>

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		(c) professional indemnity insurance, to a limit of ten million rupees for any one occurrence;				<p><u>Provided that existing licensed insurance brokers shall comply with the requirement of statutory deposit by December 31, 2017.</u></p> <p>(c) professional indemnity insurance, to a limit of <u>thirty</u> million rupees for any one occurrence;</p> <p><u>Provided that existing licensed insurance brokers shall comply with the requirement of professional indemnity insurance on the expiry of their active licence after coming into force of this provision.</u></p> <p><u>The insurance cover must indemnify an insurance broker against:</u></p> <p><u>(i) Any error or omission or negligence on his part or on the part of his employees and directors;</u></p> <p><u>(ii) Any loss of money or other property for which the broker is legally liable in consequence of any financial or fraudulent act or omission;</u></p> <p><u>(iii) Any loss of documents and costs and expenses incurred in replacing or restoring such documents;</u></p>

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		<p>(d) not fewer than two employees (at least one of whom must be a director) having a minimum of five years experience working in or in relation to the insurance industry, as —</p> <p>(i) an employee of an insurer; or</p> <p>(ii) an agent; or</p>				<p><u>(iv) The indemnity cover:</u></p> <p><u>(a) Should be on a yearly basis for the entire period of license;</u></p> <p><u>(b) Should not contain any terms to the effect that payments of liabilities (claims under the policy) depend upon the insurance broker having first met the liability;</u></p> <p><u>(c) Should indemnify in respect of all liabilities (claims under the policy) made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred.</u></p> <p><u>(d) every registered insurance broker shall maintain a net equity, which is total assets of the insurance broker over its total liabilities, of at least following percentages of their minimum paid-up capital, as per the following schedule:</u></p> <table><tr><td><u>1st</u> <u>Year of</u> <u>Busine</u> <u>ss</u></td><td><u>2nd</u> <u>Year of</u> <u>Busines</u> <u>s</u></td><td><u>3rd Year</u> <u>of</u> <u>Business</u></td><td><u>4th</u> <u>Year of</u> <u>Busines</u> <u>s</u></td></tr></table>	<u>1st</u> <u>Year of</u> <u>Busine</u> <u>ss</u>	<u>2nd</u> <u>Year of</u> <u>Busines</u> <u>s</u>	<u>3rd Year</u> <u>of</u> <u>Business</u>	<u>4th</u> <u>Year of</u> <u>Busines</u> <u>s</u>
<u>1st</u> <u>Year of</u> <u>Busine</u> <u>ss</u>	<u>2nd</u> <u>Year of</u> <u>Busines</u> <u>s</u>	<u>3rd Year</u> <u>of</u> <u>Business</u>	<u>4th</u> <u>Year of</u> <u>Busines</u> <u>s</u>							

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		<p>(iii) an employee of an agent; or</p> <p>(iv) an employee of an insurance broker; or</p> <p>(v) in such capacity, related to the business of insurance, as satisfies the Federal Government that the person has appropriate experience and knowledge to undertake the business of insurance broking; and</p> <p>(e) neither the body corporate nor any director of the body corporate, nor any officer of the body corporate engaging in the business of insurance broking —</p> <p>(i) is a minor;</p> <p>(ii) has been found of unsound mind by a Court of competent jurisdiction;</p>				<table><tr><td></td><td></td><td></td><td>and onwards</td></tr><tr><td>35%</td><td>50%</td><td>60%</td><td>70%</td></tr></table> <p><u>Provided that existing insurance brokers shall comply with this requirement as per the above schedule from the date of coming into force of this provision.</u></p> <p><u>Provided further that while determining the value of the assets owned by a company, any amount on account of goodwill or of any other intangible asset like deferred tax asset, shall be disregarded.</u></p> <p>(e) the body corporate engaging in the business of insurance broking —</p> <p>(i) has not been found guilty, within the five years preceding the present date, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;</p> <p>(ii) has not been found guilty by a Court</p>				and onwards	35%	50%	60%	70%
			and onwards											
35%	50%	60%	70%											

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		<p>(iii) has been found guilty, within the five years preceding the present date, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;</p> <p>(iv) has served any custodial sentence imposed by a Court of competent jurisdiction, ending within the five years preceding the present date;</p> <p>(v) has been found guilty by a Court of competent jurisdiction of any offence involving insurance; or</p> <p>(vi) has been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the present date.</p>				<p>of competent jurisdiction of any offence involving insurance; or</p> <p>(iii) has not been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the present date.</p>
21.	14	<p>Licensing of insurance brokers.— (1) An application for grant of a licence or renewal of licence to act as an insurance broker shall, for the purposes of sub -section (4) or (5) of section 102 of the Ordinance, shall contain the following details in respect of the applicant, namely:</p>			39	<p>Licensing of insurance brokers.- (1) An application for grant of a licence or renewal of licence to act as an insurance broker shall, for the purposes of sub-section (4) or (5) of section 102 of the Ordinance, shall contain the following details in respect of the applicant, namely:</p>

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		<p>(i) Its name;</p> <p>(ii) the address of its registered office;</p> <p>(iii) its postal address (if different);</p> <p>(iv) a description of the business carried on by it (other than insurance broking);</p> <p>(v) the names of insurance companies, if any, which have appointed the applicant as insurance agent;</p> <p>(vi) the names of shareholders holding more than ten per cent of the issued share capital;</p> <p>(vii) the names of all directors of the body corporate; and</p> <p>(viii) evidence, in original or certified copy form, of compliance with the prescribed qualifications.</p>				<p>(a) <u>registered name of the insurance broker;</u></p> <p>(b) the address of its registered office;</p> <p>(c) its postal address (if different);</p> <p>(d) <u>details of the insurance broking business to be carried out by the new insurance broker and in case of an existing insurance broker, details of the insurance broking business carried out during the last year including but not limited to the break-up of the revenue/income into reinsurance/ insurance commission, brokerage commission, brokerage fees and details of any other revenue/income along with the detailed break-up of the expenses incurred;</u></p> <p>(e) the names of insurance companies, if any, which have appointed the applicant as insurance agent <u>along with the details of these arrangements;</u></p> <p>(f) <u>details of the pattern of shareholding of the issued share capital of the insurance broker; and</u></p> <p>(g) <u>for the purposes of Rule 38 above, details of the Chief Executive and Directors of the insurance broker and duly signed declaration in the form as set</u></p>

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		<p>(2) Every application made under sub-rule (1) shall be accompanied by a declaration by the applicant stating that -</p> <p>(a) the information given by him in accordance with sub -rule (1) is complete and correct;</p> <p>(b) he has complied with the requirements of the Ordinance and the rules made thereunder concerning the required qualifications of an insurance broker;</p> <p>(c) he undertakes to comply, and (in the case of an existing insurance broker) declares that he has during the previous twelve months complied with being the Ordinance and the rules made thereunder concerning the conduct of an insurance broker; and</p> <p>(d) neither the body corporate, nor any director of the body corporate, nor any officer of the body corporate engaging in the business of insurance broking, is</p>				<p>out in Annexure VI and VII, respectively;</p> <p>(h) <u>the annual audited accounts of the insurance broker referred to in rule 50 of these rules.</u></p> <p>(2) Every application made under sub-rule (1) shall be accompanied by a declaration by the applicant stating that –</p> <p>(a) the information given by him in accordance with sub-rule (1) is complete and correct;</p> <p>(b) he has complied with the requirements of the Ordinance and the rules made thereunder concerning the required qualifications of an insurance broker;</p> <p>(c) he undertakes to comply, and (in the case of an existing insurance broker) declares that he has during the previous twelve months has complied with the Ordinance and the rules made thereunder concerning the conduct of an insurance broker; and</p> <p>(d) the body corporate engaging in the business of insurance broking —</p> <p>(i) has not been found guilty, within the five years preceding the present date, of criminal misappropriation or criminal</p>

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		<p>disqualified from acting in the business of insurance broking by virtue of —</p> <p>(i) being a minor;</p> <p>(ii) having been found of unsound mind by a Court of competent jurisdiction;</p> <p>(iii) having been found guilty, within five years preceding the date of the declaration, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;</p> <p>(iv) having served any custodial sentence imposed by a Court of competent jurisdiction, ending within five years preceding the date of the declaration;</p> <p>(v) having been found guilty by a Court of competent jurisdiction of any offence involving insurance; or</p> <p>(vi) having been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the date of the declaration.</p> <p>(3) Every application and declaration required under this rule shall be made in writing and the declaration shall be</p>				<p>breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;</p> <p>(ii) has not been found guilty by a Court of competent jurisdiction of any offence involving insurance; or</p> <p>(iii) has not been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to <u>the present date.</u></p> <p>(3) The application under this rule shall be in writing and signed by at least two directors while the declaration required under this rule shall also be signed by at least two directors of the <u>insurance</u></p>

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		<p>signed by at least two directors of the body corporate.</p> <p>(4) Any application for issue or renewal of authorization to act as an insurance broker shall be accompanied by a fee of ten thousand rupees, which shall be refunded if the authorization is not granted.</p> <p>(5) An insurance broker shall notify to the insurer of any change in the details required under sub-rule (1) within three months of that change having effect, such notification being in written form and signed by at least two directors of the body corporate.</p>				<p>broker on a stamp paper of appropriate <u>value.</u></p> <p>(4) Any application for issue <u>of initial</u> authorization to act as an insurance broker shall be accompanied by a fee of <u>rupees one hundred thousand</u>, which shall be refunded <u>in full by the Commission</u> if the authorization is not granted.</p> <p>(5) <u>An application for the renewal of authorization to act as an insurance broker shall be submitted to the Commission at least one month prior to the expiry of the licence and shall also be accompanied by a renewal fee of rupees seventy five thousand rupees or rupees two for every rupees one thousand of the gross revenue, without netting off any expenses, whichever is higher during the preceding financial year, subject to a maximum of rupees five hundred thousand:</u></p> <p>(6) An insurance broker shall notify to the Commission of any change in the details required under sub-rule (1) <u>immediately and not later than two weeks of that</u></p>

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						change having effect, such notification being in written form and signed by at least two directors of the body corporate.
22.	15	Protection of run -off. —For the purposes of sub-section (1) of section 107, the level of professional indemnity insurance shall be ten million rupees and the period for which such run-off insurance is required shall be five years or until all liabilities of an insurance broker are irrevocably transferred to another licensed insurance broker, whichever is the earlier.			40	Protection of run-off. —For the purposes of sub-section (1) of section 107, the level of professional indemnity insurance shall be <u>thirty</u> million rupees and the period for which such run-off insurance is required shall be five years or until all liabilities of an insurance broker are irrevocably transferred to another licensed insurance broker, whichever is the earlier.
23.	16(1)	Classes of insurance surveyors.- (1) For the purposes of section 114 of the Ordinance, the following shall be the classes of insurance surveyors, namely (a) Fire and property damage business. (b) Marine, aviation and transport business. (c) Motor third-party compulsory business. (d) Liability business. (e) Workers compensation business. (f) Credit and surety ship business. (g) Accident and health business. (h) Agriculture insurance including crop insurance. (i) Miscellaneous business			41(1)	Classes of insurance surveyors.- (1) For the purposes of section 114 of the Ordinance, the following shall be the classes of insurance surveyors, namely (a) Fire and property damage business. (b) Marine, aviation and transport business. (c) Motor third-party compulsory business. (d) Liability business. (e) Workers compensation business. (f) Credit and surety ship business. (g) Accident and health business. (h) Agriculture insurance including crop insurance. (i) Miscellaneous business (<u>business</u>

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						<p>which does not relate to the classes mentioned above).</p> <p>Provided that existing licencees shall apply for the licence of the above classes on the expiry of their licence.</p> <p>Provided further that the persons having licence for the miscellaneous class and allowed to undertake class of insurance surveyors stated at clause (d), (e), (f), (g) and (h) of this sub-rule, on the date of notification of these rules shall be issued licence for the classes as aforesaid within a year of coming into force of this sub-rule.</p>
24.	17	<p>Conditions for licensing of insurance surveyors.—(1) For the purposes of subsection (3) of section .112 of the Ordinance, the following shall be the prescribed conditions, namely :—</p> <p>(a) For the purposes of clause (a) of that sub-section, the prescribed minimum paid-up share capital shall be one million rupees;</p>			42	<p>Conditions for licensing of insurance surveyors.— For the purposes of subsection (3) of section 112 of the Ordinance, the following shall be the prescribed conditions, namely :—</p> <p>(a) For the purposes of clause (a) of that sub-section, the prescribed minimum paid-up share capital shall be <u>two million rupees</u>;</p> <p>Whereas, the existing insurance surveyors shall comply with the requirement of minimum paid up share</p>

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		<p>(b) for the purposes of clause (b) of that sub-section, the prescribed minimum level of professional indemnity insurance shall be one million rupees for any one event and such insurance shall extend to a body corporate and all directors or officers of the body corporate who act as authorized surveying officers;</p> <p>(c) for the purposes of clause (e) of that sub-section, there shall be no approved professional association; and</p> <p>(d) for the purposes of clause (f) of that sub-section, the following shall be the prescribed other conditions, namely :—</p> <p>(i) At least one officer or director who is individually certified as an authorised surveying officer for the class or classes of insurance surveyor in which a body corporate acts or proposes to act; and</p>				<p>capital by December 31, 2017. A surveying company registered under this Ordinance shall at all times ensure that the provision relating to minimum paid up share capital requirements are complied with.</p> <p>(b) for the purposes of clause (b) of that sub-section, the prescribed minimum level of professional indemnity insurance shall be <u>three million rupees</u> and such insurance shall extend to a body corporate and all directors or officers of the body corporate who act as authorized surveying officers;</p> <p>(c) for the purposes of clause (e) of that sub-section, there shall be no approved professional association; and</p> <p>(d) for the purposes of clause (f) of that sub-section, the following shall be the prescribed other conditions, namely:—</p> <p>(i) At least one officer or director who is individually certified as an authorised surveying officer for the class or classes of insurance surveyor in which a body corporate acts or proposes to act; and</p>

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		<p>(ii) neither a body corporate in respect of such of the following conditions as apply to the body corporate, nor any director of the body corporate in respect of such of the following conditions as apply to a natural person—</p> <p>(a) is a minor;</p> <p>(b) has been found of unsound mind by a Court of competent jurisdiction;</p> <p>(c) has been found guilty, within the five years preceding the present date, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;</p> <p>(d) has served any custodial sentence imposed by a Court of competent jurisdiction, ending within five years preceding the present date;</p> <p>(e) has been found guilty by a Court of competent jurisdiction of any offence involving insurance; or</p>				<p>(ii) neither a body corporate in respect of such of the following conditions as apply to the body corporate, nor any director of the body corporate in respect of such of the following conditions as apply to a natural person—</p> <p>(a) is a minor;</p> <p>(b) has been found of unsound mind by a Court of competent jurisdiction;</p> <p>(c) has been found guilty, within the five years preceding the present date, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;</p> <p>(d) has served any custodial sentence imposed by a Court of competent jurisdiction, ending within five years preceding the present date;</p> <p>(e) has been found guilty by a Court of competent jurisdiction of any offence involving insurance;</p>

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		<p>(f) has been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the present date.</p> <p>(2) A body corporate which is, at the date of coming into force of these Rules, the holder of a valid licence to act as an insurance surveyor, and which is not otherwise disqualified from acting as an insurance surveyor, shall be deemed to have the qualifications as set out in sub-clause (ii) of clause (d) of sub-rule(1) for the period during which that licence is valid, and at any time within five years of the date of coming into force of these rules at which that licence, or any licence issued in renewal of that licence, is presented for renewal.</p>				<p>(f) has been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the present date; or</p> <p><u>(g) has directorship of any insurance brokers company formed under Section 102 of the Ordinance.</u></p>
25.	19(5), (6)	<p>(5) An insurance surveyor shall inform the Federal Government of any change in the details required to be given under sub-rule (1) or (2) within three months of that change having taken effect and, such information shall be in written form and signed—</p> <p>(a) in the case of a natural person, by</p>			43(5), (6)	<p>(5) An insurance surveyor shall inform the <u>Commission</u> of any change in the details required to be given under sub-rule (1) or (2) within three months of that change having taken effect and, such information shall be in written form and signed—</p> <p>(a) in the case of a natural person, by the insurance surveyor and duly attested in</p>

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		<p>the insurance surveyor and duly attested in the presence of witnesses - who shall not be related party of the insurance surveyor;</p> <p>(b) in the case of a body corporate, by not fewer than two directors of the body corporate and duly attested; and</p> <p>(c) in the case of a firm, by not fewer than two partners of the firm and duly attested.</p> <p>(6) An application for grant of a licence or renewal of a licence for any class of insurance surveyors shall be accompanied by a fee of two thousand rupees which shall be refunded if the application is not granted.</p>				<p>the presence of witnesses who shall not be related party of the insurance surveyor;</p> <p>(b) in the case of a body corporate, by not fewer than two directors of the body corporate and duly attested; and</p> <p>(c) in the case of a firm, by not fewer than two partners of the firm and duly attested.</p> <p>(6) An application for grant of a new licence or renewal of a licence for any class of insurance surveyors shall be accompanied by a fee of Rs. 25,000/- (twenty five thousand) which shall be refunded if the <u>licence</u> is not granted.</p>
26.	21 (5), (6)	<p>Registration of authorised surveying officers — (5) An authorized surveying officer shall inform the Federal Government of any change in the details required to be presented under sub-rule (1) or (2) within three months of that change having effect, such information shall be in written form and signed by the authorised surveying officer in the presence of a witness who shall be a natural person, not a related party of the authorized surveying</p>			46 (5), (6)	<p>Registration of authorised surveying officers.- (5) An authorized surveying officer shall inform the <u>Commission</u> of any change in the details required to be presented under sub-rule (1) or (2) within three months of that change having effect, such information shall be in written form and signed by the authorised surveying officer in the presence of a witness who shall be a natural person, not a related party of the authorized surveying officer and who</p>

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		<p>officer and who shall also sign the declaration as witness.</p> <p>(6) An application for registration or renewal of registration as authorized surveying officer shall be accompanied by a fee of one thousand rupees which shall be refunded if the application is not granted.</p>				<p>shall also sign the declaration as witness.</p> <p>(6) An application for <u>grant of an Authorized Surveying Officers' new licence or renewal of licence</u> will be accompanied by a fee of Rs. 5,000/- (five thousand rupees) per class.</p>
27.	22(5), (6)	<p>Surveys and reports of insurance surveyors.-</p> <p>(5) If the Federal Government has reason to believe that a survey performed has not been performed with due diligence or skill, or in good faith, or that it otherwise does not comply with the conditions of this rule, such that the report does not present a fair opinion on the matters contained in the terms of reference, the Federal Government may direct that the insurer arrange for an additional survey of -the subject matter of the survey report to be performed by one or more licensed insurance surveyors who shall be approved by the Federal Government.</p> <p>(6) An additional survey under sub -rule</p>			47(5), (6)	<p>Surveys and reports of insurance surveyors.-</p> <p>(5) If the <u>Commission</u> has reason to believe that a survey performed has not been performed with due diligence or skill, or in good faith, or that it otherwise does not comply with the conditions of this rule, such that the report does not present a fair opinion on the matters contained in the terms of reference, the <u>Commission</u> may direct the insurer to arrange an additional survey of the subject matter of the survey report to be performed by one or more licensed insurance surveyors who shall be approved by the <u>Commission</u>.</p> <p>(6) An additional survey under sub-rule (5) shall be performed at the expense of the insurer and a copy of the report on</p>

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		(5) shall be performed at the expense of the insurer and a copy of the report on the additional survey shall be provided to the Federal Government .				the additional survey shall be provided to the <u>Commission</u> .
28.			35	<p>Insurance policy not to be avoided for non-payment of premium.-</p> <p>(1) No insurance policy shall be liable to be avoided on the ground that the premium has not been paid.</p> <p>(2) Nothing in this rule shall prevent the inclusion in a policy of a provision to the effect that cover under the policy shall not commence until the premium has been paid or guaranteed to be paid in such manner as may be set out in the policy or otherwise accepted or agreed to by the insurer.</p>	58	<p>Insurance policy not to be issued without receipt of premium.-</p> <p>(1) <u>Save as provided under sub-rule (2), (3) and (4) below, no insurance policy shall be issued where premium has not been received by the insurer.</u></p> <p>(2) <u>An insurer may issue a cover note prior to the receipt of premium, in order to enable the intending policyholder to review the details and scope of coverage being offered.</u></p> <p><u>Provided that the cover note should not be for a period exceeding seven days in the case of motor business and beyond thirty days in all other cases and must be replaced with an insurance policy before expiry of such cover note, subject to receipt of premium by the insurer.</u></p> <p>(3) <u>Notwithstanding the above, an insurance policy may be issued where the premium has been mutually agreed to be paid in installments and the first such installment has been duly received by the insurer.</u></p> <p>(4) <u>The policy schedule must clearly</u></p>

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						<p><u>specify the number of agreed installments and their due dates, along with a stipulation that cover under the policy shall stand suspended in case any instalment is not received within the scheduled due date thereof.</u></p> <p><u>(5) The provision of this rule shall apply in respect of direct non-life insurance contracts only.</u></p>

DELETIONS		
S. No.	Section No.	INSURANCE RULES, 2002
1.	2(1)(d)	"Insurance broker" means an insurance broker licensed in accordance with the provisions of the Ordinance and these rules.
2.	2(1)(g)	"Surveyor" means an insurance surveyor licensed in accordance with the provisions of the Ordinance and these rules.
3.	18	<p>Transitional provisions relating to natural persons and firms. — Where under the first proviso to sub-section (3) of section 112 of the Ordinance, a licensed surveyor shall be exempted from the requirement to comply with clause (a) of that sub-section, such exemption shall be conditional on the licensed surveyor maintaining at all times the following qualifications, namely :—</p> <p>(a) In the case of a natural person:</p> <p>(i) the qualifications prescribed in rule 20 for an authorised surveying officer for the class or classes in which the person acts or proposes to act as insurance surveyor;</p> <p>(ii) registration of the person as an authorized surveying officer in accordance with the provisions of rule 21; and</p> <p>(iii) professional indemnity insurance to the extent of five million rupees for any one event provided that this provision shall have effect from a date twelve months after the commencement date;</p> <p>(b) In the case of a firm:</p> <p>(i) at least one officer or partner who is individually registered as an authorized surveying officer for the class or classes of insurance surveyor in which the firm acts or proposes to act; and</p> <p>(ii) professional indemnity insurance, extending coverage to the firm and all officers or partners of the firm who act as authorised surveying officers, to the extent of five million rupees for any one event provided that this provision shall have effect from a date twelve months after the commencement date;</p> <p>(c) In the case of a body corporate:</p> <p>(i) at least one officer or director who is individually registered as an authorized surveying officer for the class or classes of insurance surveyor in which the body corporate acts or proposes to act; and</p> <p>(ii) professional indemnity insurance, extending coverage to the firm and all officers or directors of the body corporate who act as authorised surveying officers, to the extent of five million rupees for any one event provided that this provision shall have effect from a date twelve months after the commencement date.</p> <p>(d) In all cases:</p> <p>Compliance at all times with the qualifications as set out in clause (c) of sub -rule (1) of rule 20, mutatis mutandis, so far as they may be applied to a natural person, a firm, a body corporate, an officer or partner of a firm and an officer or director of a body corporate.</p>
4.	21 (2), (3)	(2) A person who was, at the commencement date of the Ordinance, the holder of a valid certificate issued under sub-section (4) of section 44A of the repealed Act, and who is not otherwise disqualified from holding a certificate of registration as an authorised surveying officer, shall he deemed to have the qualifications as set -out in sub-rule (1) for the period during which that certificate is valid; and at any time within five years of the commencement date of the Ordinance at which—

DELETIONS		
S. No.	Section No.	INSURANCE RULES, 2002
		<p>(a) that certificate or any licence issued under the Ordinance in renewal of that certificate is presented for conversion to a certificate of registration; or</p> <p>(b) any certificate of registration as an authorised surveying officer issued in conversion of that certificate, or in renewal of such certificate of registration as an authorised surveying officer, is presented for renewal.</p> <p>(3) A person who is, at the date of coming into force of these Rules, registered as an authorised surveying officer or holds a valid certificate issued under sub -section (4) of section 44A of the repealed Act, and who is not otherwise disqualified from registration as an authorised surveying officer, shall be deemed to have the qualifications as set out in clause (a) or (c) of sub-rule (1) for the period during which that registration or that certificate is valid, and at any time within five years of the date of coming into force of these Rules at which application is made for renewal of that registration that certificate or any registration issued in renewal or conversion of that certificate.</p>

4. DELETIONS

DELETIONS		
S. No.	Section No.	SEC INSURANCE RULES, 2002
1.	2(1)(a)	"Bank" means the State Bank of Pakistan.
2.	7	<p>Renewal of registration.- (1) For the purposes of sections 11 and 12 of the Ordinance, every insurer registered under the Ordinance shall apply for renewal of registration on annual basis.</p> <p>(2) Every application made under sub-rule (1) shall be accompanied by a declaration by the applicant that the conditions imposed on registered insurers as specified in sections 11 and 12 of the Ordinance have been complied with.</p>
3.	8	<p>Transitional provisions.- (1) The provisions of this rule shall apply to conversion from a life insurance fund to a statutory fund or funds under section 25 of the Ordinance.</p> <p>(2) Upon conversion, an insurer shall allocate all policies, which are in force, including policies, which have been made paid-up under the provisions of the repealed Act, to one or more statutory funds in accordance with such criteria as may be determined by the appointed actuary.</p> <p>(3) Upon conversion, an insurer shall create so many as are required of the ledger accounts specified in sub-sections (1) and (2) of section 22 of the Ordinance.</p> <p>(4) As at the date of conversion the opening balance in A, B, C and D accounts shall be determined by the appointed actuary on a fair and equitable basis having regard to the provisions of the Ordinance.</p> <p>(5) The amount initially recorded as capital contributed by shareholders shall be the cumulative amount as at the date of conversion of capital, if any, contributed by shareholders in respect of the business carried on in the statutory fund created by conversion, after the deduction of any such capital as at that date which has been allocated for the benefit of participating policy holders.</p> <p>(6) The amount initially recorded as reserves shall be the amount as at the date of conversion of any reserves required to be maintained under the Ordinance.</p> <p>(7) Immediately following the recording of the amounts referred to in sub-rules (4), (5) and (6), the insurer may effect a transfer from the B account to the credit of the C account of not more than such amount which would result in the B account having a credit balance of one-ninth of the A account:</p> <p>Provided that in the case of the State Life Insurance Corporation the words "one-ninth" in this sub-rule shall be read as "one-thirty-ninth".</p>