



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
(Insurance Division)

CIRCULAR 5 of 2008

14 April 2008
Karachi

**SHARING OF EXPENSES OF INSURANCE OMBUDSMAN'S
SECRETARIAT BY INSURANCE/TAKAFUL COMPANIES**

In pursuance of Section 125 of the Insurance Ordinance 2000 (2000 Ordinance), the Federal Government vide its notification No.I(33)/2006-Ins dated 10 April 2006, appointed Mr Justice (Retd.) Syed Ali Aslam Jafri as Insurance Ombudsman on a four year term. Mr Jafri took charge of the Insurance Ombudsman's office on 2 May 2006.

2. It has been provided in sub-Section 4 of Section 126 of 2000 Ordinance that the costs of maintaining the Insurance Ombudsman's secretariat would be shared by insurance companies in such proportions, as may be determined by the Securities and Exchange Commission of Pakistan ("the Commission").

3. Total expenses incurred in respect of Insurance Ombudsman's Secretariat by the Commission during the period from **2 May 2006 to 31 December 2007** amounts to **Rs.9,250,705**.

4. For the purpose of sharing of the costs of the Insurance Ombudsman's Secretariat, the Commission has decided to recover the same from insurance and takaful companies on the following basis:

"greatest of Rs.150,000 or Rs.0.09 per mille of 2006's

- *gross direct premium written in Pakistan in case of insurance companies, and*
- *gross direct contributions collected in Pakistan in case of takaful companies"*

5. All insurance and takaful companies (registered on or before 31 December 2007) are advised to ensure that a cross cheque or bank draft drawn in favour of "**Securities and Exchange Commission of Pakistan**" for their share of the Insurance Ombudsman's Secretariat costs (for the period form 2 May 2006 to 31 December 2007) should reach the **Finance & Administration Department of the Commission in Islamabad**, under advice to the Insurance Division, Karachi, by **30 April 2008, positively**.


Dr Mumtaz A Hashmi
Adviser (Insurance)

Distribution:

- CEOs of all insurance/takaful companies
- Chairman, State Life Insurance Corporation
- Chairman, National Insurance Company Limited
- Chairman, Insurance Association of Pakistan
- Executive Director (Finance & Administration), Securities and Exchange Commission of Pakistan, Islamabad
- North & South Office, Insurance Division for information

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