



## SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN INSURANCE DIVISION

**SECP**

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Circular No. 19 of 2011

Subject: **Legal duties of Agents**

It has been observed that many agents appointed by the insurance companies do not perform services as laid out in their contracts of agency / appointment. Some of the agents are found to be deviating from the actual spirit of Sections 95 & 101 of the Insurance Ordinance – 2000.

2. It has also come into the notice of the Commission that agents sometimes act over and above of the actual level of authority given under the law, like preparing their own illustration reports and issuing policy documents at their own. Such acts create complications, mislead the prospective policyholders and fall under market misconduct.
3. The managements of all insurance companies are therefore advised to keep a vigilant eye upon their marketing personnel / agents and make sure they strictly adhere to their statutory role as per aforementioned section of the Insurance Ordinance 2000, which clearly state the Liability of Insurer for act or omissions of Agent. Any contractual lapses on part of the agents may be deemed to be on the part of insurers as per the dictates of agent-principal relation.

(Tariq Hussain)  
Director

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