

## PART II

### Statutory Notification (S. R. O)

### GOVERNMENT OF PAKISTAN

### Securities and Exchange Commission of Pakistan

## NOTIFICATION

*Islamabad, January 30, 2014*

**S.R.O. 66 (I)/2014.-** In exercise of the powers conferred by sub-section (2) of Section 167 of the Insurance Ordinance, 2000 (XXXIX of 2000), the following draft of the amendment in the Securities and Exchange Commission Insurance Rules, 2002, is hereby published by the Securities and Exchange Commission of Pakistan, for information of all persons likely to be affected thereby and notice is hereby given that objections and suggestions, if any, received within thirty days of this notification will be taken into consideration by the Securities and Exchange Commission of Pakistan.

## DRAFT AMENDMENT

In the aforesaid Rules rule 35 shall be substituted with the following, namely:-

**"35. Manner of Receipt and Refund of premium and Payment of Claim.-**

(1) For the purposes of clause (xxvii) section 2 of the Ordinance, no insurance cover shall commence unless the premium agreed between insurer and insured is received to the insurer:

Provided that, subject to no claim, the insured may be allowed 14 days free look period for which no deduction shall be made from premium received if the insured conveys in writing to the Insurer that he does not want to continue the insurance and the premium shall be refunded to the insured in a manner as specified in sub-rule (3):

Provided further that in case where the insurance coverage period is beyond one year, the insurer shall assume the risk only on receipt of each year's proportionate premium on or before the 1<sup>st</sup> day of that year.

(2) In case of coinsurance, every insurer participating in the coinsurance arrangement shall assume the risk of insurance on receipt of its respective share of premium directly from the insured and in case of a claim, shall pay its respective share of claim amount directly to the insured.

(3) In case of refund of the premium received, the insurer shall issue a cross cheque or demand draft or bank pay order only in the name of insured and shall obtain an



acknowledgement of such payment. The refund of premium shall be made by the insurer within ten working days of the receipt of refund advice.

(4) The insurer shall decide all the insurance claims not later than a period of 45 days of its intimation and will be settled within a period of ninety days:

Provided that where a claim cannot be decided within the above referred time period the same may be extended with the mutual consent of the insured and the insurer in writing.

(5) Rule 35 applies to Direct Insurance only and nothing contained hereinabove shall apply to contracts of Reinsurance.

---

No.ID/SECP/Rule35/2014

*Bushra*  
*30/1/14*

**( Bushra Aslam )**  
Secretary to the Commission