BEFORE APPELLATE BENCH

In the matter of

Appeal No. 112 of 2017

Crescent Star Insurance Limited

...Appellant

Versus

The Director (Insurance) SECP, Islamabad.

...Respondent

Date of hearing: 19/9/2019

Present:

For Appellant:

1. Mr. M. Zeeshan Abdullah, Advocate
2. Mr. Tanveer Ahmed

For Respondent:

1. Mr. Hasnat Ahmad, Director Insurance, SECP.
2. Mr. Muhammad Mateen Abbasi, Assistant Director, SECP.

ORDER

1. This order shall dispose of Appeal No. 112 of 2017 filed under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997, by Crescent Star Insurance Company Limited (the Appellant) against the Order dated October 30, 2017 (the Impugned Order) passed by the Director Insurance (the Respondent) under Section 61 read with Section 156 of the Insurance Ordinance, 2000 (the Ordinance).

2. Brief facts of the case are that the Securities and Exchange Commission of Pakistan vide email dated June 7, 2017 advised the Appellant to submit its comments in the matter of a complaint lodged by Ms. Raksahnda Javed Malik (the complainant) whereby it was alleged that the Appellant had failed to pay a claim of Rs. 14,000/-. However, despite of issuance of three

reminders (June 13, 19 and 23 of 2017) to the Appellant, no reply was received. Thereafter, vide letter dated July 11, 2017, the Respondent directed the Appellant under Section 61 of the Ordinance, to submit reply to the complaint, however, direction was not complied.

3. Therefore, a Show Cause Notice dated August 4, 2017 (the SCN) was issued to the Appellant and its directors. The Appellant and its directors submitted SCN reply vide a letter dated August 8, 2017 and stated that;- *"we refer to your letter dated August 04, 2017 and confirm that cheque has been delivered to insured"*. Hearing in the matter was held on October 6, wherein Appellant's Representatives stated that complainant's claim has been paid. They further stated that Respondent cannot proceed against Appellant under Section 61 and 156 of the Ordinance. The Respondent, being dissatisfied with Appellant's response, imposed a fine of Rs. 50,000/- (Rupees Fifty Thousand Only) under Section 156 of the Ordinance for contravening the provisions of Section 61 of the Ordinance. Furthermore, the Appellant and its directors were also warned and directed to ensure full compliance with the requirements of the Ordinance, rules, regulations and directives of the Commission in future.

4. The Appellant's Counsel stated that Complainant's claim has been paid by the Appellant therefore, Appellate Bench (the Bench) should take a lenient view. The Bench has observed that delay in payment of insurance claims and noncompliance of regulatory direction, is a serious matter, which may not be ignored. However, at this juncture, Appellant's Counsel stated that Appellant is not interested in pursuing this Appeal and requested to allow the withdrawal of Appeal. Therefore, without further probe into the merits of the case, we hereby dismiss this Appeal, as withdrawn. Parties to bear their own cost.

(Shauzab Ali)
Commissioner (SMD)

(Aamir Ali Khan)
Commissioner(CLD-CSD)

Announced on: 04 DEC 2019