***Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)***

**In the matter of Show Cause Notice issued to Continental Insurance Company Limited**

|  |  |
| --- | --- |
| Date of Hearing | August 27, 2020 |

**Order-Redacted Version**

Order dated September 21, 2020 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Continental Insurance Company Limited. Relevant details are given as hereunder:

|  |  |
| --- | --- |
| **Nature** | **Details** |
| * Date of Action
 | Show Cause notice dated May 28, 2020 |
| * Name of Company
 | Continental Insurance Company Limited. |
| * Name of Individual\*
 | The proceedings were initiated against the Company i.e. Continental Insurance Company Limited and its board of directors. |
| * Nature of Offence
 | Proceedings under Section 61 read with section 156 of the Insurance Ordinance, 2000. |
| * Action Taken
 | Key findings of default of Regulations were reported in the following manner:In terms of Section 61 of the Ordinance, the Insurance Division directed the Company to provide the information/documents called for vide the examination letter dated October 18, 2019. However, the Company failed to respond to the Notice under Section 61 of the Ordinance within the stipulated time of 7 working days despite issuance of reminder emails dated January 3, 2020, January 21, 2020, and February 19, 2020. Therefore, the Respondents have failed to comply with the direction dated January 2, 2020 issued under Section 61 of the Ordinance within the stipulated time period. The Company eventually submitted its response to the Insurance Division’s examination letter as late as on August 27, 2020 i.e. after expiry of more than eight months and after issuance of the Notice dated January 2, 2020. The Company vide letter dated August 27, 2020 conceded its non-compliance in the matter. The Respondents failed to comply with the provisions of Section 61 of the Ordinance despite the fact the Company was penalized on the similar violations of Section 61 of the Ordinance, in the recent past.I have carefully examined the facts of the case in light of the applicable provisions of the law and have given due consideration to the written as well as verbal submissions and arguments of the Respondents/Authorized Representative. In view of the facts narrated in the foregoing paras, I am of the view that the default of Section 61 of the Ordinance is established. Therefore, the fine as provided under Section 156 of the Ordinance can be imposed onto the Respondents i.e. the Company, its CEO and Directors.In exercise of the powers conferred on me under Section 156 of the Ordinance, I, hereby impose a fine of **Rs. 200,000/-** (**Rupees Two Hundred Thousand Only**) on the Company on account of the default of Section 61 of the Ordinance, as mentioned in the above paras hereof. The Respondents are further warned that in case of similar non-compliance strict action against the Respondents will be taken in future. Penalty Order dated September 21, 2020 was passed by Executive Director (Adjudication-I).  |
| * Penalty Imposed
 | Penalty of 200,000/- (Rupees Two Hundred Thousand only**)** was imposed. |
| * Current Status of Order
 | No Appeal was filed against the order. |

 Redacted version issued for placement on the website of the Commission.