SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
INSURANCE DIVISION

SECP

Circular No. 07 of 2011

March 18, 2011

Subject: Maximum Management Expense Limits for Life Insurers under S.22(9) & S.23(9) of Insurance Ordinance 2000.

In view of certain operational difficulties being faced by a few life insurance companies, Securities and Exchange Commission of Pakistan (SECP) is pleased to amend its Circular No.6 of 2006 dated April 28, 2006, for the Insurance Companies having more than 10 years of business in Pakistan, in respect of First year premium and Renewal years premium for the year 2011 & 2012, other than Single Premium Policies, Group Insurance Policies and Annuities, as under, with immediate effect:

ITEMS	Limits as per Circular # 6 of 2006		Amended Maximum Limits	
	2011	2012	2011	2012
First year premium	98%	90%	104%	100%
Renewal years' premium	17%	15%	19%	18%

2. All other terms of Circular No.6 of 2006, shall remain the same.

3. The expense limits for the years after 2012 may be prescribed by the Commission in due course of time, to reach the optimum level as envisaged in the earlier circular.

(Shahid Nasim)
Executive Director – Insurance

Distribution:
Chief Executives, all Life Insurance Companies
Chief Executives, Family Takaful Operators
President, Pakistan Society of Actuaries
President, Institute of Chartered Accountants of Pakistan
President, Institute of Cost & Management Accountants of Pakistan
Chairman, Insurance Association of Pakistan
Deputy Secretary, Ministry Of Commerce,