



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Circular No. 26 of 2005

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Subject: REINSURANCE TREATY ARRANGEMENT FOR THE YEAR 2006

All the insurers are advised to submit the information in respect of their treaty reinsurance arrangement by January 31, 2006 in accordance with the section 15 of the SECP (Insurance) Rules 2002 along-with documentary evidences to demonstrate compliance with the section 41 of the Insurance Ordinance, 2000.

The treaty reinsurance arrangement shall be placed only with reinsurers having at least A rating by reputable international rating agencies. The last rating shall be referred for this purpose provided the same is valid for the year 2006.

The documentary evidences mentioned in para 1 above shall include certified photocopies of the reinsurance treaties, evidence of the rating and a certificate on reasonableness and adequacy of the reinsurance arrangement from a senior level officer or body which is responsible for conducting the management and business of the insurer.

It is also informed that the SECP shall not issue any reinsurance capacity certificate in future.

The SECP may call for any further information or investigate to ascertain the compliance with the above instructions and in case of any contravention such as failure to submit within the time limit, failure to meet the minimum rating requirement or willfully false statement/information, SECP may take action in accordance with the Insurance Ordinance, 2000.

Sd/-
(Shoaib Soofi)
Director

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