



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

(Insurance Division)

4th Floor, State Life Building No. 2, Wallace Road, Karachi.

October 28, 2009

Circular No.33/ 2009

**SHARING OF COSTS OF INSURANCE OMBUDSMAN'S
SECRETARIAT BY INSURANCE / TAKAFUL COMPANIES**

As provided in sub-section 4 of Section 126 of the Insurance Ordinance 2000 ("the Ordinance"), the costs of maintaining the Insurance Ombudsman's Secretariat should be shared by the insurance companies in such proportions, as may be determined by the Securities & Exchange Commission of Pakistan ("the Commission"). Accordingly, vide Circular 5 of 2008 and Circular 19 of 2009 dated 14th April 2008 and 8th June, 2009 respectively, the insurance and takaful companies were directed by the Commission to contribute their share for the total expenses incurred in respect of the Insurance Ombudsman's Secretariat up to the period ending 30th June, 2009.

2. For the purpose of sharing the costs of Insurance Ombudsman's Secretariat for the period from 01 January 2008 to 30 June 2009, the Commission had determined the following formula:

"greatest of 200,000 and Rs. 0.09 per mille of 2007's

*- gross direct premium written or contribution received in Pakistan
in case of insurance company or takaful operator, respectively"*

3. Against the expenses incurred during the period 01 January 2008 to 30 June 2009 the Commission managed to recover Rs.12.597 million from insurance and takaful companies.

4. Now, for the purpose of sharing the costs of the Insurance Ombudsman's Secretariat for the period from 1st July, 2009 to 30th June, 2010, the Commission has determined the following formula:

"greatest of 100,000 and Rs. 0.09 per mille of 2008's

*- gross direct premium written or contribution received in Pakistan
in case of insurance company or takaful operator, respectively"*



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5. All insurance and takaful companies (registered up to the date of issuance of this circular) are advised to ensure that a crossed cheque or bank draft drawn in favour of "Securities and Exchange Commission of Pakistan" for their share of the Insurance Ombudsman's Secretariat costs (for the period from 1st July, 2009 to 30th June 2010) should reach the Finance & Administration Department of the Commission in Islamabad, under advice to the Insurance Division, Karachi by 10 November, 2009, positively.

Executive Director (Insurance)

Distribution

- CEO's of all insurance/ takaful companies.
- Chairman, State Life Insurance Corporation.
- Chairman, National Insurance Company Limited.
- Chairman, Insurance Association of Pakistan.
- Executive Director (Finance & Administration), Securities & Exchange Commission of Pakistan, Islamabad.