



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN INSURANCE DIVISION

Karachi, 1st of August 2011

Circular No.11/2011

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 dated 14 April 2008, Circular 19 of 2009 dated 8 June, 2009, Circular 33 of 2009 dated 28 October 2009, and Circular 19/2010 dated 30 July 2010, 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 30 June, 2011.

2. For the purpose of sharing of costs of Insurance Ombudsman's Secretariat for the period from 1 July 2010 to 30 June 2011, the Commission had determined the following formula:

*"greatest of Rs.250,000 and Rs. 0.09 per mille of 2009's
- gross direct premium written or contribution received in Pakistan in case of insurance
company or takaful operator, respectively"*

3. The total recovery made from insurance and takaful companies during the aforesaid period amounted to Rs.14.914m.

4. Now, for the purpose of sharing the costs of the Insurance Ombudsman's Secretariat for the period from 1 July 2011 to 30 June 2012, the Commission has determined the following formula:

*"greatest of Rs.250,000 and Rs. 0.10 per mille of 2010's
- gross direct premium written or contribution received in Pakistan in case of insurance
company or takaful operator, respectively"*

5. Please note that the calculation of costs sharing should be on the basis of gross direct premium written relating to the period from 1 January 2010 to 31 December 2010.

6. All insurance and takaful companies (registered up to the date of issuance of this circular) are advised to ensure that their share of the Insurance Ombudsman's Secretariat costs for the period from 1 July 2011 to 30 June 2012 is directly deposited in the Federal Insurance Ombudsman's bank account (no.0311363031000153) being maintained at MCB Bank Limited, Main Branch, Adamjee House, I.I Chundrigar Road, Karachi **on or before 15 August 2011**, positively and the bank deposit slip thereof should be sent to the Insurance Division, Karachi.


Shahid Nasim
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
- Secretary, Ministry of Commerce
- Federal Insurance Ombudsman