



## SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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### Circular No. 4 of 2007

Ref. No. SECP/ID/06/2006

3rd May, 2007

**Subject: SMALL DISPUTES RESOLUTION COMMITTEE**

This is to inform that Federal Government in exercise of powers conferred by sections 117 and 167 of the Insurance Ordinance, 2000 has constituted the Small Disputes Resolution Committee vide S.R.O No. 417(I)/2005 dated 11.5.2005 and notification No. 2(19)/97-Ins.II dated 16.12.2006.

Composition of the Small Disputes Resolution Committee shall be as follows:-

1.	Joint Secretary (Insurance), Ministry of Commerce	Chairman/ Head of the Secretariat
2.	Joint Secretary, Ministry of Law, Justice & Human Rights	Member
3.	Executive Director (Insurance), Securities and Exchange Commission of Pakistan	Member
4.	Chairman, Insurance Association of Pakistan	Member
5.	Vice Chairman, Insurance Association of Pakistan	Member

The Committee shall arbitrate disputes arising between an insurer and a policyholder. The Committee shall only have jurisdiction in respect of life insurance policies not being group life policies, domestic insurance policies and private motor insurance policies in respect of claims where the amount of the claim or a portion of the claim, which is in dispute does not exceed five hundred thousand rupees. Provided that in determining the amount of the claim or a portion of the claim which is in dispute, no account shall be had of any liquidated damages or of any costs incurred in making the claim. Provided further that Committee shall not have jurisdiction in respect of claims made under private motor insurance policies for loss to the policyholder arising from liabilities incurred to third parties arising out of or in connection with the use of motor vehicles on land, as specified in the Motor Vehicles Act, 1939 (IV of 1939).

The Committee may hold its sitting at such places or stations as the Chairperson may decide from time to time, keeping in view the number and nature of claim or dispute. The Committee shall meet as often as may be necessary for the performance of its functions but not less than four times in a calendar year.

The decision of the Committee shall be given in writing and be signed by the Chairperson and be expressed in the opinion of majority. The Committee shall give a copy of the decision to each party to the dispute. The decision of the Committee on any application shall be final.

The Committee may invite any expert in insurance to attend any of its meetings or deliberations for the purpose of advising it on any matter under discussion but any person so attending shall have no right to participate in any decision or vote at the said meeting or deliberation.

-sd/-  
(Shoaib Soofi)  
Director

**Distribution:**

Chief Executives (All Insurance Organizations)  
Chairman (Insurance Association of Pakistan)  
Federal Insurance Ombudsman  
Chief Executive (All Insurance Brokers)  
President (Institute of Chartered Accountants of Pakistan)  
President (Institute of Cost and Management Accountants of Pakistan)  
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