

## **PART II**

### **Statutory Notification (S. R. O)**

### **GOVERNMENT OF PAKISTAN**

### **Securities and Exchange Commission of Pakistan**

### **NOTIFICATION**

*Islamabad, the-----June, 2013*

S.R.O 14(I)/2013: In exercise of the powers conferred by section 40 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) read with clause (u) of sub-Section (4) of Section 20 thereof are hereby published for the information of all the person likely to be effected thereby and notice is hereby given that the draft will be taken into consideration after thirty days of its publication in the Official Gazette.

Any objections or suggestion which may be received from any person in respect of the said draft, before the expiry of the aforesaid period shall be taken into consideration by the Securities and Exchange Commission of Pakistan.

## **CHAPTER 1**

### **PRELIMINARY**

#### **1. Short Title and Commencement. ó**

- (1) These regulations may be called the "Third Party Administrators for Health Insurance Regulations, 2013".
- (2) These regulations shall come into force at once.

#### **2. Definitions.-**

- (1) In these Regulations, unless there is anything repugnant in the subject or context, -

- (a) "Act" means Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);

- (b) **“Agreement”** means an agreement entered into between a TPA and an insurer as prescribed in Annexure II specifying the conditions of health services rendered to and /or received by each of the parties thereto;
  - (c) **“Annexure”** means annexure appended to these regulations;
  - (d) **“Commission”** means the Securities & Exchange Commission of Pakistan constituted under Section 3 of the SECP, Act 1997.
  - (e) **“Health Related Service”**, means all the services to be performed by a TPA under an agreement with an insurer in relation with health insurance business but does not include the business of underwriting health insurance either directly or through acceptance of inward cession of health insurance.
  - (f) **“Health Service Provider”** means a hospital duly authorized by relevant health authorities to render health services.
  - (g) **“TPA”** means Third Party Administrator who is registered with the Commission under these Regulations, who is engaged for a fee or remuneration in accordance with agreement with an insurer for carrying out functions as defined in regulation 8 of this regulation.
  - (h) **“TPA Business”** means business of administration of health related services for the insurer, insured in accordance with an agreement between the Insurer and TPA in compliance with these Regulations.
  - (i) **“Insurer”** means an insurance company registered under the Ordinance to carry on insurance business; and
  - (j) **“Ordinance”** means the Insurance Ordinance, 2000;
  - (k) **“Self-Funded Pool”** includes a legal entity such as a company, body corporate, corporation, government entity, professional association, partnership, recognized provident fund , gratuity fund, superannuation fund who decided to manage a health insurance scheme or policy for its employees or members on self-insurance basis and hires a TPA for the administration of health /medical insurance.
- (2) All words and expressions used but not defined in these regulations shall have the same meaning as assigned to it in the Ordinance and the Act .
- (3) In these Regulations, the word "Takaful may be used interchangeably with the word 'insurance', 'Family Takaful' with 'Life Insurance', 'General Takaful' with 'General Insurance', 'contribution' with 'premium', 'insurer' with 'insurance company', 'insured' with 'policyholder' and 'Company' & 'Insurer' with 'Takaful Operator'. Similarly other terms used in the Takaful Rules, 2005 associated with the Takaful business may be used interchangeably with their conventional counterpart words/terms.

## **CHAPTER II**

### **REGISTRATION**

- 3. Registration of TPA.-** (1) No person shall carry on a business as a TPA or hold himself out as carrying on such a business unless registered with the Commission as a TPA under these regulations.
- (2) All existing TPAs by whatever name called shall be bound to get themselves registered and these regulations within three months of publication in official gazette.
- 4. Eligibility criteria for registration.-** Any private or public limited company registered under the Companies Ordinance, 1984 (XLVII of 1984) may apply to the Commission for registration as TPA after fulfilling following pre conditions if ;
- (a) authorized by its Memorandum of Association to carry on the business of TPA with clear prohibition that it shall not engage in any other business other than TPA;
  - (b) It has a share capital having a paid-up capital of not less than 50 million rupees provided that the Commission may revise this minimum amount from time to time; and
  - (c) It has a shareholders' equity of not less than rupees 30 million provided that the Commission may revise this minimum amount from time to time.
- 5. Application and procedure for Registration. -** (1) An application for registration as a TPA shall be made to the Commission in **Form I** along with all the documents specified in **Annexure I** and receipt evidencing payment of non-refundable fee of Rs. 50,000/- .
- (2) The application for registration shall contain the following information:
- (a) memorandum of Association and articles of association;
  - (b) amount of paid-up capital;
  - (c) names of promoters/sponsors, their addresses, contribution or number of shares proposed to be held by each one of them, the proposed positions they occupy, their educational qualifications, their nationalities and working experience.
  - (d) proposed business Plan for the initial three financial years including description of the services and facilities proposed to be provided;
  - (e) copies of the draft agreement to be entered into between the TPA and the Insurer/self-funded pools and the medical service providers; and
  - (f) an undertaking that all the data and documents submitted according to the provisions of the regulations are correct;

- (3) The Commission, while considering the application for registration, may require the applicant to furnish such further information or clarification regarding its activities and businesses as it deems appropriate.
- (4) Any subsequent change in the information provided to the Commission at the time of filing of application under sub-regulation (1) shall be intimated to the Commission within five working days from the date of such change.

**6. Grant of registration.**— (1) The Commission , while considering the application for granting a certificate of registration made under sub-regulation (1) of regulation 5, shall *inter-alia* take into account the following matters, namely,-

- (a) the ability of the applicant to efficiently handle its functions under these regulations;
- (b) that the applicant has the capacity to put in place necessary technology, systems, internal procedures, security arrangements and infrastructure including but not limited to adequate office space, equipments, experienced man power and technical aspects to effectively and efficiently discharge its responsibilities as a TPA;
- (c) earlier refusal, if any, with reasons to be recorded in writing by the Commission for registration of the applicant as a TPA;
- (d) conviction or involvement of its sponsors, directors or employees in the senior management level in an offence involving, fraud or breach of trust;
- (e) penal action against the applicant or its director(s) for an offence under the Ordinance, Securities and Exchange Ordinance, 1969 (XVII of 1969), the Act and Companies Ordinance, 1984(XLVII of 1984); and
- (f) any other matter as deemed necessary by the Commission.

(2) The Commission on being satisfied that the applicant is,-

- (a) eligible for registration; and
- (b) it would be in the interest of insurance sector so to do;

may grant a certificate of registration to the applicant in **Form II**.

(3) The certificate of registration shall remain valid for a period of three year from the date of registration unless it is suspended or cancelled earlier by the Commission.

(4) The Commission may, while granting the certificate of registration, impose such conditions on the applicant as it may deem appropriate.

**7. Renewal of registration.** – (1) TPA shall, three months prior to the date of expiry of its registration, apply to the Commission in **Form III** for renewal of its registration along with receipt of non-refundable renewal fee of rupees 25,000/- and submit such documents as specified in **Annexure II**.

(2) The Commission upon being satisfied, after making such inquiries and obtaining further information as it deems necessary, that TPA continues to meet the requirements for registration and is eligible for renewal of registration shall renew the registration of TPA and issue a certificate of renewal of registration in **Form-IV**.

(3) Where the application for renewal of registration is made within such time as specified in sub-regulation (1) but has not been decided by the Commission, the registration shall continue to be valid until the application for renewal is decided by the Commission.

(4) While granting renewal of registration to TPA the Commission may, in addition to the criterion laid down for grant of registration, also take into account the past performance of the TPA and impose such conditions as it deems appropriate.

**8. Procedure where registration is not granted or renewed.**\_\_ (1) The Commission, after giving a reasonable opportunity of hearing to the applicant, may refuse to grant or renew a certificate of registration if in the opinion of the Commission such applicant does not fulfill the requirements prescribed in these regulations or where the Commission after taking into account the facts, is of the view that it is not in the public interest or in the interest of the insurance sector to grant or renew such certificate of registration.

(2) The applicant, if aggrieved by the decision of the Commission under sub-regulation (1), may, within a period of thirty days from the date of receipt of such refusal, prefer an appeal under section 34 of the Act.

- (3) A TPA whose application for renewal of certificate of registration is refused under sub-regulation (1) shall, from the date of receipt of the decision of the Commission, shall immediately cease its business as TPA.
- (4) The Commission while refusing to grant renewal of registration to a TPA under these regulations may take such measures and issue such directions as it deems necessary or expedient so to do in the public interest or in the interest of the insurance sector.
- (5) A TPA whose application for renewal of certificate of registration is refused by the Commission shall continue to complete its pending assignments, if any,
  - (a) Such application shall be accompanied by the following:
    - (i) List of name of the CEO or the Director in charge, as the case may be, the key Officer(s) therein and the authorized signatories;
    - (ii) List of business conducted during the year;
    - (iii) List of insurance companies, self-funded pools and medical service providers, which are dealt with when submitting the renewal application and the date of termination of each agreement
    - (iv) A written declaration that states that all data and documents submitted according to the provisions of the regulations are correct.

### **CHAPTER III**

#### **DUTIES AND OBLIGATIONS OF TPA**

- 9. Duties of TPA.-** (1) Every TPA shall,-
- (a) at all times comply with the conditions for registration under regulation 4, any conditions imposed by the Commission in the certificate of registration or the certificate of renewal of registration, these Regulations and any directives issued by the Commission;
  - (b) prepare computerized systems to administrate health (medical) insurance, control medical expenses, implement, promote and develop them including accounting systems and settlements;
  - (c) paying claims on behalf of the Insurer or the self-funded Pools;
  - (d) administrat and implement medical insurance programs accredited by the Insurer;

- (e) suggest, design, present and develop health (medical) insurance programs which shall only be promoted directly by the Insurer or the Self-Funded pools;
- (f) conclude agreements with the medical services providers on behalf of the Insurer or the self-funded pools;
- (g) provide a network of general physicians/consultants/labs for medical examination facility to life insurance companies for their prospective policyholders in relation with their underwriting requirements;
- (h) maintain a database of policyholders;
- (i) Issue identity cards;
- (j) handle all the policy- related issues, including claim settlements;
- (k) manage medical management- case management/utilization management;
- (l) ***Value Added Services:*** The following value added services may also be provided by a TPA:
  - (i) arranging ambulance services, medicines and supplies;
  - (ii) Guiding policyholders for specialized consultation;
  - (iii) 24-hour helpline services;
  - (iv) Arranging different plans of coverage to insurers;
  - (v) Providing relevant data for valuation/statistics, incidence rate of different ailment.
- (3) A TPA shall ***not*** perform the following functions:
  - (a) Underwrite any insurance risk directly or indirectly through inward cession of insurance risk;
  - (b) Impose or collect any additional sums from the insured or the beneficiary to whom it provides services, other than what has been agreed on with the insurance company/self-fund pool;
  - (c) Keep any sums left after settling claims. TPA shall reimburse the same to the insurance company.
  - (d) Collect any commission or interest for any sums deposited in banks for Insurer / self-funded pool, unless otherwise agreed;

- (e) Offer / advertise to sell health insurance or other insurance products;
- (f) Corporate agency / brokerage services to any insurer or any other person, association, company, bank or body corporate;

**10. Compensation to the TPA.-** It will be unlawful for the insurer / self-funded pool and the TPA to enter into such agreement in which the TPA's remuneration is linked to the loss ratio in a particular period. However this rule does not restrict the insurer / self-funded pool to pay a performance bonus to the TPA.

**11. Agreement between TPA and Insurer / Self-funded Pool.-** A copy of the agreement entered into between the TPA and the Insurer/self-funded pool or any modification thereof, shall be filed, within **15** days of its execution or any modification thereof, as the case may be, with the Commission.

**12. Minimum Content of the Agreement:** The agreement shall determine the rights and obligations of both parties including, as a minimum, the following:-

- (a) Description of the nature of services agreed upon which shall be provided by TPA to the Insurer/self-funded pool;
- (b) A list of the rights and obligations of both the TPA and the Insurer
- (c) Duration of the agreements and possible causes of termination;
- (d) Duration of settling and paying claims;
- (e) The agreement shall be accompanied by *Standard Operating Procedures* agreed between the TPA and Insurer.
- (f) Authorization from the Insurer to the TPA in order to conclude agreements with medical services providers on behalf of the Insurer/self-funded pool;
- (g) The remuneration that may be payable to the TPA by the insurer /self-funded pool.  
The remuneration of TPA cannot be linked to the loss ratio of the group insured.

**13. Operational Model of the TPA:-** TPA shall have sophisticated computerized information system setup that allows insurance companies, health service providers and policyholders



to reduce the turnaround time for insurance claims processing, better management of key resources and improves the policyholders' satisfaction. The TPAs are highly encouraged to have amongst other the following service,-

- (a) **Call Centre Services:** TPAs are encouraged to have well trained call center staff to answer all queries from policyholders relating to policy details, enrolment status, coverage details and general insurance related questions. Prior-Authorization calls from health service providers should be answered by doctors / physicians. TPAs should take measures to control the routing of calls to doctors / physicians.
- (b) **Online Prior-Authorization:** TPAs should have online system available to accurately assess the eligibility of policy holders for benefits including health benefits coverage, claims history, disease history etc. Health service providers should also be able to submit the prior-authorization requests online to TPA. Network providers should be able to view the status of prior-authorization request online and TPA should receive instant notification of such requests.
- (c) **Digitization of Paper Claims:** To enhance the policyholders convenience, the use of electronic claims instead of paper is highly encouraged enabling the Insurers quickly retrieving the claims data thus reducing claims processing turnaround time.
- (d) **Online Claims Submission and Monitoring:** TPA is encouraged to provide facilitation to health service providers to submit the claims online for processing. This should include easy to use submission of scanned claims documents as well as ability to upload claims data in text format to TPA.
- (e) **Electronic Data Interchange (EDI) with Insurers:** TPA is encouraged to setup electronic data interchange with Insurers to send and receive data of health benefits, eligibility, policy administration and claims. Establishing EDI will ensure smooth data transfer between the parties.
- (f) **Online Portal for Insurers:** TPA is encouraged to set up online access to insurance companies for monitoring their policy holders' information and claims data for quality control purposes.

**14. Maintenance of Records:** The TPA shall maintain records and original books including supporting evidence related to its business and the agreements it concludes with the Insurer and the medical service providers on behalf of the Insurer, which may be organized and kept electronically , at all times, for a period not less than five years as of the date of the termination of the agreement.

**15. Insurer's Access to the Records of the TPA:** The insurer shall have access to the documents, evidence, books etc. relating to the business of TPA that pertains to the insurer and the information contained. The TPA shall not deny insurer's access on any grounds.

**16. Confidentiality:** Every TPA shall maintain the professional confidentiality in strict manners between different insurers, health service provider and other parties as required especially for the database of policyholders in its access; but this does not prevent the TPA from parting with the relevant information to any competent Court of Law/Tribunal, the Government or Commission in the case of any investigation carried on or proposed to be carried out against the Insurer, TPA or any other person or for any other reason.

**17. Fit and Proper Criteria-**

- (1) **Applicability:** These requirements shall be applicable to the following persons of all the TPAs as well as the applicants for registration as TPA:
  - (a) Chief Executive, by whatever name called;
  - (b) Directors; and
  - (c) Key Officers, as defined in Rule 4(5);
- (2) **Requirement of Prior Approval:** A proposed Director or Chief Executive or Principal Officer of the TPA shall not assume the charge of the office until their appointment has been approved by the Commission. The appointment of Key Officers of a TPA does not require the approval of the Commission. However, a TPA shall ensure at the time of appointing a Key Officer that such person meets all the requirements.

- (3) **TPA to ensure compliance at all times:** A TPA will ensure that its Directors, CEO, and Key Officers are in compliance with the Fit & Proper Criteria at all time. In case any of its said Officers subsequently becomes ineligible to perform his duties due to non-compliance with this rule, the TPA will immediately inform the Commission and seek to appoint another person in accordance with this rule.
- (4) **Inclusion of Doctor:** At least one of the Directors or Key Officers of the TPA shall be a qualified medical doctor registered with Pakistan Medical & Dental Council.
- (5) **Key Officer:** For the purposes of these Regulations, the "Key Officer" includes, the persons discharging the following functional responsibilities:
- (a) Chief Operating Officer, head of operation, by whatever name called;
  - (b) Chief Financial Officer, head of accounts, by whatever name called;
  - (c) Head of law, company secretary or compliance officer;
  - (d) Chief investment officer, head of investment, by whatever name called;
  - (e) Head of internal audit;
  - (f) Head of research and development;
  - (g) Head of any other department;
  - (h) Any other officer, the Commission may include
- (6) **Assessment of Fitness and Propriety:** The fitness and propriety of a person shall be assessed by taking into account all the relevant factors including but not limited to the following:
- (a) **Integrity and Track Record:** A person shall not be considered a Fit and Proper person if he:
- (i) Has been convicted in criminal act, breach of trust, fraud etc;
  - (ii) Has been convicted of an offence involving moral turpitude;
  - (iii) Has been subject to adverse findings, after conducting an inquiry, by Commission or any other regulatory or professional body or government agency;

- (iv) Has been involved in financial irregularities or malpractices in a Company due to which the registration or license of the Company has been revoked, suspended or cancelled or which has gone into liquidation or other similar proceedings;
  - (v) Is ineligible, under the Companies Ordinance, 1984 or any other legislation from acting as a Director; or
  - (vi) Has entered into a plea bargain arrangement with the National Accountability Bureau or any other public body;
- (b) **Financial Soundness:** In determining a person's financial soundness, the following shall be considered:
- (i) Whether the person has been defaulter in repayment of loan to a financial institution, exceeding Rupees one million or defaulter of a stock exchange;
  - (ii) Whether the person has applied to be adjudicated as an insolvent and application is pending; or
  - (iii) Whether the person is an un-discharged insolvent of such a person;
  - (iv) Competence and capability of the person; and
  - (v) Conflict of interest of such person with the business of TPA.
- (c) **Competence and Capability:** In determining a person's competence and capability the following shall be considered:
- (i) The Chief Executive or Principal Officer must have a minimum educational qualification of a bachelor's degree or equivalent from an institution recognized by the Higher Education Commission of Pakistan or foreign qualification of equivalent level recognized by the Higher Education Commission of Pakistan, with at least 5 years' experience of Insurance Industry / TPA business;
  - (ii) The Directors should be individuals having management or business experience of at least 5 years at senior level;

- (iii) The Key Officers must be qualified experienced professionals possessing relevant qualification/certification and relevant experience relating to the job or assignment.
- (d) **Conflict of Interest:** The Chief Executive, Principal Officer or Director or Key Officers of TPA shall not:
  - (i) Be a Director in any health service provider;
  - (ii) Have any direct or indirect ownership or management interest or employment in any insurance surveyor or loss adjuster or any other insurance broker; and
  - (iii) In case of Key Officers, the TPA must ensure that the cross functional activities of such personnel should not give rise to conflict of interest;

**18. Handover of data in case of cancelation of Registration:** If the registration granted to the TPA is either revoked or cancelled under these Regulations, the TPA shall hand over the data and all the books, records or documents etc. relating to the business carried on by it, with regard to an Insurer, to the respective Insurer, complete in all respects.

**19. Commission's Access to the Records of the TPA:** The Commission may assign to its own employee(s) from within its organization or appoint an external party to inspect at appropriate times the books, records and documents of the TPA who shall have all such information available to the inspecting authorities and cooperate with them or the external party so that they can fully perform their duties. The expenses of external parties shall be borne by the TPA as decided by Commission, unless Commission deems otherwise

**20. Code of Conduct for TPA:-** The TPA shall follow the following code of conduct:

- (i) To conduct its dealings with high proficiency, good faith, equity and efficiency;
- (ii) To comply with the provisions of the agreements concluded with the Insurer and the medical service providers;

- (iii) To mandate its employees and representatives to present the TPA, the Insurer and the medical service providers when dealing with others, as well as presenting the services it is permitted to provide;
- (iv) To notify the Insurer with the names of the medical services providers with whom the agreements were concluded on its behalf;
- (v) To keep all the necessary documents concerning the administration of insurance claims arising from the insurance policy;
- (vi) Not to act in any way that might have a direct or indirect influence on the decision of the insured to deal with a certain Insurer /health service provider rather than the other one or to stop dealing with another;
- (vii) Not to trade with personal information concerning any of its clients;
- (viii) To notify the Insurer in case of contracting or refraining from contracting with any of the medical service providers, or in case of making any amendment to the agreement concluded with any of them;
- (ix) To treat all the data and information as completely confidential to itself and take appropriate measures to maintain the security of confidential documents in its possession;
- (x) Not to advertise its services and duties on behalf of the Insurer without obtaining its prior written approval, provided that information stipulated therein are correct, accurate, in simple language, clear and reflects the nature of the business it conducts;
- (xi) To provide an efficient system for receiving complaints and remarks submitted by the insured, beneficiaries, medical service providers and the Insurer;
- (xii) To settle claims with accuracy, objectivity and neutrality, and treat the contracting insurance companies and the medical service providers without discrimination;
- (xiii) To maintain the services provided for the insured or the beneficiary during the validation of the insurance policy according to the agreement concluded with the Insurer;
- (xiv) To provide assistance to the insured or the beneficiary according to the agreement concluded with the Insurer;
- (xv) To disclose its registration to the insured/policyholder/prospect upon request;

- (xvi) To disclose to insured/policyholder/prospect details of the services it is authorized to render in respect of health insurance products under an agreement with an Insurer;
- (xvii) To follow the guidelines/directions that may be issued by the Commission from time to time;
- (xviii) To document its registration number on all its papers, letters and documents concerning its business with insurance companies/self-funded pools and medical service providers;
- (xix) To keep accounting books concerning each Insurer in order to document the sum collected for the purpose of paying claims.

**21. Internal Controls:** Every TPA shall ensure that it has proper system of internal control and audit being practiced in business and that his internal controls and systems are adequate for the size, nature and complexity of his business.

**22. Accounting and Reporting:-**

(1) Every TPA shall at the expiration of each year i.e. at the preceding 31st December, prepare and deliver to Commission with reference to that year annual statutory accounts comprising the following statements duly audited by an approved auditor:

(a) **Financial Returns:** The following returns will be filed under this category:

- (i) Balance Sheet;
- (ii) Revenue Account;
- (iii) A statement of cash flow;
- (iv) A statement of claims;
- (v) A statement of the admin fees charged on insurance and self-funded business administered;
- (vi) Such other statements as may be prescribed by the Commission.

(b) **Operational Returns:** The following returns will be filed under this category:

- (i) A statement related to claims lag;
- (ii) A statement of utilization management performance;
- (iii) Complaint Handling Reporting;
- (iv) Such other statements as may prescribed by the Commission

### **23. Audit:-**

- (1) Every TPA shall appoint an auditor who shall be approved by Commission as qualified to perform audits of TPA;
- (2) The auditor shall express an opinion as to whether:
  - (i) The statements accurately reflected the books and records of the company;
  - (ii) The company has maintained proper books and records;
  - (iii) The statements present fairly the state of affairs of the company as at the balance sheet date and the result of the company for the financial year ended on the date; and
  - (iv) The statements have been prepared in accordance with the prevalent accounting standards and regulatory requirements as applicable in Pakistan;
- (3) The opinion required to be expressed by an auditor shall be expressed in writing and a copy of the opinion shall be attached by the TPA to the statements to which it relates, when those statements are delivered to the Commission.
- (4) The auditor shall in the audit of all such accounts and statements have the powers of, exercise the functions vested in, and discharge the duties and be subject to the liabilities and penalties imposed on, auditors of companies by sections 255, 256, 257 and 260 of the Companies Ordinance, 1984.



## **CHAPTER IV**

### **DISCIPLINARY PROCEEDINGS**

**24. Suspension of registration, etc.** - (1) Where TPA fails to discharge its functions in accordance with these Regulations or fails to comply with or contravenes any provisions of these Regulations or any directive issued or order passed by the Commission or otherwise fails to carry on its business in the interest of the Insurance sector, the Commission, after providing opportunity of hearing to TPA, may suspend its registration.

(2) A TPA whose registration has been suspended shall not carry on a business of TPA or hold himself out as carrying out such business during the period of suspension and remove the cause(s) of suspension within a period of ninety days from the receipt of the suspension order or such earlier period as provided through the order of suspension.

(3) Notwithstanding anything contained in sub-regulation (1), where the Commission is satisfied that delay in the suspension of registration of TPA will be detrimental to the interest of policy holders or the public in general, the Commission may immediately suspend the registration till the time an opportunity of hearing is provided to the TPA and final order is passed:

Provided that where the Commission suspends the registration under sub-regulation (3), the opportunity of hearing and final order must be passed within sixty days of such suspension.

(4) The Commission while suspending the registration of the TPA may impose such conditions, as it deems appropriate.

**25. Cancellation of Registration,** (1) The Commission, after providing a reasonable opportunity of hearing through issuance of show case, may cancel the registration of TPA if,-

(a) the Commission, on the basis of information in its possession, is of the opinion that the financial condition of the TPA has deteriorated and that the TPA cannot function effectively or that the TPA has committed a breach the standing rules and regulations;

- (b) its registration has been suspended and the cause(s) of suspension has not been removed within ninety days from the receipt of suspension order or such earlier period as provided through the order of suspension; or
  - (c) it refuses or fails to pay the penalty, if any, imposed by the Commission; or
  - (d) it refuses or fails to apply for renewal of its registration within time provided in these regulations.
- (2) The Commission while cancelling the registration of TPA may take such measures and issue such directions as it deems appropriate not inconsistent with the Act and the Ordinance.
- (3) The registration of TPA shall stand automatically cancelled if such TPA,-
- (a) voluntarily surrenders its registration to the Commission; or
  - (b) is declared insolvent by a court; or
  - (c) is wound up by an order passed by a Court;
- (4) Upon cancellation of the registration, the TPA shall with immediate effect cease to perform its functions as a TPA.

**26. Dissemination of information of cancellation of Registration.**— The Commission may, for information of stakeholders, publish press release of its order of cancellation of registration of a TPA in newspapers of wide circulation in Pakistan.

**27. Power to Inspect:**

- (1) The Commission may undertake onsite inspections/investigations of a Third Party Administrator (TPA) to ensure that the requirements of sound and prudent management are being fulfilled by the TPA and the TPA is complying with the requirements of the relevant Laws.
- (2) On-site inspections shall be conducted with such frequency as the commission may deem appropriate.
- (3) All officers and agents of TPA, including CEO, Directors, Key Officers, lawyers, auditors and actuaries shall supply all information, documents and assistance that may be required by the Commission in the course of the inspection.
- (4) The inspectors shall have the right to enter office(s) premises of TPA during conduct of the inspections, and may search, seize, take possession of any record, object,

article, material whether electronic or otherwise, account books or other documents, including any travel or other personal documents which may be used as evidence.

- (5) Except where the Commission believes that the record may be destroyed by the TPA, the Commission shall give two week written notice to the TPA before undertaking an on-site inspection.

**28. Primary Liability for act or omissions of TPA.-** Notwithstanding anything contained in these regulations hereinabove the insurer shall remain primary responsible to the policy holder in relation to insurance health policy for any act or omissions on the party of TPA with regards to its functions or any other actions shall be liable to indemnify the policy holders.



Securities and Exchange Commission of Pakistan  
Insurance Division

FORM - I

**Application for Registration of Third Party Administrator**

**Under Regulation 5 of TPA Regulation, 2013**

**1. Particulars of the Applicant**

- i. Name of the Applicant: \_\_\_\_\_
- ii. Address – Registered Office of the Company: \_\_\_\_\_
- iii. Telephone No.: \_\_\_\_\_
- iv. E-mail: \_\_\_\_\_ Fax No.: \_\_\_\_\_

**2. Details of the Applicant Company**

- i. Date of incorporation as a company: \_\_\_\_\_
- ii. Registration No.: \_\_\_\_\_
- iii. Capital structure which includes Authorized Share Capital, Paid-up Capital, Distinctive No., number of shares issued and to whom: \_\_\_\_\_
- iv. Extent of shareholding by foreign promoter, if any: \_\_\_\_\_
- v. Certified copies of Memorandum and Article of Association: \_\_\_\_\_
- vi. Name and activities of the promoters : \_\_\_\_\_

Name	Address with telephone no. fax, e-mail	Qualifications	Experience	Present Occupation	Remarks

**3. Details of Directors: (Name and Addresses)**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**4. Details of the Chief Executive Officer**

- i. Name : \_\_\_\_\_
- ii. Date and Place of Birth: \_\_\_\_\_
- iii. Address: \_\_\_\_\_
- iv. Passport / Identity Card No.: \_\_\_\_\_
- v. Employment Details: \_\_\_\_\_



Securities and Exchange Commission of Pakistan  
Insurance Division

FORM - I

Application for Registration of Third Party Administrator

Under Regulation 5 of TPA Regulation, 2013

vi. Details of Academic Qualifications:

Name of the Institution	Registration Particulars	Programme Details	Name of course undergone	Duration of the course	Year of Passing	Marks Obtained

vii. Details of Professional Qualification(s) :

Name of the Institution	Registration Particulars	Programme Details	Name of course undergone	Duration of the course	Year of Passing	Marks Obtained

viii. Details of practical training undergone in the field of Health Administration:

Name of the Institution	Registration Particulars	Duration of the Training	Year of undergoing Training	Certificate issued

5. Details of Medical person to whom the TPA has access to :

- i. Name of the Medical Person: \_\_\_\_\_
- ii. Address of the Medical Person: \_\_\_\_\_
- iii. Medical Qualifications :

Name of the Course	Name of the Institution	Registration Particulars	Duration of the Course	Year of Passing	Degree Certificate No.

6. Schedule of proposed fees and costs to be charged by the applicant company for the various services offered (Please furnish details).



Securities and Exchange Commission of Pakistan  
Insurance Division

FORM - I

**Application for Registration of Third Party Administrator**

**Under Regulation 5 of TPA Regulation, 2013**

**7. Details of fees paid to Securities & Exchange Commission of Pakistan**

- i. Amount: \_\_\_\_\_  
ii. Voucher No.: \_\_\_\_\_  
iii. Dated: \_\_\_\_\_

**8. Declaration**

I hereby declare that:

- i. I am not a minor.  
ii. I have not been found to be of unsound mind by a court of competent jurisdiction.  
iii. I have not been found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of or attempt to commit any offence by a court of competent jurisdiction.  
iv. I have not been found guilty of or knowingly participated in or connived at any fraud dishonestly or misrepresentation against an insured or an insurer.  
v. I possess the requisite qualifications and practical training as specified by Securities & Exchange Commission of Pakistan.  
vi. I have passed such examinations as specified by Securities & Exchange Commission of Pakistan.  
vii. I have not violated the code of conduct specified by Securities & Exchange Commission of Pakistan.  
viii. I warrant that I have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my license.  
ix. I declare that the information supplied in the application form is complete and correct.

For and on behalf of

(Signature of the person in-charge)

Seal of the Company

Date:



Securities and Exchange Commission of Pakistan  
Insurance Division

**FORM - II**

**Certificate of Registration of Third Party Administrator**

**Under Regulation 6 of TPA Regulation, 2013**

1. In exercise of the powers conferred by \_\_\_\_\_ of the Section 40 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) the authority hereby grants the registration to \_\_\_\_\_ to continue to act as Third Party Administrator under that act.
2. Registration No. for the Third Party Administrator is \_\_\_\_\_.
3. This registration shall be valid from \_\_\_\_\_ to \_\_\_\_\_.
4. This registration is subject to the Securities & Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and Securities & Exchange Commission of Pakistan (Third Party Administration) Regulation, 2013.

Place:

Date:

For and on behalf of  
Securities and Exchange Commission of Pakistan



Securities and Exchange Commission of Pakistan  
Insurance Division

FORM - III

**Application for Renewal of Registration of Third Party Administrator**

**Under Regulation 7 of TPA Regulation, 2013**

**1. Particulars of the Applicant**

- i. Name of the Applicant: \_\_\_\_\_
- ii. Address – Registered Office of the Company: \_\_\_\_\_
- iii. Telephone No.: \_\_\_\_\_
- iv. E-mail: \_\_\_\_\_ Fax No.: \_\_\_\_\_

**2. Details of renewal of the Third Party Administrator**

- i. TPA Registration No. \_\_\_\_\_
- ii. Date of Registration. \_\_\_\_\_
- iii. Date of expiry. \_\_\_\_\_
- iv. Capital structure which includes Authorized Share Capital, Paid-up Capital, Distinctive No., number of shares issued and to whom: \_\_\_\_\_
- v. Extent of shareholding by foreign promoter, if any: \_\_\_\_\_
- vi. Name and activities of the promoters :

Name	Address with telephone no. fax, e-mail	Qualifications	Experience	Present Occupation	Remarks

**3. Details of Directors: (Name and Addresses)**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**4. Details of the Chief Executive Officer**

- i. Name : \_\_\_\_\_
- ii. Date and Place of Birth: \_\_\_\_\_
- iii. Address: \_\_\_\_\_
- iv. Passport / Identity Card No.: \_\_\_\_\_
- v. Employment Details: \_\_\_\_\_





Securities and Exchange Commission of Pakistan  
Insurance Division

FORM - III

**Application for Renewal of Registration of Third Party Administrator**

**Under Regulation 7 of TPA Regulation, 2013**

vi. Details of Academic Qualifications:

Name of the Institution	Registration Particulars	Programme Details	Name of course undergone	Duration of the course	Year of Passing	Marks Obtained

vii. Details of Professional Qualification(s) :

Name of the Institution	Registration Particulars	Programme Details	Name of course undergone	Duration of the course	Year of Passing	Marks Obtained

viii. Details of practical training undergone in the field of Health Administration:

Name of the Institution	Registration Particulars	Duration of the Training	Year of undergoing Training	Certificate issued

**5. Details of Medical person to whom the TPA has access to :**

- i. Name of the Medical Person: \_\_\_\_\_
- ii. Address of the Medical Person: \_\_\_\_\_
- iii. Medical Qualifications :

Name of the Course	Name of the Institution	Registration Particulars	Duration of the Course	Year of Passing	Degree Certificate No.

**6. Schedule of proposed fees and costs to be charged by the applicant company for the various services offered (Please furnish details).**



Securities and Exchange Commission of Pakistan  
Insurance Division

FORM - III

**Application for Renewal of Registration of Third Party Administrator**

**Under Regulation 7 of TPA Regulation, 2013**

**7. In case of late submission please mention the reasons of delay:**

\_\_\_\_\_  
\_\_\_\_\_

**8. Details of fees paid to Securities & Exchange Commission of Pakistan**

- i. Amount: \_\_\_\_\_  
ii. Voucher No.: \_\_\_\_\_  
iii. Dated: \_\_\_\_\_

**9. Declaration**

I hereby declare that:

- i. I am not a minor.  
ii. I have not been found to be of unsound mind by a court of competent jurisdiction.  
iii. I have not been found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of or attempt to commit any offence by a court of competent jurisdiction.  
iv. I have not been found guilty of or knowingly participated in or connived at any fraud dishonestly or misrepresentation against an insured or an insurer.  
v. I possess the requisite qualifications and practical training as specified by Securities & Exchange Commission of Pakistan.  
vi. I have passed such examinations as specified by Securities & Exchange Commission of Pakistan.  
vii. I have not violated the code of conduct specified by Securities & Exchange Commission of Pakistan.  
viii. I warrant that I have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my license.  
ix. I declare that the information supplied in the application form is complete and correct.

For and on behalf of

(Signature of the person in-charge)

Seal of the Company

Date:



Securities and Exchange Commission of Pakistan  
Insurance Division

**FORM - IV**

**Certificate of Renewal of Registration of Third Party Administrator**

**Under Regulation 7 of TPA Regulation, 2013**

1. In exercise of the powers conferred by \_\_\_\_\_ of the Section 40 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) the authority hereby grants the certificate to \_\_\_\_\_ to continue to act as Third Party Administrator under that act.
2. Certificate No. for the Third Party Administrator is \_\_\_\_\_.
3. This certificate shall be valid from \_\_\_\_\_ to \_\_\_\_\_.
4. This certificate is subject to the Securities & Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and Securities & Exchange Commission of Pakistan (Third Party Administration) Regulation, 2013.

Place:

Date:

For and on behalf of  
Securities and Exchange Commission of Pakistan