



Securities and Exchange Commission of Pakistan

Adjudication Division Adjudication Department-I

Before Ali Azeem Ikram, Executive Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Adamjee Life Assurance Company Limited

Dates of Hearing

January 25, 2021

Order-Redacted Version

Order dated March 26, 2021 was passed by Executive Director/Head of Department (Adjudication-I) in the matter of Adamjee Life Assurance Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show Cause Notice dated June 23, 2020
2. Name of Company	Adamjee Life Assurance Company Limited
3. Name of Individual*	The proceedings were initiated against the company and its Board of Directors i.e. Adamjee Life Assurance Company Limited
4. Nature of Offence	Alleged violation of under Section 12(4), Section 95 of the Insurance Ordinance, 2000 ('the Ordinance'), Rule 62 of the Insurance Rules, 2017 ('Insurance Rules'), Regulations 10(b), 15(4), 17(a), 17(g) and 17(h) of the Bancassurance Regulations, 2015 ('the Regulations'), Rule 6(1)(d) of the Unit Linked Products and Fund Rules, 2015 (the 'Fund Rules').
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p><i>"I have carefully examined the facts of the case in light of applicable provisions of the law and have given due consideration to the written and verbal submissions of the Respondents. I am of the view that the violations of Section 12(4), Section 95 of the Insurance Ordinance, 2000 ('the Ordinance'), Rule 62 of the Insurance Rules, 2017 ('Insurance Rules'), Regulations 15(4), 17(a), 17(g) and 17(h) of the Bancassurance Regulations, 2015 ('the Regulations'), Rule 6(1)(d) of the Unit Linked Products and Fund Rules, 2015 (the 'Fund Rules') have been established and the Respondents are liable to be penalized under Section 156 of the Ordinance.</i></p> <p>2. <i>Before proceeding any further, I find it relevant to discuss the duties and obligations of an insurer registered under the Ordinance. In addition to the day to day management of its business, there are certain 'fiduciary' duties i.e. duties held in trust and statutory obligations imposed on the Company. The Company is required to be well aware of its fiduciary duties towards its policyholders and statutory obligations along with the consequences of the default thereof.</i></p> <p>3. <i>In exercise of the powers conferred on me under Section 156 of the</i></p>



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	<p><i>Ordinance, I, hereby impose a fine of Rs. 275,000/- (Rupees Two Hundred Seventy Five Thousand Only) on the Company on account of the established defaults of the provisions of the law, as mentioned in the above paras hereof."</i></p> <p>Penalty order dated March 26, 2021 was passed by Executive Director (Adjudication-I).</p>
6. Penalty Imposed	A Penalty of Rs. 275,000/- (Rupees Two Hundred Seventy Five Thousand Only) was imposed on the company.
7. Current Status of Order	No Appeal has been filed by the respondents.