

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to Jubilee General Insurance Company Limited

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Dates of Hearing

June 17, 2022

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**Order-Redacted Version**

Order dated June 22, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Jubilee General Insurance Company Limited. Relevant details are given as hereunder:

<b>Nature</b>	<b>Details</b>
1. Date of Action	Show cause notice dated May 25, 2022.
2. Name of Respondent	Jubilee General Insurance Company Limited (the Company and/or the Respondent).
3. Nature of Offence	Alleged contraventions of rule 10(1)(g) of the Takaful Rules, 2012; rule 34 of the Insurance Rules 2017 (the Insurance Rules) and Section 97 of the Insurance Ordinance, 2000 (the Ordinance) read with Section 156 thereof.
4. Action Taken	Key findings were reported in the following manner:  I have reviewed the facts of the case and considered the written and verbal submissions of the Respondent Company as well as its Representatives in light of the applicable provisions of the law and observed that both the reasons for deviations from the approved investment policy of the Company namely; (i) Limited number of scripts available under KMI Index; and (ii) Limited Fund Size of OPF and PTF are not cogent and plausible. Had the said reasons (Which existed in 2015 as well) actually been hinderance in adhering to the investment policy of the Company formulated at the time of commencement of window takaful operations i.e. May 7, 2015, then the investment policy should have been revised at that time rather than in April 2022 i.e. after lapse of seven (7) years. Therefore, the Company has failed to ensure that the investments for the purposes of takaful business are made in accordance with the investment policy in the year

	<p>2020 in respect of the said instances, as mentioned in para 4 above, which constitutes non-compliance of rule 10(l)(g) of the Takaful Rules.</p> <p>With regard to non-compliance of the requirement of Agents Foundation Course (AFC), the Company submitted that a few agents could not comply with the said requirement during the year 2020 due to COVID-19 pandemic. However, after review of the dates of joining of the seven (7) identified agents, it has been noted that five (5) agents who joined the Company in the year 2018, were required to complete the requirement of qualifying AFC during the one (1) year period expiring in 2019, when no sign of Covid-Pandemic was surfaced. Therefore, the Company has violated rule 34(c) of the Rules read with Section 97 of the Ordinance, in respect of the said agents.</p> <p>Keeping in view the foresaid contraventions, I in exercise of the powers conferred under Section 156 of the Ordinance, hereby, impose a fine of Rs. 100,000/- (Rupees One Hundred Thousand Only) on the Company on account of the aforesaid established non-compliances.</p>
5. Penalty Imposed	Rs. 100,000/-
6. Current Status of Order	Penalty deposited and No Appeal has been filed by the respondents.