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SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- I

Adjudication Division

Before Shahzad Afzal Khan, Director/ HOD(Adjudication-I)

In the matter of

TPL Life Insurance Limited

Show Cause Notice No. & Date	ID/Enf/TPLLife/2019/229 April 19, 2024
Date of Hearing:	May 29, 2024
Attended By:	Syed Kazim Hasan, CFO Mr. Abid Ali, Manager Finance Mr. Kamran Rafique, Compliance Officer (Authorized Representatives of the Company) Mr. Shujaat Siddiqui, Appointed Actuary

ORDER

Under Sections 11(1)(c), 35(3), 35(7) & 50 of the Insurance Ordinance, 2000 and Rules 14(3), 16 & 22 of Insurance Rules, 2017 and Rule 12 of Unit Linked Product and Fund Rules, 2015 read with Section 156 of the Insurance Ordinance, 2000

....

This Order shall dispose of the proceedings initiated against **TPL Life Insurance Limited (the Company)** and its Appointed Actuary (**the Respondents**) for alleged contraventions of Sections 11, 35(3) and 35(7) and Section 50 of the Insurance Ordinance, 2000 (**the Ordinance**) and Rules 14(3), 16 and 22 of the Insurance Rules, 2017 (**the Insurance Rules**) and Rule 12 of Unit Linked Products and Fund Rules, 2015 (**the Unit Linked Rules**) read with Section 156 of the Ordinance vide Show Cause Notice No. ID/Enf/TPLLife/2019/229 dated April 19, 2024 (**the SCN**). The Company is registered under the provisions of the Ordinance to undertake life insurance business in Pakistan.

2. Brief facts of the case giving rise to the instant proceedings initiated vide the SCN are summarized as under:

i. While reviewing the Financial Condition Report (**FCR**) of the Company for Financial Year ended on December 31, 2022 (**FY 2022**), it was observed that its Appointed Actuary did not express his opinion regarding adequacy of capital of the Company to continue its business at planned level for a period of not less than five years. In response to a query of the relevant department of the Commission, in this regard, the Company stated that its Appointed Actuary will submit the reply in the matter. The Appointed Actuary of the Company vide letter dated January 26, 2024 acknowledged the aforesaid non-compliance and made the following submissions:

"Regarding the observation raised in Paragraph (i) of your letter, kindly note that the following statement was slated to be incorporated in the FCR for the year 2022 but was inadvertently missed out:

Statement by the Appointed Actuary Required as per Rule 22(i)(iv) of Insurance Rules, 2017:

To continue its business at the planned level for a period of not less than five years, the Company will need additional capital injection. The Company should prepare a comprehensive business plan for the next five years and assess the required solvency under these projections and ascertain the capital injection required to maintain solvency at the desired level."

ii. In view of the above, it transpired that Appointed Actuary of the Company, *prima facie*, contravened the requirements of Rule 22 of the Insurance Rules read with Section 50 of the Ordinance.

iii. The Company was required to maintain 30% of assets of 'Shareholders Fund', 'Conventional Life Fund' and 'Accident & Health Takaful Fund' in Government securities and further 10% thereof in a combination of Government securities and approved securities. However, it has been observed that the Company did not maintain the required level of the prescribed investments, which, prima facie, constitutes non-compliance of Section 35(7) of the Ordinance read with Rule 16 of the Insurance Rules. The Company vide letter dated January 19, 2024 admitted the aforesaid observation by stating as under:

"...Whilst we regret non-compliance with Rule 16 of the Insurance Rules 2017, we would like to state that this was a consequence of financial stress due to marked pruning in the top line..."

iv. Furthermore, the Company was required to maintain surplus of admissible assets over liabilities other than policyholders' liabilities equal to or greater than the amount of policyholders' liabilities in 'Conventional Life Business Fund' and 'Accident & Health Takaful Business Fund' in terms of the requirements of Section 35(3) of the Ordinance read with Rule 14(3) of the Insurance Rules and Section 11(1)(c) of the Ordinance.

v. Upon review of Statement of Solvency of the Company for FY 2022 (Form LI in the Regulatory Returns) filed by the Company revealed that 'Conventional Life Business Fund' and 'Accident & Health Takaful Business Fund' did not comply with the requirement of maintaining surplus of admissible assets over liabilities other than policyholders' liabilities equal to or greater than the amount of policyholders' liabilities. While responding to the foregoing observation, the Company submitted as under:

"With reference to the letter issued by SECP on June 8, 2018, in terms of which an approval to maintain solvency margin under Rule 14(2)(a) of the Insurance Rules 2017 on aggregate basis instead of each individual fund has already been granted to the Company.

The aggregate solvency over the prescribed Policyholders' Liability remained positive (Rs. 8.934 million).

We would further like to reproduce Section 35(3) of the Insurance Ordinance, 2000:

"A life insurer shall in each statutory fund maintained by it for the conduct of business other than investment linked business, maintain at all times a surplus of admissible assets in Pakistan over liabilities in Pakistan other than policyholder liabilities, equal to or greater than the amount of policyholders liabilities calculated in accordance with such principles as may be prescribed by the Commission."

The said Approval was also granted for the solvency margin calculation in shareholders fund, Policyholders liability and Solvency margin. The deficit over the Policyholders Liability occurred majorly under Conventional Life business where Net Admissible Assets were negative by Rs.126,969. As against this, we had a positive balance of Rs.338,489 under the Shareholders Fund, therefore effectively the solvency was positive as sufficient funds were allocated under the shareholders' funds to cater to other statutory funds which could not be transferred at the end of the year."

vi. The Company was required to file the accounts in respect of its statutory/unit linked funds as part of the regulatory returns; however, the Company failed to submit the said accounts for FY 2022 and admitted non-submission of the same due to oversight. Therefore, the Company, *prima facie*, failed to ensure compliance with Rule 12 of Unit Linked Rules.

3. While taking cognizance in the aforesaid matter, the SCN was issued to the Respondents calling upon them to show cause in writing as to why penalty may not be imposed on them for contravening the aforesaid provisions of the law.

4. Relevant provisions of law are reproduced as follows:

Section 11(1)(c) of the Ordinance:
"(c) the provisions of this Ordinance relating to minimum solvency requirements are complied with;"

Section 35(3) of the Ordinance:
"(3) A life insurer shall, in each statutory fund maintained by it for the conduct of business other than investment-linked business, maintain at all times a surplus of admissible assets in Pakistan over liabilities in Pakistan, other than policyholder liabilities, equal to or greater than the amount of policyholder liabilities calculated in accordance with such principles as may be prescribed by the Commission."

Section 35(7) of the Ordinance:
"(7) The Federal Government may prescribe a percentage or percentages of the assets of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other

than a statutory fund which contains only investment-linked policies, which shall be invested in Government securities, or in a combination of Government securities and other approved securities."

Section 50 of the Ordinance:
"(1) Every insurer carrying on life insurance business shall, in respect of the life insurance business transacted by it, as at the end of each year cause an investigation to be made by the appointed actuary into the financial condition of the life insurance business carried on by it, including a valuation of its policyholder liabilities in respect thereto and shall cause the report of the appointed actuary to be made in accordance with such conditions as may be prescribed by the Commission."

Rule 12 of Unit Linked Product and Funds Rules, 2015:
"Accounts of Unit Linked Funds
(1) Form of Accounts
i. The regulatory returns to be submitted under Section 46 of the Ordinance shall include, for each fund set up, the following accounting statements:
a) Statement of Net Assets
b) Statement of Changes in Net Assets
c) Statement of Performance Measurement (as per Annexure 3)

ii. The Statement of Changes in Net Assets shall include the following if these are relevant:
(a) Fund Balance Brought Forward from Previous Valuation Date
(b) New investments in Fund (value of creation of units in the case of a Unit Linked Fund).
(c) Investment income earned during the period.
(d) Gains on disposal of investments (determined as net selling value less cost)
(e) Increase (decrease) in unrealized gains (losses)
(f) Redemptions from Fund in the period
(g) Taxes accruing/deducted on gains or investment income which are not recoverable.
(h) Investment Management Charges at Fund level accrued for the period
(i) Mortality and Morbidity Charges
(j) Fund Balance Carried Forward to Next Valuation Date

iii. The Statement of Performance Measurement shall be for the following period:
- *The previous twelve months.*
- *The previous five years.*
- *The previous ten years.*

iv. The basis of calculation of each performance measure

(2) Audit
The Accounts of the funds as required above shall be audited at least once in every financial year by the same auditors auditing the Regulatory Returns. The report of the auditors shall also be deemed to be a part of the Accounts and shall be in such form as may be prescribed by the Commission.

(3) Circulation to Policyholders
The Accounts of the Unit Linked Fund shall be placed on the web-site of the life insurer within seven working days of these being submitted to the Commission.

(4) Summary of Investments
A breakup of asset allocation, sector allocation (for equity) and top 10 holdings in a Unit Linked Fund on the date as at which accounts referred to in sub-section 13 (1) are prepared shall be placed on the web-site of the life insurer."

Rule 14(3) of the Rules:
"(3) For the purpose of sub-section (3) of section 35 of the Ordinance, the surplus of admissible assets in Pakistan over liabilities in Pakistan, other than policyholder liabilities, which a life insurer shall maintain at all times in each statutory fund maintained by it for the conduct of business other than investment-linked business shall be the amount of policyholder liabilities plus, unless written permission has been granted to the life insurer under Rule 14(2) to maintain the solvency margin in its shareholders' fund and statutory funds in aggregate, a solvency margin calculated in accordance with the principles set out in Annexure III."

Rule 16 of the Rules:
*"**Assets to be invested in securities.***
(1) Thirty per cent of the assets, excluding inter-fund receivables of the shareholder's fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund which contains only investment linked policies, shall be invested in Government securities, under sub -section (7) of section 35 of the Ordinance.
(2) A further ten percent of the assets, excluding inter-fund receivables of the shareholders' fund of a life insurer, or of a statutory fund of a life insurer, other than a statutory fund which contains only investment linked policies, shall be invested in a combination of Government securities and other approved securities, under sub -section (7) of section 35 of the Ordinance."

Rule 22 of the Rules:
*"**Financial Condition Report.** - For the purposes of Section 50 of the Ordinance, the Financial Condition Report shall be prepared in accordance with the requirements prescribed in Annexure IV."*

Section 156 of the Ordinance provides that:
*"**Penalty for default in complying with, or acting in contravention of this Ordinance.** -*
Except as otherwise provided in this Ordinance, any insurer who makes default in complying with or acts in contravention of any requirement of this Ordinance, [or any direction made by the Commission, the Commission shall have the power to impose fine on the insurer and, where the insurer is a company, any director, or other officer of the company, who is knowingly a party to the default, shall be punishable with fine which may extend to one million rupees and, in the case of a continuing default, with an additional fine which may extend to ten thousand rupees for every day during which the default continues."

5. In response to the SCN, the Company vide letter dated April 30, 2024 submitted its reply as follows:

(Quote)
"Please find below our responses in seriatim to the observations made in the Letter and which relate to the Company:

(i) With reference to the observations raised on the Appointed Actuary, M/s. Akhtar & Hasan (Private) Limited, kindly note that the Actuary has directly responded to the same.

(ii) We would like to reiterate that the non-compliance with Rule 16 of the Insurance Rules 2017 is regretted, however the said non-compliance was a consequence of financial stress due to marked pruning in the top line. Following change in the strategy to discontinue Health Insurance corporate business which in 2021 was predominant at 62.5% of the total business portfolio, the said segment was reduced to 40% in 2022 representing only retail health. However the investments were not swapped with other segments. Further, the Company had Rs. 292 Million under shareholders fund placed under savings account with bank.

(iii) Regarding the approval to maintain solvency margin under Rule 14(2) of the Insurance Rules 2017 on aggregate basis instead of each individual fund has already been granted to the Company ("Approval"), we would like to reiterate that as per the working provided below the aggregate solvency margin as of December 31, 2022 remained positive:

	Aggregate December 31, 2022
	Rupees in '000'
Total Net Admissible Assets	**330,637**
Minimum Solvency Requirement	
Shareholder's Fund	165,000
Policyholders' Liability	119,389
Solvency Margins	37,314
	321,703
Excess in Net Admissible Assets over Minimum Requirements	**8,934**

We would further like to reproduce Section 35(3) of the Insurance Ordinance 2000:

"A life insurer shall in each statutory fund maintained by it for the conduct of business other than investment linked business, maintained at all times a surplus of admissible assets in Pakistan over liabilities in Pakistan other than policyholder liabilities, equal to or greater than the amount of policyholders liabilities calculated in accordance with such

principles as may be prescribed by the Commission."

The said Approval was also granted for the solvency margin calculation in shareholders fund, Policyholders liability and Solvency margin. The deficit over the Policyholders Liability occurred majorly under Conventional Life business where Net Admissible Assets were negative by Rs.126,969. As against this, we had a positive balance of Rs.338,489 under the Shareholders Fund, therefore effectively the solvency was positive as sufficient funds were allocated under the shareholders' funds to cater to other statutory funds which could not be transferred at the end of the year.

(iv) Regarding the submission of the statutory/unit linked funds as part of the regulatory returns, we would like to submit that the return was not submitted due to oversight. However, moving forward, compliance shall be made in letter and spirit.

We assure you of our strict compliance to the insurance regulations in letter and spirit and earnestly strive to improve our reporting standards moving forward. We therefore request the Commission to take a lenient view on the matter."
(Unquote)

6. The Appointed Actuary of the Company vide letter dated May 2, 2024 submitted the reply in response to SCN as under:

"As stated in my letter of 26th January, 2024, the Statement by the Appointed Actuary required as per Rule 22(i)(iv) of the Insurance Rules, 2017 was inadvertently missed out from the FCR for the year 2022. This oversight is deeply regretted. Necessary steps have been taken to ensure that such oversight does not occur in future."

7. In order to provide the Respondents an opportunity of personal representation in the matter, hearing in the matter was fixed for May 29, 2024. The hearing was attended by Syed Kazim Hasan (CFO) Mr. Abid Ali (Manager Finance) and Mr. Kamran Rafique (Compliance Officer) as the Authorized Representatives of the Respondent Company. The Appointed Actuary of the Company also attended the hearing. During the hearing, the Authorized Representatives and Appointed Actuary were advised to explain the reasons for alleged non-compliances as narrated in the SCN. The Authorized Representatives reiterated the submissions and arguments made in the written reply of the Company. During the hearing, the Appointed Actuary admitted that statement in terms of Rule 22(i)(iv) of the Insurance Rules was missed out inadvertently in FCR filed with the Commission.

8. Before proceeding further, it would be logical and appropriate to address key legal questions arising in the instant matter, as discussed hereinbelow:

(i) Can the Company justify its non-compliance with the investment requirements in Government securities under Section 35(7) of the Ordinance and Rule 16 of the Insurance Rules due to financial stress?

While the Company cited financial stress due to changes in its business strategy as a reason for non-compliance, this does not exempt it from adhering to the statutory investment requirements. The failure to maintain the prescribed level of investments in Government securities, as outlined in the Insurance Rules, is still a violation of Section 35(7) of the Ordinance and Rule 16 of the Insurance

Rules. The argument of financial stress does not absolve the Company from its regulatory obligations.

(ii) **Is the Company's argument regarding the approval to maintain solvency margins on an aggregate basis sufficient to counter the allegations of non-compliance with Section 35(3) of the Ordinance?**
No. The Company's argument is not valid and convincing. Although the Commission granted approval for aggregate solvency margin calculations, it explicitly stated that this approval does not exempt the Company from complying with the basic solvency requirements of Section 35(3) of the Ordinance read with Rule 14(3) of the Insurance Rules. Therefore, the Company's failure to maintain surplus admissible assets over liabilities in individual statutory funds still constitutes a violation of Section 35(3) of the Ordinance read with Rule 14(3) of the Insurance Rules.

(iii) **Does the oversight in failing to submit accounts for statutory/unit linked funds constitute a valid defense against penalties under Rule 12 of the Unit Linked Rules?**
No. The mere assertion of oversight does not constitute a valid defense. Compliance with regulatory obligations is essential, and oversight does not relieve the Company of its responsibilities under Rule 12 of the Unit Linked Rules. The Company's admission of non-submission the accounts due to oversight signifies a breach of regulatory requirements, making it liable for penalties.

(iv) **What steps can the Company take to prevent similar non-compliance issues in the future?**
To prevent similar non-compliance issues, the Company can implement several proactive measures, including:
a. **Strengthening Governance:** Establishing a robust compliance framework with clear roles and responsibilities for monitoring regulatory obligations.
b. **Regular Training:** Providing ongoing training for staff, including the Appointed Actuary, on compliance requirements and regulatory changes.
c. **Internal Audits:** Conducting regular internal audits to identify potential compliance gaps before they lead to violations.
d. **Enhancing Communication:** Improving communication channels between departments to ensure all regulatory requirements are consistently met.
e. **Developing Contingency Plans:** Formulating contingency plans to manage financial stress effectively without breaching regulatory obligations.

(v) **What is importance of Statement of the Appointed Actuary to be filed in terms of Rule 22(i)(iv) of the Insurance Rules, 2017 read with Section 50 the Insurance Ordinance, 2000 as part of the Financial Condition Report? Did the Appointed Actuary fulfill his obligation under Section 50 of the Ordinance and Rule 22 of the Insurance Rules when he failed to express an opinion regarding the adequacy of capital?**

The Statement required to be filed by the Appointed Actuary, in accordance with Rule 22(i)(iv) of the Insurance Rules and Section 50 of the Ordinance, holds significant importance for the operations of a life insurer. The following are the key aspects of its importance:

a. Assessment of Financial Viability:
The Appointed Actuary's Statement provides an independent assessment of the insurer's financial condition, specifically regarding its capital adequacy. This evaluation is critical for ensuring that the insurer can continue to meet its obligations to policyholders over the foreseeable future.

b. Regulatory Compliance:
By incorporating the Appointed Actuary's Statement in the Financial Condition Report, life insurers demonstrate compliance with regulatory requirements. This compliance is essential for maintaining the insurer's license to operate and avoiding penalties or sanctions from the regulatory authority.

c. Stakeholder Confidence:
The Statement helps build confidence among various stakeholders, including policyholders, investors, and regulators. It assures them that the insurer has undergone rigorous scrutiny and is in a position to fulfill its obligations, thereby enhancing the insurer's credibility in the market.

d. Risk Management:
The actuarial assessment identifies potential risks related to solvency and capital requirements. This proactive approach allows the insurer to address any shortcomings and develop strategies to mitigate financial risks, ensuring long-term sustainability.

e. Strategic Planning
The insights provided by the Appointed Actuary can inform the insurer's strategic decisions, including capital allocation, product development, and investment strategies. A well-informed business plan, supported by actuarial data, can guide the company in making prudent operational choices.

f. Market Discipline:
The requirement for an Appointed Actuary's Statement creates a level of accountability within the insurance industry. Insurers are motivated to maintain high standards of governance and risk management, contributing to overall market stability.

g. Policyholder Protection:
Ultimately, the Statement serves to protect policyholders by ensuring that the insurer maintains sufficient capital and liquidity to honor claims. This focus on policyholder interests is central to the insurer's operational mandate.

h. Facilitation of External Audits:
The inclusion of the Appointed Actuary's Statement aids external auditors and regulators in their evaluations of the insurer's financial health. This can streamline the audit process and enhance the overall quality of financial reporting.

In summary, the Statement by the Appointed Actuary is not merely a regulatory formality; it is a vital component of the life insurer's operational framework. It influences financial stability, compliance, stakeholder trust, and overall risk management, ultimately ensuring that the insurer can effectively meet its long-term obligations.

9. I have examined the facts of the case in light of applicable provisions of the law and have given due consideration to the written as well as verbal submissions and arguments of the Respondent Company/Authorised Representatives and the Appointed Actuary of the Company and have observed as under:

(i) The Appointed Actuary of the Company was required to express his opinion in terms of Section 50 of the Ordinance read with Rule 22 of the Rules regarding adequacy of capital of the Company to continue its business at planned level for a period of not less than five years. However, the Appointed Actuary has admitted vide his written reply dated May 2, 2024 that the said Statement was inadvertently missed out in the FCR for FY 2022. Therefore, contravention of Section 50 of the Ordinance read with Rule 22 of the Insurance Rules is established and the Appointed Actuary is liable to penal action under Section 156 of the Ordinance.

(ii) With regard to non-compliance of Section 35(7) of the Ordinance read with Rule 16 of the Insurance Rules in 'Accident & Health Takaful Fund', the Company conceded that the non-compliance was a consequence of financial stress due to marked pruning in the top line. The Company has stated that in pursuit of its business strategy to discontinue corporate health insurance business (which constituted about 62.5% of total business portfolio in FY 2021), the said segment reduced to 40% representing only Retail Health Insurance business. The Company has further stated that it had Rs. 292 million under 'Shareholders' Fund' placed in a saving bank account. However, no explanation has been given with regard to lapse in maintaining the prescribed level of investment in Govt. securities and approved securities in respect of assets of 'Conventional Life Fund'. The Company was required to maintain the prescribed level of 30% of assets of 'Shareholders Fund', 'Conventional Life Fund' and 'Accident & Health Takaful Fund' in Government securities and further 10% thereof in a combination of Government securities and approved securities; however, admittedly, it has failed to maintain the prescribed level of such investments in the said three funds in respect of FY 2022, which constitutes non-compliance of Section 35(7) of the Ordinance read with Rule 16 of the Rules. Therefore, the Company has contravened the provisions of Section 35 of the Ordinance read with Rule 16 of the Insurance Rules.

(iii) Explaining its position with regard to non-compliance with the requirement of maintaining surplus of net admissible assets equal to or greater than the amount of policyholders' liabilities in 'Conventional Life Business Fund' and 'Accident & Health Takaful Business Fund' in respect of FY 2022, Though the Company has conceded existence of deficit in the said Funds but the Company has contended that the Commission has granted the approval to maintain solvency margin under Rule 14(2) of the Insurance Rules 2017 on aggregate basis instead of each individual fund and aggregate solvency margin as of December 31, 2022 remained positive amount of Rs. 8.394 million, as worked out below:

	Aggregate December 31, 2022 Rupees in '000'
Total Net Admissible Assets	**330,637**
Minimum Solvency Requirement	
Shareholder's Fund	165.000
Policyholders' Liability	119.389
Solvency Margins	37.314
	321,703
Excess in Net Admissible Assets over Minimum Requirements	**8,934**

(iv) As per the Solvency Statement of the Company for FY 2022, the deficit of Rs.144.405 million in net admissible assets over minimum solvency requirement of Rs. 17.436 million occurred under 'Conventional Life Fund' and the deficit of an amount of Rs. 0.349 million in net admissible assets over minimum solvency requirement of Rs. 10.959 million existed in 'Accident and Health Takaful Business Fund' as on December 31, 2022. It was made categorically clear in para 3 of the Commission's Letter dated June 8, 2018 grating the approval to maintain solvency margin on aggregate basis under Rule 14(2) of the Insurance Rules that *"this approval to maintain solvency margins in aggregate under the Rules, calculated in accordance with Annexure III thereof, does not discharge the company from complying with the basic solvency requirement provided in Section 35 of the Insurance Ordinance, 2000"*. Therefore, the said Approval does not provide exemption from complying with the provisions of Section 35(3) read with Rule 14(3) of the Rules, which requires the Company to maintain surplus of admissible assets over its liabilities excluding policyholders liabilities equal to or greater than amount of policyholders' liabilities in each statutory fund as a balance solvency. The Company has argued that there is sufficient surplus in Shareholders' Fund to enable it to meet the deficiency in the Statutory Funds but has admitted in his reply that deficient amount could not be transferred at the end of the year. Hence, the Company failed to comply with the provisions of Section 35(3) read with Rule 14(3) and Section 11(1)(c) of the Ordinance.

(v) The Company failed to file the accounts in respect of its statutory/unit linked funds as part of the regulatory returns. The Company admitted that the said accounts were not filed with the Commission due to oversight. Therefore, the Company has violated the provisions of Rule 12 of Unit Linked Rules.

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Phone No: 051-9207091-94 FAX No: 051 – 9100477

10. In exercise of the power conferred on me under Section 156 of the Ordinance, I, hereby, impose fine of **Rs. 300,000/- (Rupees Three Hundred Thousand Only)** on the Respondent Company on account of the aforesaid established defaults of Section 35(7) of the Ordinance read with Rule 16 of the Insurance Rules; Section 35(3) of the Ordinance read with Rule 14(3) and Section 11(1)(c) of the Ordinance; Rule 12 of the Unit Linked Rules; as mentioned in the paras hereinabove. Moreover, a fine of **Rs. 100,000/- (Rupees One Hundred Thousand Only)** is imposed on Mr. Shujaat Siddiqui, Appointed Actuary of the Company on account of the aforesaid established default of Section 50 of the Ordinance read with Rule 20(i)(iv) of the Insurance Rules. The Respondents are hereby also warned to ensure meticulous compliance with applicable provisions the Ordinance, rules, regulations and directives of the Commission, in future.

11. The Respondents are hereby directed to deposit the aforesaid fine in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with MCB Bank Limited or United Bank Limited within thirty (30) days from the date of this Order and furnish receipted voucher issued in the name of the Commission for information and record.

12. This Order is issued without prejudice to any other action that the Commission may initiate against the Company and / or its management (including the CEO of the Company) in accordance with the law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

(Shahzad Afzal Khan)
Director/Head of Department
(Adjudication Department-I)

Announced:
October 10, 2024
Islamabad