

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

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

Dates of Hearing

October 26, 2021

Order-Redacted Version

Order dated June 27, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Progressive Insurance Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated June 14, 2021.
2. Name of Respondent	Progressive Insurance Company Limited (the Company and/ or the Respondent).
3. Nature of Offence	Alleged contraventions of <u>Section 59(A)(3) of the Insurance Ordinance, 2000 (the Ordinance)</u> read with Section 156 thereof.
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have examined the facts of the case in light of the applicable provisions of the law and the written as well as verbal submissions of the Respondent Company and observed that pursuant to the provisions of Section 59A(1) of the Ordinance, the inspection team of the Commission has the statutory mandate to undertake onsite inspection of the Company to evaluate that the requirements of sound and prudent management are being fulfilled by the Company and the Company is complying with the requirements of the Ordinance. In pursuance of Section 59A (3) of the Ordinance, all officers and agents of the company, including lawyers, auditors and actuaries shall supply all information, documents and assistance that may be required by the inspection team of the Commission during the course of the inspection. However, the Company has failed to provide the information/documents requisitioned vide the inspection team's letters dated September 30, 2020 and November 20, 2020. Thus, the Company has violated the Provisions of section 59A (3) of the Ordinance for which the Company is liable to be penalized under Section 156 of the Ordinance. The said Section 156 of the Ordinance is reproduced as under:</p>

	<p><i>"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 otherwise in this Ordinance, any insurer who makes default in complying with or acts 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 an 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 extent to one million rupees and, in the case of a continuing default, with an additional fine which may extent to ten thousand rupees for every day during which the default continues.</i></p> <p>In exercise of the powers conferred under Section 156 of the Ordinance, I hereby impose a fine of <u>Rs. 100,000/- (Rupees One Hundred Thousand Only)</u> on the Company on account of established default.</p>
5. Penalty Imposed	Rs. 100,000/-
6. Current Status of Order	Penalty not deposited and No Appeal has been filed by the respondent.