

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

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

Dates of Hearing

September 02, 2021

Order-Redacted Version

Order dated April 29, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of Trafco Insurance Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated July 15, 2021.
2. Name of Company	Trafco Insurance Company Limited (the Company)
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	Alleged contraventions of <u>Section 11(1)(f), 12(1)(b) & (c) of the Insurance Ordinance, 2000 and regulation 3(i)(c) of the Insurance Companies (Sound and Prudent Management) Regulations, 2012 (the Regulations) read with Section 156 of the Insurance Ordinance, 2000 (the Ordinance)</u>
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have reviewed the facts of the case in light of the applicable provisions of the law and have given due consideration to the written and verbal of the Respondent Company and its Representatives and observed that the management of the Company apprised the Inspection Team that the employees of the Underwriting & Claims Department have left the Company. During the hearing, the Representatives have also admitted that the Company is in the process of hiring its essential staff including the Heads of the Department, after resignation of the CFO of the Company. It was also noticed with concern that in the absence of key officers of the Company, an accounts clerk has been responsible for managing the financial matters and dealing with banks on day to day basis. Under these circumstances, it is established that the affairs of the Company are not being managed and directed by sufficient number of the fit and proper persons, which constitutes violation of Section 11(1)(f) of the Ordinance read with Section 12(1)(c) thereof.</p>

	Therefore, I in exercise of the powers conferred under Section 156 of the Ordinance, hereby, impose a fine of <u>Rs. 50,000/- (Rupees Fifty Thousand Only)</u> on the Company on account of the aforesaid established defaults.
6. Penalty Imposed	Rs. 50,000/-
7. Current Status of Order	No Appeal has been filed by the respondents.