



## Press Release

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*For immediate release*

### **SECP considering consolidation of insurance rules**

Islamabad, October 27, 2015: The Securities and Exchange Commission of Pakistan (SECP) have decided to issue a consolidated set of insurance rules for the effective regulation of the insurance sector in Pakistan. In this context, the SECP has formulated draft Insurance Rules, 2015 which will replace the previously issued two different set of insurance rules after the due approval process and accommodating the stakeholders' consultations.

Earlier the Insurance Industry Reforms Committee Report 2014 also recommended consolidating the existing two set of rules which were creating ambiguity. Currently, the first set of rules called the Insurance Rules, 2002 were notified by the Federal Government – Ministry of Commerce via S.R.O 498(I)/2002 dated August 7, 2002. Whereas the second set of rules called the Securities and Exchange Commission (Insurance) Rules, 2002 were issued by SECP via S.R.O. 938(I)/2002 dated December 12, 2002.

The consolidation of existing two set of rules has improved the insurance regulatory framework. Such refinements include amendment in Rule 35 of the SEC (Insurance) Rules, 2002 to improve the liquidity position of the insurers and examination of insurance surveying officer as a condition for registration as an ASO.

Furthermore, in order to increase the compliance level of insurers, an annual certificate on compliance of Section 11 and 12 of the Insurance Ordinance, 2000 has been made part of the draft rules. Besides this, certain redundant provisions have also been proposed to be removed. It is expected that this consolidation exercise will bring more clarity and efficiency in the regulation of insurance sector of Pakistan.

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