

**Securities and Exchange Commission of Pakistan**

Islamabad, the 5<sup>th</sup> March 2009

S.R.O. 224(I)/2009.--- . In exercise of powers conferred by sub-section (1) of section 167 of the Insurance Ordinance (XXXIX of 2000), the following amendments to the Insurance Rules, 2002 are hereby published by Federal Government for information of all persons likely to be affected and notice is hereby given that objections and suggestions, if any, received to the Securities and Exchange Commission of Pakistan within the thirty days of this notification will be taken into consideration.

In the Insurance Rules, 2002:

(1) in rule 16,-

(a) in sub-rule (1),-

(i) after clause (a) the following new clauses shall be inserted, namely:-

“(aa) Fire and property (including loss of profit and business interruption in consequence of fire and property damage).

(ab) Engineering (material damage) business.

(ac) Engineering business (including loss of profit and advance loss of profit in consequence of engineering (material damage) insurance).”

**(ii)** after clause (b) the following new clauses shall be inserted, namely:-

“(ba) Marine cargo business.

(bb) Marine hull business.

(bc) Aviation hull business.”

**(iii)** after clause (c) the following new clause shall be inserted, namely:-

“(ca) Motor business (including own-damage and motor third party compulsory).”

**(b)** in sub-rule (2), after the word “class” the words “or the classes” shall be inserted;

**(2)** in rule 17,-

**(a)** in sub-rule (1),-

**(i)** in clause (a),-

**(I)** for the words “one million rupees” the colon shall be substituted;

**(II)** after the colon inserted as aforesaid the following new sub-clauses shall be inserted, namely:-

“(i) for up to two classes of insurance surveyors one million rupees; and

- (ii) for more than two classes of insurance surveyors two million rupees;”
- (ii) in clause (b), for the words “be one million rupees” the words “for a licence of up to two classes of insurance surveyors, be one million rupees and for licence of more than two classes of insurance surveyors be two million rupees” shall be substituted;
- (iii) in clause (c),-
  - (I) for the comma and the word, “, there” the words “the Surveyors and Adjusters’ Association of Pakistan” shall be substituted and word “no” shall be omitted; and
  - (II) for the word “no”, the word “the” shall be substituted;
- (iv) in clause (d),-
  - (I) existing sub-clause (i) shall be substituted with the following, namely:-
    - “(i) the Managing Director / CEO shall be registered to act as an authorized surveying officer for at least one of the classes of insurance surveyors in which a body corporate acts or proposes to act.”; and
  - (II) after the amended sub-clause (i) as aforesaid the following new sub-clause shall be inserted, namely:-
    - “(ia) for the remaining class or classes of insurance surveyors, in which a body corporate acts or proposes to act, there shall be at least one officer or director who

is registered in his own capacity to act as an authorized surveying officer;”

- (b) sub-rule (2) shall be omitted;
- (3) rule 18 shall be omitted;
- (4) in rule 19,-

  - (a) in sub-rule (1), the existing clause (vi) shall be substituted with the following, namely:-

“(vi) the names of all officers or directors (including the Managing Director/CEO) who must hold certificate of registration to act as an authorized surveying officer for at least one of the classes of insurance surveying;” and
  - (b) in sub-rule (2),-

    - (i) clause (a) shall be omitted;
    - (ii) in clause (b), sub-clause (vi) shall be substituted with the following, namely:-

“(vi) the names of all officers or directors (including the Managing Director/CEO) who must hold certificate of registration to act as an authorized surveying officer for at least one of the classes of insurance surveying;”
    - (iii) in clause (c),-

- (I)** in sub-clause (vi) for the words “licensed as an insurance surveyor” the words “registered to act as an authorized surveying officer” shall be substituted; and
  - (II)** in sub-clause (viii) after the word “of ” occurring for the first time the word “insurance” shall be inserted.
- (c)** in sub-rule (3), the existing clause (c) shall be substituted with the following, namely:-

“(c) the applicant (including MD/CEO, any of its officers or directors) is not appointed as an insurance agent of an insurance company or takaful operator, or licenced to act as an insurance broker or engaged in any capacity for development, introduction or promotion of insurance or takaful business;”;
- (d)** in sub-rule (4), clause (a) shall be omitted;
- (e)** in sub-rule (5),-
  - (I)** for the words “Federal Government” the word “Commission” shall be substituted; and
  - (II)** clause (a) shall be omitted.
- (f)** the sub-rule (6) shall be substituted with the following, namely:-

“(6) An application:

  - (i)** “for grant of a licence for any class of insurance surveyors shall be accompanied by a fee of ten thousand rupees per class of insurance surveyor, which shall be refunded if the licence is not granted; and
  - (ii)** for renewal of a licence for any class of insurance surveyors shall be accompanied by a fee of seven thousand rupees per

class, which shall be refunded if the renewal of the licence is not granted”;

(5) in rule 20,-

(a) in sub-rule (1),-

(I) in clause (a) after the word “university” the words “or engineering diploma from a recognized board, institution or body” shall be inserted;

(II) for the existing clause (b) the following shall be substituted, namely,-

“(b) where the applicant is a fresh candidate, he must possess a diploma certificate (Level A) for insurance surveyors from the Pakistan Insurance Institute or hold similar qualification from a recognized university, board, institution or body;

(ba) for Motor, Marine Cargo, Workers Compensation, and Accident and health business, a minimum of three years practical experience in the respective class of insurance surveyors, and for any other class, five years of practical experience in the respective class of insurance surveyors;

(bb) notwithstanding anything contained in clause (a), (b) or (ba), a candidate who possesses a (Level B) diploma certificate in a particular class of insurance surveyor from the Pakistan Insurance Institute or similar qualification from an internationally recognized institute or body may be given a two years relaxation in the required practical experience of insurance survey in the concerned class of insurance surveyor for which fresh registration is sought;”

- (III)** in clause (c), in sub-clause (vii) for the words company may be described as that company’s agent or an employee of an insurance company carrying on business in Pakistan” the words and bracket “or takaful company may be described as that company’s agent) or engaged in any capacity for development, introduction or promotion of insurance or takaful business or an employee of an insurance company or takaful operator carrying on business in Pakistan” shall be substituted;
- (b)** sub-rule (2) shall be omitted; and
- (c)** sub-rule (3) shall be omitted;
- (6)** in rule 21,-
- (a)** in sub-rule (1), in clause (vi), after the word “employer”, the parenthesis and words “(i.e. insurance surveyor)” shall be inserted;
- (b)** in sub-rule (2),-
- (I)** in clause (vi), after the word “employer”, the parenthesis and words “(i.e. insurance surveyor)” shall be inserted;
- (II)** in clause (vii) for the full stop at the end a semicolon and the word “and” shall be substituted and thereafter the following clause shall be inserted, namely:-
- “(viii) evidence in original or certified copy form of compliance with prescribed qualifications.”
- (c)** in sub-rule (3),-
- (I)** in clause (c), after the words “insurance” occurring for the first time the words “or takaful” shall be inserted; and

(II) in clause (d) for the words “is not an employee of an insurance company carrying on business in Pakistan” the words “is neither an employee of an insurance or takaful company nor engaged in any capacity for development, introduction or promotion of insurance or takaful business in Pakistan”, shall be substituted;

(d) after sub-rule amended as aforesaid a new sub-rule (3a) shall be inserted, namely:-

“(3a) Renewal of registration to act as an authorized surveying officer, for the respective classes of insurance surveying shall be subject to the following qualifications and practical experience;

<b><u>CLASS OF INSURANCE SURVEYOR</u></b>	<b><u>EDUCATIONAL QUALIFICATION AND EXPERIENCE</u></b>
(a) <b>Fire &amp; property damage business</b>	(i) Where the applicant was issued a licence of an insurance surveyor or included in the list of insurance surveyors of a licensed insurance surveyor firm/company under the repealed Insurance Act 1938, and possesses at least Secondary School Certificate from a recognized board, 12 years experience of insurance surveying in this class (as at 18 August 2005). (ii) Where the applicant possesses Bachelor’s Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5



years experience of insurance surveying in this class.

- (aa) **Fire & property business (including loss of profit and business interruption in consequence of fire and property damage)** Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5 years experience of insurance surveying in this class.
- (ab) **Engineering (material damage) business** Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5 years experience of insurance surveying in this class.
- (ac) **Engineering business (including loss of profit and advanced loss of profits in consequence of engineering material damage)** Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5 years experience of insurance surveying in this class.
- (b) **Marine, aviation and transport business** Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or

board/institution/body, respectively, 5 years experience of insurance surveying in this class.

- (ba) **Marine cargo business**
- (i) Where the applicant was issued a licence of an insurance surveyor or included in the list of insurance surveyors of a licensed insurance surveyor firm/company under the repealed Insurance Act 1938, and possesses at least Secondary School Certificate from a recognized board, 10 years experience of insurance surveying in this class (as at 18 August 2005).
- (ii) Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 3 years experience of insurance surveying in this class.
- (bb) **Marine hull business**
- Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5 years experience of insurance surveying in this class.
- (bc) **Aviation hull business**
- Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5 years experience of insurance surveying

in this class.

- (c) **Motor third party compulsory business** (i) Where the applicant was issued a licence of an insurance surveyor or included in the list of insurance surveyors of a licensed insurance surveyor firm/company under the repealed Insurance Act 1938, and possesses at least and possesses Secondary School Certificate from a recognized board, 7 years experience of insurance surveying in this class (as at 18 August 2005).  
(ii) Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 3 years experience of insurance surveying in this class.
- (ca) **Motor business (including own - damage and motor third party compulsory)** (i) Where the applicant was issued a licence of an insurance surveyor or included in the list of insurance surveyors of a licensed insurance surveyor firm/company under the repealed Insurance Act 1938, and possesses at least and possesses Secondary School Certificate from a recognized board, 7 years experience of insurance surveying in this class (as at 18 August 2005).  
(ii) Where the applicant possesses Bachelor's Degree or Engineering

Diploma from a recognized university or board/institution/body, respectively, 3 years experience of insurance surveying in this class.

- (d) **Liability business** Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5 years experience of insurance surveying in this class.
- (e) **Workers compensation business**
- (i) Where the applicant was issued a licence of an insurance surveyor or included in the list of insurance surveyors of a licensed insurance surveyor firm/company under the repealed Insurance Act 1938, and possesses at least and possesses Secondary School Certificate from a recognized board, 7 years experience of insurance surveying in this class (as at 18 August 2005).
- (ii) Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 3 years experience of insurance surveying in this class.
- (f) **Credit and suretyship business** Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or

board/institution/body, respectively, 5 years experience of insurance surveying in this class.

- (g) **Accident and health business** Where the applicant possesses Bachelor Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 3 years experience of insurance surveying in this class.
- (h) **Agriculture insurance including crop insurance** Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5 years experience of insurance surveyor in this class.
- (i) **Miscellaneous business** (i) Where the applicant was issued a licence of an insurance surveyor or included in the list of insurance surveyors of a licensed insurance surveyor firm/company under the repealed Insurance Act 1938, and possesses at least and possesses Secondary School Certificate from a recognized board, 10 years experience of insurance surveying in this class (as at 18 August 2005).  
(ii) Where the applicant possesses Bachelor's Degree or Engineering Diploma from a recognized university or board/institution/body, respectively, 5

years experience of insurance surveying  
in this class.

”

(e) in sub-rule (5), for the words “Federal Government” the word “Commission” shall be substituted;

(f) the existing sub-rule (6) shall be substituted with the following, namely:-

“(6) An application:

i. for registration as authorized surveying officer shall be accompanied by a fee of five thousand rupees per class of insurance surveyor which shall be refunded if the relevant certificate is not granted; and

ii. for renewal of registration as authorized surveying officer shall be accompanied by a fee of three thousand rupees per class of insurance surveyor which shall be refunded if the relevant renewal certificate is not granted.”

(g) after the sub-rule (6) amended as aforesaid new sub-rules shall be inserted, namely:-

“(7) The Commission, if it is satisfied that the applicant seeking fresh registration or renewal to act as an authorized surveying officer has fulfilled the conditions mentioned in the Ordinance or these rules may grant or renew registration, as the case may be, to act as an authorized surveying officer.

(8) The Commission may, at any time, in writing require an applicant whose application is pending for registration or renewal of registration to act as an authorized surveying officer to furnish, within the time specified therein, any statement, information or documents

relating to the registration or renewal or may require the applicant to appear in person.”; and

(7) in rule 22,-

(a) in sub-rule (4), for the words “ninety day” the words “thirty days, after receipt of all related information/documents” shall be substituted; and

(b) in sub-Rule (5), for the words “Federal Government” wherever appearing, the word “Commission” shall be substituted.

F.No . ID(Adviser)/10/2009

sd/-

**(Abdul Rehman Qureshi)**

Advisor/Secretary