

Insurance Rules, 2002

(Amended up to 2004)

Amended by:

S.R.O 712(I)/2004, dated August 19, 2004


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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN

MINISTRY OF COMMERCE

NOTIFICATION

Islamabad, the 7th August, 2002

S.R.O. 498(1)/2002 —In exercise of the powers conferred by sub-section (1) of section 167 of the Insurance Ordinance, 2000 (XXXIX of 2000), the Federal Government is pleased to make the following rules, the same have been previously published as required by sub-section (1) of the said section, namely:—

1. Short title and commencement. — (1) These rules may be called the Insurance Rules, 2002.

(2) They shall come into force at once.

2. Definitions.—(1) In these rules, unless there is anything repugnant in the subject or context,—

- (a) “agent” means an insurance agent appointed by an insurer in accordance with the provisions of the Ordinance and these rules;
- (b) “authorized surveying officer” means an authorized surveying officer registered in accordance with the provisions of the Ordinance and these rules;
- (c) “class” means the class of insurance surveyors as provided in sub -rule (1) of rule 16;

- (d) “insurance broker” means an insurance broker licensed in accordance with the provisions of the Ordinance and these rules;
- (e) “related party” of a person (“the first person”) includes —
 - (i) member of the family of the first person;
 - (ii) lender any person in which the first person has any interest as a any or shareholder, other than as a passive investor;
 - (iii) any partner or employer or employee of the first person;
 - (iv) if the person is owner or a partner and directly or indirectly holds or controls shares carrying not less than ten percent of voting power in such company; and
 - (v) any person to whom the first person is indebted;
- (f) “Ordinance” means the Insurance Ordinance, 2000 (XXXIX of 2000); and
- (g) “Surveyor” means an insurance surveyor licensed in accordance with the provisions of the Ordinance and these rules.

(2) The words and expression used but not defined shall have the meaning assigned to them in the Ordinance.

3. Restricted classes of insurance business.—For the purposes of subsection (6) of section 4 of the Ordinance, the following shall be the restricted classes of insurance business, namely:—

- (a) For life insurance:
 - (i) pension fund business; and
 - (ii) accident and health business.
- (b) For non-life insurance:
 - (i) motor third-party compulsory business;
 - (ii) workers’ compensation business;
 - (iii) accident and health business;
 - (iv) proportional treaty business; and
 - (v) non -proportional treaty business.

4. Transfer of policies.—For the purposes of sub-section (5) of section 16 of the Ordinance, the amount of assets to be transferred shall be determined in such a manner as

is fair and equitable between the policy holders of the statutory funds concerned as advised by the appointed actuary.

5. Expense adjustment.—For the purposes of sub-section (9) of section 23 of the Ordinance, the prescribed proportion shall be one hundred per cent.

6. Assets to be invested in securities.— (1) Thirty per cent 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, shall be invested in Government securities, under sub -section (7) of section 35 of the Ordinance.

(2) A further ten percent 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, shall be invested in a combination of Government securities and other approved securities, under sub -section (7) of section 35 of the Ordinance.

7. Reinsurance outside Pakistan.—(1) For the purposes of sub -section (5) of section 41 of the Ordinance, no insurer shall reinsure facultatively outside Pakistan any insurance business or any part thereof underwritten by it in Pakistan without the permission of the Commission.

(2) The Commission may, grant permission under sub - rule (1) in any of the following circumstances, namely

- (a) The insurance or any part thereof is in excess of the insurer's treaty arrangements, and the Commission is provided with documentary evidence that such excess cannot be reasonably placed within Pakistan;
- (b) the insurance business, although covered by a treaty arrangement shall be desired to be reinsured facultatively for protecting the treaty or for any other special reason:

Provided that such facultative reinsurance shall not run contrary to subsisting contractual obligations under the treaty; and

- (c) the insurance business is of special nature and there are no treaty arrangements for it.

(3) No insurer in Pakistan shall accept reinsurance on facultative basis in excess of its net retention if the insurer seeking such reinsurance so indicates in the reinsurance slip, request note or otherwise in writing.

8. Procedure when nominee is a minor.—(1) For the purposes of the proviso to sub-section (1) of section 72 and the proviso to sub -section (1) of section 73 of the Ordinance, an appointment shall be made in writing and signed by the policy holder making the appointment and shall be communicated to the insurer.

(2) Any appointment referred to in sub -rule (I), in order to be effectual shall, unless incorporated in the text of the policy itself, be made by an endorsement on the policy.

(3) Any appointment referred to in sub -rule (1) may, at any time before the policy matures for payment, be cancelled or changed by an endorsement, or further endorsement, as the case may be, and communicated to the insurer.

9. Nomination under group life insurance policies.—A nomination under section 73 of the Ordinance shall be made in writing and shall be either—

- (a) signed by the person whose life is insured under a contract of group life insurance; or
- (b) affixed with the thumb impression of the person whose life is insured under a contract of group life insurance, if he is illiterate, after it has been read to him in the presence of a responsible person, who shall sign the nomination as witness to the fact that it has been so read, and I shall be furnished to the policy holder.

10. Paid-up policy values.—For the purposes of clause (b) of subsection (3) of section 92 of the Ordinance, the paid -up policy value shall, before the inclusion of bonuses, be not less than—

- (a) where the whole of the benefits payable under the policy are payable on a particular date or on the happening of a particular event, the amount bearing to the total sum insured by the policy exclusive of bonuses the same proportion as the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable; and
- (b) where the benefits payable under the policy are payable on two or more dates, the amount bearing to total of each planned payment exclusive of bonuses the same proportion as the total period for which premiums have been paid bears to the maximum period for which premiums were originally payable less any benefit paid earlier.

11. Registration of insurance agents.—Every insurer shall, in the register required to be kept by it for the purposes of sub -section (1) of section 98 of the Ordinance, maintain the following details in respect of each insurance agent, namely

- (a) For a natural person:
 - (i) his name;
 - (ii) his date of birth;
 - (iii) his residential address;
 - (iv) his postal address (if different);
 - (v) the names of persons employed by the insurance agent for the purpose of carrying out the business of an insurance agent;
 - (vi) the date of appointment and his registration; and

- (vii) such other particulars as may be specified by the Federal Government .
- (b) For a body corporate:
 - (i) its name;
 - (ii) the address of its registered office;
 - (iii) its postal address (if different);
 - (iv) a description of the business carried on by it (other than insurance agent);
 - (v) the names of shareholders holding more than ten per cent of the issued share capital;
 - (vi) the date of appointment and its registration; and
 - (vii) such other particulars as may be specified by the Federal Government;
- (c) For a firm:
 - (i) its name;
 - (ii) the address of its principal office;
 - (iii) its postal address (if different);
 - (iv) a description of the business carried on by it (other than insurance agent);
 - (v) the names of the partners in the firm; and
 - (vi) the date of appointment and its registration.

12. Statement and declaration required of insurance agents.—(1) Every insurer shall, before appointing an insurance agent, and thereafter at intervals of not less than twelve months, obtain from every insurance agent continuing to be appointed by it a statement of the information required under rule 11 to be held by it in its register.

(2) Every statement obtained under sub-rule (1) shall be accompanied by a declaration by the insurance agent stating that—

- (a) the information given by him in accordance with sub -rule (I) is complete and correct;
- (b) he has complied with the requirements of the Ordinance and the rules made thereunder concerning the required qualifications of an agent;

- (c) he is (in the case of an existing agent) engaged or (in the case of an agent seeking appointment) proposes to engage bonafide in obtaining insurance policies for the insurer to whom the declaration is made;
- (d) he undertakes to comply, and (in the case of an existing agent) declares that he has during the previous twelve months complied with the relevant provisions of the Ordinance and the rules made thereunder concerning the conduct of an agent; and
- (e) he, or, in the case of a body corporate, any director of the body corporate, or officer of the body corporate engaging in the business of insurance agency, or, in the case of a firm, any partner of the firm, or officer of the firm engaging in the business of insurance agency, is not disqualified from acting as an insurance agent by virtue of:-
 - (i) being a minor;
 - (ii) having been found of unsound mind by a Court of competent jurisdiction;
 - (iii) having been found guilty, within the five years preceding the date of the declaration, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;
 - (iv) having served any custodial sentence imposed by a Court of competent jurisdiction, ending within the five years preceding the date of the declaration;
 - (v) having been found guilty by a Court of competent jurisdiction of any offence involving insurance; or
 - (vi) having been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the date of the declaration.

(3) Every statement and declaration required under this rule shall be made in writing and the declaration shall be signed —

- (a) in the case of a natural person, by the applicant and duly attested in the presence of witnesses who shall, not be related to the applicant;
- (b) in the case of a body corporate, by not fewer than two directors of the body corporate and duly attested; and
- (c) in the case of a firm, by not fewer than two partners of the firm and duly attested.

(4) The statement and declaration shall be retained by the insurer for a period of not less than five years from the date of the declaration and shall be produced to the Federal Government on demand.

(5) An agent shall notify to the insurer of any change in the details required under sub-rule (1) within three months of that change having effect, such notification to be in writing and signed —

- (a) in the case of a natural person, by the agent and duly attested in the presence of witnesses who shall not be related to the agent;
- (b) in the case of a body corporate, by not fewer than two directors of the body corporate and duly attested; and
- (c) in the case of a firm, by not fewer than two partners of the firm and duly attested.

(6) If an agent or, in the case of a body corporate, any director or officer of the body corporate engaging in the business of insurance agency, or, in the case of a firm, any partner or officer of the body corporate engaging in the business of insurance agency becomes disqualified for any reason from acting as an insurance agent, the agent shall within seven days notify the insurer of the disqualification and shall forthwith cease, or cause the disqualified person to cease, engaging in the business of insurance agency.

(7) In addition to the statement and declaration under this rule, the insurer may, as and when it deem necessary, call for other information, documents, photographs, etc.

13. Requirements for insurance broker's Licence .—For the purposes of sub - section (3) of section 102 of the Ordinance, the following shall be the prescribed qualifications of a company for issuance of an insurance broker's licence, namely :—

- (a) A minimum paid-up share capital of not less than ten million rupees for local brokers and [0.3 million]¹ US dollars for a foreign insurance broker to be registered in Pakistan; -
- (b) cash or approved securities to the value of not less than an half million rupees, deposited with a bank;
- (c) professional indemnity insurance, to a limit of ten million rupees for any one occurrence;
- (d) not fewer than two employees (at least one of whom must be a director) having a minimum of five years experience working in or in relation to the insurance industry, as —
 - (i) an employee of an insurer; or
 - (ii) an agent; or

¹ Substituted for “one million” by S.R.O. 712(I)/2004, dated August 19, 2004

- (iii) an employee of an agent; or
 - (iv) an employee of an insurance broker; or
 - (v) in such capacity, related to the business of insurance, as satisfies the Federal Government that the person has appropriate experience and knowledge to undertake the business of insurance broking; and
- (e) neither the body corporate nor any director of the body corporate, nor any officer of the body corporate engaging in the business of insurance broking —
- (i) is a minor;
 - (ii) has been found of unsound mind by a Court of competent jurisdiction;
 - (iii) has been found guilty, within the five years preceding the present date, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;
 - (iv) has served any custodial sentence imposed by a Court of competent jurisdiction, ending within the five years preceding the present date;
 - (v) has been found guilty by a Court of competent jurisdiction of any offence involving insurance; or
 - (vi) has been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the present date.

14. Licensing of insurance brokers.— (1) An application for grant of a licence or renewal of licence to act as an insurance broker shall, for the purposes of sub-section (4) or (5) of section 102 of the Ordinance, shall contain the following details in respect of the applicant, namely :—

- (i) Its name;
- (ii) the address of its registered office;
- (iii) its postal address (if different);
- (iv) a description of the business carried on by it (other than insurance broking);
- (v) the names of insurance companies, if any, which have appointed the applicant as insurance agent;

- (vi) the names of shareholders holding more than ten per cent of the issued share capital;
- (vii) the names of all directors of the body corporate; and
- (viii) evidence, in original or certified copy form, of compliance with the prescribed qualifications.

(2) Every application made under sub-rule (1) shall be accompanied by a declaration by the applicant stating that -

- (a) the information given by him in accordance with sub -rule (1) is complete and correct;
- (b) he has complied with the requirements of the Ordinance and the rules made thereunder concerning the required qualifications of an insurance broker;
- (c) he undertakes to comply, and (in the case of an existing insurance broker) declares that he has during the previous twelve months complied with being the Ordinance and the rules made thereunder concerning the conduct of an insurance broker; and
- (d) neither the body corporate, nor any director of the body corporate, nor any officer of the body corporate engaging in the business of insurance broking, is disqualified from acting in the business of insurance broking by virtue of —
 - (i) being a minor;
 - (ii) having been found of unsound mind by a Court of competent jurisdiction;
 - (iii) having been found guilty, within five years preceding the date of the declaration, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;
 - (iv) having served any custodial sentence imposed by a Court of competent jurisdiction, ending within five years preceding the date of the declaration;
 - (v) having been found guilty by a Court of competent jurisdiction of any offence involving insurance; or
 - (vi) having been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the date of the declaration.

(3) Every application and declaration required under this rule shall be made in writing and the declaration shall be signed by at least two directors of the body corporate.

(4) Any application for issue or renewal of authorization to act as an insurance broker shall be accompanied by a fee of ten thousand rupees, which shall be refunded if the authorization is not granted.

(5) An insurance broker shall notify to the insurer of any change in the details required under sub-rule (1) within three months of that change having effect, such notification being in written form and signed by at least two directors of the body corporate.

15. Protection of run -off.—For the purposes of sub-section (1) of section 107, the level of professional indemnity insurance shall be ten million rupees and the period for which such run-off insurance is required shall be five years or until all liabilities of an insurance broker are irrevocably transferred to another licensed insurance broker, whichever is the earlier.

16. Classes of insurance surveyors.—(1) For the purposes of section 114 of the Ordinance, the following shall be the classes of insurance surveyors, namely :-

- (a) Fire and property damage business.
- (b) Marine, aviation and transport business.
- (c) Motor third-party compulsory business.
- (d) Liability business.
- (e) Workers compensation business.
- (f) Credit and surety ship business.
- (g) Accident and health business.
- (h) Agriculture insurance including crop insurance.
- (i) Miscellaneous business.

(2) A licence granted by the Commission under section 112 of the Ordinance shall specify the class of insurance surveyors for which the licence is granted.

(3) A certificate of registration as an authorized surveying officer under section 113 of the Ordinance shall specify the class of insurance surveyors for which the certificate of registration is granted.

17. Conditions for licensing of insurance surveyors.—(1) For the purposes of subsection (3) of section .112 of the Ordinance, the following shall be the prescribed conditions, namely :—

- (a) For the purposes of clause (a) of that sub-section, the prescribed minimum paid-up share capital shall be one million rupees;

- (b) for the purposes of clause (b) of that sub-section, the prescribed minimum level of professional indemnity insurance shall be one million rupees for any one event and such insurance shall extend to a body corporate and all directors or officers of the body corporate who act as authorized surveying officers;
- (c) for the purposes of clause (e) of that sub-section, there shall be no approved professional association; and
- (d) for the purposes of clause (f) of that sub-section, the following shall be the prescribed other conditions, namely :—
 - (i) At least one officer or director who is individually certified as an authorised surveying officer for the class or classes of insurance surveyor in which a body corporate acts or proposes to act; and
 - (ii) neither a body corporate in respect of such of the following conditions as apply to the body corporate, nor any director of the body corporate in respect of such of the following conditions as apply to a natural person—
 - (a) is a minor;
 - (b) has been found of unsound mind by a Court of competent jurisdiction;
 - (c) has been found guilty, within the five years preceding the present date, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;
 - (d) has served any custodial sentence imposed by a Court of competent jurisdiction, ending within five years preceding the present date;
 - (e) has been found guilty by a Court of competent jurisdiction of any offence involving insurance; or
 - (f) has been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the present date.

(2) A body corporate which is, at the date of coming into force of these Rules, the holder of a valid licence to act as an insurance surveyor, and which is not otherwise disqualified from acting as an insurance surveyor, shall be deemed to have the qualifications as set out in sub-clause (ii) of clause (d) of sub-rule(1) for the period during which that licence is valid, and at any time within five years of the date of coming into force of these rules at which that licence, or any licence issued in renewal of that licence, is presented for renewal.

18. Transitional provisions relating to natural persons and firms. — Where under the first proviso to sub-section (3) of section 112 of the Ordinance, a licensed surveyor shall be exempted from the requirement to comply with clause (a) of that sub-section, such exemption shall be conditional on the licensed surveyor maintaining at all times the following qualifications, namely :—

- (a) In the case of a natural person:
 - (i) the qualifications prescribed in rule 20 for an authorised surveying officer for the class or classes in which the person acts or proposes to act as insurance surveyor;
 - (ii) registration of the person as an authorized surveying officer in accordance with the provisions of rule 21; and
 - (iii) professional indemnity insurance to the extent of five million rupees for any one event provided that this provision shall have effect from a date twelve months after the commencement date;
- (b) In the case of a firm:
 - (i) at least one officer or partner who is individually registered as an authorized surveying officer for the class or classes of insurance surveyor in which the firm acts or proposes to act; and
 - (ii) professional indemnity insurance, extending coverage to the firm and all officers or partners of the firm who act as authorised surveying officers, to the extent of five million rupees for any one event provided that this provision shall have effect from a date twelve months after the commencement date;
- (c) In the case of a body corporate:
 - (i) at least one officer or director who is individually registered as an authorized surveying officer for the class or classes of insurance surveyor in which the body corporate acts or proposes to act; and
 - (ii) professional indemnity insurance, extending coverage to the firm and all officers or directors of the body corporate who act as authorised surveying officers, to the extent of five million rupees for any one event provided that this provision shall have effect from a date twelve months after the commencement date.
- (d) In all cases:

Compliance at all times with the qualifications as set out in clause (c) of sub -rule (1) of rule 20, mutatis mutandis, so far as they may be applied to a natural person, a firm, a body corporate, an officer or partner of a firm and an officer or director of a body corporate.

19. Grant of licences to insurance surveyors. — (1) An application for grant a licence for any class of insurance surveyors, for which a current licence is not held shall, for the purpose of sub-section (4) of section 112 of the Ordinance, contain the following details in respect of the applicant, namely:—

- (i) The name of the body corporate;
- (ii) the address of its registered office;
- (iii) its postal address (if different);
- (iv) a description of the business carried on by it (other than insurance surveying);
- (v) the names of shareholders holding more than ten per cent of its issued share capital;
- (vi) the names of all officers or directors of the body corporate who are individually registered to act as authorised insurance surveyors;
- (vii) the names of other persons employed by the body corporate for the purpose of carrying out the business of an insurance surveyor;
- (viii) the class of surveyors for which licence is sought; and
- (ix) evidence, in original or certified copy form, of compliance with the prescribed qualifications.

(2) An application for renewal of a licence for a class of insurance surveyors for which a licence is held shall, for the purposes of sub-section (4) of section 112 of the Ordinance, contain the following details in respect of the applicant, namely:—

- (a) For a natural person:
 - (i) his name;
 - (ii) his date of birth;
 - (iii) his residential address;
 - (iv) his postal address (if different);
 - (v) a description of his occupation (other than insurance surveying);
 - (vi) the name of his employer (if employed); and
 - (vii) the class of surveyors for which renewal of licence is sought.
- (b) For a body corporate:

- (i) its name;
 - (ii) the address of its registered office;
 - (iii) its postal address (if different);
 - (iv) a description of the business carried on by it (other than insurance surveying);
 - (v) the names of shareholders holding more than ten per cent of the issued share capital;
 - (vi) the names of all officers or directors of the body corporate who are individually licensed as an insurance surveyor;
 - (vii) the names of other persons employed by the body corporate for the purpose of carrying out the business of an insurance surveyor; and
 - (viii) the class of surveyors for which renewal of licence is sought.
- (c) For a firm :
- (i) its name;
 - (ii) the address of its principal office;
 - (iii) its postal address (if different);
 - (iv) a description of the business carried on by it (other than insurance surveying);
 - (v) the names of the partners in the firm;
 - (vi) the names of all officers or partners of the firm who are individually licensed as an insurance surveyor;
 - (vii) the names of other persons employed by the firm for the purpose of carrying out the business of an insurance surveyor; and
 - (viii) the class of surveyors for which renewal of licence is sought.

(3) Every application made under sub-rule (1) or sub-rule (2) shall be accompanied by a declaration by the applicant stating that —

- (a) the information presented in accordance with sub-rule (1) or sub-rule (2), as the case may be, is complete and correct;
- (b) the applicant has complied with the requirements of the Ordinance and rules concerning the required qualifications of an insurance surveyor

- (c) the applicant is not appointed as an insurance agent of an insurance company;
 - (d) the applicant undertakes to comply and, in the case of an existing insurance surveyor, declares that he has during the previous twelve months complied, with the Ordinance and rules concerning the conduct of insurance surveyors;
 - (e) the insurance surveyor or, in the case of a body corporate, any director of the body corporate, or officer of the body corporate engaging in the business of insurance surveying or, in the case of a firm, any partner of the firm, or officer of the firm engaging in the business of insurance surveying, is not disqualified from acting as an insurance surveyor by virtue of—
 - (i) being a minor;
 - (ii) having been found of unsound mind by a Court of competent jurisdiction
 - (iii) having been found guilty, within five years preceding the date of the declaration, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction; -
 - (iv) having served any custodial sentence imposed by a Court: of competent jurisdiction, ending within five years preceding the date of the declaration; -
 - (v) having been found guilty by a Court of competent jurisdiction of any offence involving insurance; or
 - (vi) having been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the date of the declaration.
- (4) An application and declaration required under this rule shall be made in written form and the declaration shall be signed —
- (a) in the case of a natural person, by the applicant in the presence of a witness who shall be a natural person not a related party of the applicant, and who shall also sign the declaration as witness;
 - (b) in the case of a body corporate by at least two directors of the body corporate; and
 - (c) in the case of a firm, by at least two partners of the-firm.
- (5) An insurance surveyor shall inform the Federal Government of any change in the details required to be given under sub-rule (1) or (2) within three months of that change having taken effect and, such information shall -be in written form and signed—

- (a) in the-case of a natural person, by the insurance surveyor and duly attested in the presence of witnesses -who shall not be related party of the insurance surveyor;
 - (b) in the case of a body corporate, by not fewer than two directors of the body corporate and duly attested; and
 - (c) in the case of a firm, by not fewer than two partners of the firm and duly attested.
- (6) An application for grant of a licence or renewal of a licence for any class of insurance surveyors shall be accompanied by a fee of two thousand rupees which shall be refunded if the application is not granted.

20. Authorised surveying officers —(1) For the purposes of clause (c) of subsection- (3) of section 113 of the Ordinance, and subject to sub-rules (2) and (3), any person entitled to apply to be registered as an authorised surveying officer shall possess the following qualifications, namely:-

- (a) The minimum educational qualification for an insurance surveyor or authorized surveying officer shall be Bachelor’s Degree in any discipline from a recognized university;
- (b) a minimum of three years’ practical experience of insurance survey in the class or classes of insurance surveyors for which registration is sought, either conducted under - the supervision of an insurance surveyor licensed at that time under the Ordinance or registered under the repealed Act, or conducted as an employee of an insurance company
- (c) the person—
 - (i) is not a minor;
 - (ii) has not been found of unsound mind by a Court of competent jurisdiction
 - (iii) has not been found guilty within five years preceding the present date of criminal misappropriation or criminal breach of trust cheating or forgery or an abetment of or an attempt to commit any such offence by a Court of competent jurisdiction;
 - (iv) has not served any custodial sentence imposed by a Court of competent jurisdiction ending within fi ve years preceding the present date
 - (v) having been found guilty by a Court of competent jurisdiction of any offence involving insurance;

- (vi) has not been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the present date; and
- (vii) is not an appointed agent (otherwise than in the sense that a person conducting a survey on the instructions of an insurance company may be described as that company's agent) or an employee of an insurance company carrying on business in Pakistan.

(2) A person who was, at the commencement date of the Ordinance, the holder of a valid certificate issued under sub-section (4) of section 44A of the repealed Act, and who is not otherwise disqualified from holding a certificate of registration as an authorised surveying officer, shall be deemed to have the qualifications as set -out in sub-rule (1) for the period during which that certificate is valid; and at any time within five years of the commencement date of the Ordinance at which—

- (a) that certificate or any licence issued under the Ordinance in renewal of that certificate is presented for conversion to a certificate of registration; or
- (b) any certificate of registration as an authorised surveying officer issued in conversion of that certificate, or in renewal of such certificate of registration as an authorised surveying officer, is presented for renewal.

(3) A person who is, at the date of coming into force of these Rules, registered as an authorised surveying officer or holds a valid certificate issued under sub -section (4) of section 44A of the repealed At, and who is not otherwise disqualified from registration as an authorised surveying officer, shall be deemed to have the qualifications as set out in clause (a) or (c) of sub-rule (1) for the period during which that registration or that certificate is valid, and at any time within five years of the date of coming into force of these Rules at which application is made for renewal of that registration that certificate or any registration issued in renewal or conversion of that certificate

21. Registration of authorised surveying officers — (1) An application for registration as an authorised surveying officer for any class of insurance surveyors for which a valid certificate is not held shall for the purposes of sub section (4) of section 113 of the Ordinance, contain the following details in respect of the applicant, namely :—

- (i) His name; -
- (ii) his date of birth;
- (iii) his residential address;
- (iv) his postal address (if different)
- (v) a description of his occupation (other than insurance surveying)
- (vi) the name of his employer; -

- (vii) the class of surveyors for which registration is sought and
- (viii) evidence in original or certified copy form of compliance with prescribed qualifications

(2) An application for renewal of registration as an authorised surveying officer for a class of insurance surveyors for which registration is held shall, for the purposes of sub-section (4) of section 113 of the Ordinance, contain the following details in respect of the applicant, namely :-

- (i) His name;
- (ii) his date of birth;
- (iii) his residential address;
- (iv) his postal address (if different); -
- (v) a description of his occupation (other than insurance surveying);
- (vi) the name of his employer;
- (vii) the class of surveyors for which renewal of registration is sought.

(3) Every application made under sub-rule (1) or (2) shall be accompanied by a declaration by the applicant stating that —

- (a) the information presented in accordance with sub-rule (1) or (2), as the case may be, is complete and correct;
- (b) the applicant has complied with the requirements of the Ordinance and these rules concerning the required qualifications of an authorized surveying officer;
- (c) the applicant is not appointed as an insurance agent of an insurance company carrying on business in Pakistan;
- (d) the applicant is not an employee of an insurance company carrying on business in Pakistan; -
- (e) the applicant undertakes to comply, and in the case of an existing authorised surveying officer declares that he has during the previous twelve months complied with the provisions of the Ordinance and rules concerning the conduct of an authorised surveying officer; and -
- (f) the applicant is not disqualified from acting as an authorised surveying officer by virtue of —
 - (i) being a minor;

- (ii) having been found of unsound mind by a Court of competent jurisdiction;
- (iii) having been found guilty, within five years preceding the date of the declaration, of criminal misappropriation or criminal breach of trust, cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction;
- (iv) having served any custodial sentence imposed by a Court of competent jurisdiction, ending within five years preceding the date of the declaration;
- (v) having been found guilty by a Court of competent jurisdiction of any offence involving insurance; or
- (vi) having been otherwise declared as disqualified by the Insurance Tribunal, other than for a term which had expired prior to the date of the declaration.

(4) An application and declaration required under this rule shall be made in writing and the declaration shall be signed by the applicant in the presence of a witness who shall be a natural person, not a related party of the applicant, and who shall also sign the declaration as witness.

(5) An authorized surveying officer shall inform the Federal Government of any change in the details required to be presented under sub-rule (1) or (2) within three months of that change having effect, such- information shall be in written form and signed by the authorised surveying officer in the presence of a witness who shall be a natural person, not a related party of the authorized surveying officer and who shall also sign the declaration as witness.

(6) An application for registration or renewal of registration as authorized surveying officer shall be accompanied by a fee of one thousand rupees which shall be refunded if the application is not granted.

22. Surveys and reports of insurance surveyors —(1) Pursuant to clause (d) of subsection (3) of section 112 the report of an insurance surveyor shall be subject to the conditions as laid down in sub rule (2).

(2) Every report given by an insurance surveyor shall be signed by a natural person who is, at the date of the report, registered as an authorised surveying officer for the class of insurance surveyors to which the loss being surveyed relates, and shall include the following, namely: —

- (a) A description of the property or interest which constitutes the subject matter of the survey report, sufficient to identify the property or interest;
- (b) the terms of reference given to the insurance surveyor by the person engaging him;

- (c) any instructions given to the insurance surveyor by the person engaging him, as to facts to be assumed or other assumptions to be made by the insurance surveyor;
- (d) a description of the procedures carried out by the insurance surveyor in the conduct of the survey;
- (e) the opinion of the insurance surveyor on the matters contained in the term of reference; and
- (f) a declaration that neither the insurance surveyor, nor any director, employee, associate or partner of the insurance surveyor, nor any related party of any of those persons, has any interest directly or indirectly by way of insurance, ownership, agency commission, repairs, disposal of salvage, or in any other way whatsoever, other than as an insurance surveyor in the property or interest which constitutes the subject matter of the survey report .

(3) Every survey conducted by, and report given by, an insurance surveyor shall comply with the relevant professional standards of any professional body of which the insurance surveyor is a member.

(4) Every survey conducted by, and report given by, an insurance surveyor shall be conducted and given with due diligence and skill, and in good faith and the report shall be finalized as early as possible but within the period of ninety days.

(5) If the Federal Government has reason to believe that a survey performed has not been performed with due diligence or skill, or in good faith, or that it otherwise does not comply with the conditions of this rule, such that the report does not present a fair opinion on the matters contained in the terms of reference, the Federal Government may direct that the insurer arrange for an additional survey of -the subject matter of the survey report to be performed by one or more licensed insurance surveyors who shall be approved by the Federal Government.

(6) An additional survey under sub -rule (5) shall be performed at the expense of the insurer and a copy of the report on the additional survey shall be provided to the Federal Government.

23. Insurance of interests in Pakistan .—(1) For the purposes of subsection (1) of section 165 of the Ordinance, no person shall insure outside Pakistan any risk or part thereof in respect of any property or interest which is located in Pakistan at the time the insurance is effected.

(2) The Federal Government may grant exemption to any person from the requirements of sub-rule (1)—

- (a) Where any risk cannot be insured suitably in Pakistan; or
- (b) Where there are reasons of exceptional nature for granting exemption.

(3) The exemption under sub -rule (2) shall be for such property or interests, and for such period as the Federal Government may deem fit.

24. Prescribed fee for copying and for provision of duplicate documents.- (1) This rule shall apply to all provisions in the Ordinance pursuant to which a person is entitled to charge a prescribed fee for the provision of a document, or a duplicate document, or is entitled to charge a fee for the grant of permission to make copies.

(2) The fee shall be determined by the person entitled to charge the fee but shall not exceed the sum of—

(a) twenty-five rupees for each page of a document of which one copy is made; or

(b) Where a document or a duplicate document is provided, twenty-five rupees for each page of the document or duplicate document

(3) Where multiple copies are made or provided of one document or of one page of a document, the fee for second and subsequent copies shall not exceed one half of the fee as set out in sub rule (2)

(4) For the purposes of this rule a page which is printed on both sides shall be counted as two pages

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SIKANDER-HAYAT MAKEN
Deputy Secretary.

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