



Objective (Insurance Ordinance 2000)

To regulate the business of the insurance industry by ensuring the protection of the interests of insurance policyholders and by promoting sound development of the insurance industry

Regulatory Environment

- Insurance Ordinance 2000, and subsequent rules / accounting regulations
- Companies Ordinance 1984
- Income Tax Ordinance 2001
- Code of Corporate Governance

Key Provisions in the Ordinance with regard to insurance policyholders

- Market Conduct (Part XI)
- Complaints Resolution (Part XV & XVI)



Tribunals



Ombudsman

Market Conduct

Section 76 restrains an insurer to engage in conduct that is misleading or deceptive or is likely to mislead or deceive

Insurance Density (Premium per capita in USD)

	US\$
Pakistan	4.60
India	22.70
Iran	36.10
Sri Lanka	16.30
Japan	3,746.70
UK	4,599.00

Insurance Penetration (Premium in % of GDP)

	%
Pakistan	0.67
India	3.14
Iran	1.23
Sri Lanka	1.46
Japan	10.64
UK	12.45

What makes Bancassurance a different insurance business?

- products
- risks profile
- capital needs



“bancassurance” has yet to be defined in the
Insurance Ordinance 2000

Arrangement between “Bank” & “Insurer”

- Section 96 - allows a corporate body can act as an insurance agent
- Section 95 – makes insurer responsible for all acts or omissions of an agent
- to act as corporate agent written agreement is required between bank and insurer
- as a standard, the agreement is expected to ensure:
 - availability of bank’s database
 - for display of promotional material
 - provision of physical infrastructure

Issues requiring attention from the regulators viewpoint

- nature of risks underwritten & pricing
- concentration & systemic risk potential
- risk assessment and forecasting
- internal systems and procedures
- customer participation (offer / acceptance)
- customer service & complaint resolution
- arms length relationship (bank does not underwrite risk)
- acquisition cost / commission / management expenses
- limitation on relationship