



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Insurance Department*

No.I.O.41(2)/2004

Islamabad November 24, 2004

Subject:- **REINSURANCE TREATY ARRANGEMENTS FOR THE YEAR, 2005.**

In exercise of the powers conferred under section 41 of the Insurance Ordinance, 2000 read with Rule 15 of the Securities and Exchange Commission (Insurance) Rules, 2002, you are advised to furnish evidence pertaining to your reinsurance arrangements for the year, 2005. For this purpose you shall furnish certified photo copies duly countersigned by the chief executive or a director of the company indicating, the authenticity of the documents, of all correspondence pertaining to treaties on the documentary evidence, **On or before 31<sup>st</sup> January, 2005** which establishes that your company have made adequate reinsurance arrangements in respect of the risks to be accepted by the company whether in or outside Pakistan. A statement of the maximum retention on your own net account shall be furnished.

2. It is further advised that only those reinsurance arrangements would be acceptable to the Commission which have been made with reinsurers of sound financial standing, extra ordinary strong payment capacity of the claims and having a good track record, duly rated "**A**" by the reputable international rating agencies.

3. The names and addresses of the re-insurers or Insurance Company(s) participating in your reinsurance arrangements, along with the names and addresses of the reinsurance brokers, if any, who placed the treaty program, should also be furnished.

4. Copies of signed cover notes or final treaties for the year, 2005, should be furnished as soon as the relevant documents are received by the company but in any case not later than 15<sup>th</sup> February, 2005.

5. It is also informed that it has been decided by the Commission not to issue any reinsurance treaty/capacity certificate in future.

**( ADNAN SHER )**

Joint Director

Distribution:

1. Chief Executives of all Life and Non life Insurance Companies.
2. Insurance Association of Pakistan (IAP)