



INSURANCE DIVISION  
Islamabad

Before Hasnat Ahmad, Director (Enforcement)

*In the matter of*

Jubilee Life Insurance Company Limited

Show Cause Notice No. and  
Issue Date:

ID/Enf/JubileeLife/2019/2240  
dated October 23, 2019

Date of Hearing:

November 7, 2019

Attended By:

1. Mr. Zahid Barki  
Group Head (Risk & Compliance)  
M/s. Jubilee Life Insurance Company Ltd.
2. Mr. Muhammad Junaid  
Departmental Head  
M/s. Jubilee Life Insurance Company Ltd.
3. Mr. Zahir Shah  
Deputy Manager  
M/s. Jubilee Life Insurance Company Ltd.

Date of Order:

December 3, 2019

**ORDER**

**Under Section 12(4), Section 61, Section 95 of the Insurance Ordinance, 2000, Rule 62 of the Insurance Rules, 2017, Regulation 10(b), 15(4), 17(a), 17(g) and 17(h) of the Bancassurance Regulations, 2015 and Rule 6(1)(d) of the Unit Linked Products and Fund Rules, 2015 read with Section 60 and Section 156 of the Insurance Ordinance, 2000**

.....

This Order shall dispose of the proceedings initiated against M/s. Jubilee Life Insurance Company Limited (the "Company"), its Chief Executive, Directors, Head of Bancassurance and Head of Compliance for alleged contravention of Section 12(4), Section 61, Section 95 of the Insurance Ordinance, 2000 (the "Ordinance"), Rule 62 of the Insurance Rules, 2017 (the "2017 Rules"), Regulation 10(b), 15(4), 17(a), 17(g) and 17(h) of the Bancassurance Regulations, 2015 (the "Regulations") and Rule 6(1)(d) of the Unit Linked Products and Fund Rules, 2015 (the "2015 Rules"). The Company, its Directors and senior officials mentioned above shall be collectively referred to as the "Respondents" hereinafter.

2. The Company is registered under the Ordinance to carry on life insurance business in Pakistan.

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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3. The Commission vide direction under Section 61 of the Ordinance dated September 18, 2019, sought the following information/documents in respect of the complaints, where the complainants levelled allegations of mis-selling or misleading/deceptive conduct of the insurer or specified persons / insurance consultants:

- i) Copy of duly filled in proposal form;
- ii) Copy of duly filled in need analysis form;
- iii) Copy of duly filled illustration form;
- iv) Details of financial underwriting undertaken in respect of the policyholder prior to issuance of policy and copy of any documentary evidence (proof of income and/or bank statement) obtained from the policyholder in this regard. The Company shall demonstrate the measures taken to satisfy itself in relation to Regulation 17(g) of the Bancassurance Regulations, 2015 i.e. the policyholder had the financial ability to pay future premiums under the policy;
- v) Recording of call back confirmation with the policyholder;
- vi) Copy of policy document and policy schedule;
- vii) Evidence of transmission of policy documents within 14 days of commencement of policy i.e. within (Free Look Period) FLP along with evidence of communication/intimation of FLP;
- viii) In case of unit linked products, evidence of transmission of quarterly and annual statement of policyholders' unit account within timelines stipulated in Rule 6(1)(d) of Unit Linked Products and Fund Rules, 2015; and
- ix) Information against the identified complaints as per the following table:

S. No	Complainant	Policy No.	Date of Issuance	Amount of Premium	No. of Premium Paid	Sales Channel (DSF/Banca)	Status of Complaint	Comments of Company

4. The Company, in its response to the direction under Section 61 of the Ordinance, submitted the information vide letter dated September 30, 2019. It was observed that the Company partly provided the information, whereas some of the information was not provided in violation of Section 61 of the Ordinance. The Commission reviewed the said information and noted the following complainant-wise deficiencies:-

S. #	Name of Complainant	SECP's Observations
1	Mr. Muhammad Younas Policy No. UL20170000 912574004	<ol style="list-style-type: none"> <li>i. CBC indicated that initial question seeking confirmation from the policyholder did not mention the word "insurance" while mentioning the plan.</li> <li>ii. The Company, as evidence of financial underwriting, submitted the bank statement of the policyholder. The total credits to the bank account of the policyholder were Rs. 543,803/- during the year 2017-18. Total credits made in his account during the year 2018-19 were Rs.1,072,460/-; however, the closing balance as on August 1, 2019 was Rs.2,545/- . The total annual premium of the policy was Rs. 999,000/- The Company did not explain as to how did it consider that the policyholder had the ability to pay Rs. 999,000/- for 10 years.</li> <li>iii. There was a significant mismatch in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policy owner" of the proposal form and the Need Analysis Form.</li> </ol>

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		<p>iv. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>v. The policy documents were delivered after expiry of the Free Look Period (FLP). The commencement date of the policy was August 15, 2017. The policy was issued on August 31, 2017. Receipt / manual acknowledgement date was reported as December 8, 2017.</p>
2	Ms. Shahnaz Akhtar Policy no. 706053	<p>i. Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. The policy documents were delivered after expiry of the FLP. The commencement date of the policy was August 15, 2016. The policy was issued on August 31, 2016; whereas, the acknowledgement date was reported as September 19, 2016.</p> <p>iv. The complainant had alleged that the policyholder's husband was a laborer, which was incorrectly stated as a building contractor.</p>
3	Mr. Shahid Mehmood Policy no. UL20180000 968672001	<p>i. CBC indicated that initial question seeking confirmation did not mention "insurance" plan or product.</p> <p>ii. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>iii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iv. The policy documents were delivered after expiry of the FLP. The commencement date of the policy was February 15, 2018. The policy was issued on February 28, 2018. The customer's acknowledgement date was reported as September 18, 2018.</p> <p>v. There seemed to be a misstatement on part of the specified persons / insurance consultants while filling up the proposal form as email account of the policyholder was mentioned there; whereas, the complainant specifically stated that he was an uneducated person who did not have access to the internet. The policyholder had approached someone else to submit his complaint.</p>
4	Ms. Saima Bibi (Amaan Plan Plus & Takaful Istehkaam Plan) Policy no. 8042511 & UL20170000 940050001	<p>i. Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. There was a mismatch in the financial priorities stated at point 15 "Personal Financial Review of Applicant / Policy owner" of the proposal form and the "Need Analysis Form" for both the policies.</p> <p>iv. Both the policies were issued having the same commencement date, yet there was difference in the net worth under point 4n of the proposal form, the financial priorities under point 15B of the proposal form and the Need Analysis Form.</p> <p>v. The policy documents were delivered after expiry of the FLP. The Commencement date of the policies was November 15, 2017. The policies were issued on November 23, 2017 whereas the acknowledgement date for both the policies was reported as January 29, 2018.</p>

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5	Ms. Salma Rao Policy no. 771580	<p>i. Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. The policy documents were delivered after expiry of the FLP. The commencement date of the policy was March 15, 2017. The policy was issued on March 17, 2017. The acknowledgement date of the policy was reported as May 25, 2017.</p>
6	Ms. Shaheen Policy no. 8105875	<p>i. The client did not agree to the term of 10 years in CBC, still a policy with 10 years term was sold.</p> <p>ii. Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>iii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iv. Widow's occupation was tailoring. Her stated income was only Rs. 18,000/month whereas monthly expenses were mentioned as Rs. 15,000/-, leading to a net income of Rs. 3,000/month. The premium for the policy issued was 70% of the total savings of the policyholder causing doubts on the ability of the policyholder to pay premiums for a period of 10 years.</p> <p>v. Mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policy owner" of the proposal form and the "Need Analysis Form".</p>
7	Mr. Faisal Mehmood Policy no. 8036622	<p>i. Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. As per Clause 4q, net saving of the policyholder was more than net income of the policyholder by an amount of Rs. 20,000.</p> <p>iii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iv. The policyholder complained that specified persons / insurance consultants misstated with him about the terms of the policy.</p> <p>v. The policy documents were delivered after expiry of the FLP. The commencement date of the policy was October 1, 2017. The policy was issued on October 11, 2017. The acknowledgement date of the policy was reported as October 30, 2017.</p>
8	Mr. Anwar ul Haq Policy no. UL20180001.016614004	<p>i. CBC indicated that initial question seeking confirmation did not mention "insurance" plan or product.</p> <p>ii. Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>iii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iv. Complainant disowned the CBC.</p> <p>v. Financial priorities and objectives were not filled in the Need Analysis Form.</p>

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		vi. The policy documents were delivered after expiry of the FLP. The commencement date of the Policy was July 15, 2018. The policy was issued on July 15, 2018. The acknowledgement date was reported as August 31, 2018.
9	Ms. Nargis Waqas Policy no. UL20170000 903393006	i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations. ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period. iii. The policy documents were delivered after expiry of the FLP. Commencement date of the policy was July 15, 2017. Policy was issued on July 31, 2017. Whereas the policy documents were delivered on December 26, 2017 after a lapse of almost five months. iv. Total assets of the policyholder stated in proposal form were worth Rs. 1,500 and yearly savings were stated at Rs. 20,000/-; yet the policyholder was issued a policy of Rs. 250,000/- annual premium for a term of 25 years.
10	Syeda Sadia Zahid Policy no. 679066	i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations. ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period. iii. The policy documents were delivered after expiry of the FLP. The commencement date of the Policy was May 15, 2016. The policy was issued on May 30, 2016. The acknowledgement date was reported as July 15, 2016. iv. Mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policyowner" and the "Need Analysis Form".
11	Mr. Shamim Madni Policy no. UL20170000 793568005	i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations. ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period. iii. No evidence of delivery of policy documents within the Free Look Period was provided. iv. No CBC recording was provided by the Company. v. Mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policyowner" of the proposal form and the "Need Analysis Form" for both the policies. vi. The complainant was not provided with the policy documents even upon the 2 <sup>nd</sup> year premium becoming due. The policyholder complained that the agents of the Company mis-sold the policy by stating the term of policy to be 6 years whereas the policy was issued for 15 years.
12	Mr. Muhammad Ramzan Policy no. UL20180001 010871004	i. CBC indicated that initial question seeking confirmation did not mention "insurance" plan or product. ii. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations. iii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.

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		<p>iv. The policy documents were delivered after expiry of the FLP. The commencement date of the policy was July 15, 2018. The policy was issued on July 16, 2018. Acknowledgement date was reported as August 20, 2018.</p> <p>v. Many columns of the proposal form were left blank, which rather should have been filled out with due diligence in order to assess the risk and underwrite the policy.</p>
13	Mr. Mulazim Hussain (Hifazat Plan & Shndur Plan) Policy no. 531128 & 779621	<p>i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. The policy documents were delivered after expiry of the FLP. The commencement date of the policy was April 1, 2017. The policy was issued on April 10, 2017. Whereas receipt/ activity date in Shandur Plan (Policy No. 779621) was reported as May 02, 2017.</p> <p>iv. There was a mis-match between the income and savings as stated in the proposal forms of both the policies. Moreover, there were drastic changes in the particulars filled in the proposal form within a period of only 1 year. Some of the examples included change in age of spouse and siblings and children by as much as 10 years. Further, the landholding size as well as value of the residential and agricultural land stated in the proposal form showed drastic differences.</p> <p>v. Perusal of the proposal form revealed that due diligence was not carried out while issuing the policies and random figures were filled therein for the sake of completion of formalities only.</p>
14	Mr. Gulzar Ahmed Policy no. 8109453	<p>i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. No evidence for delivery of policy documents within FLP was provided by the Company.</p> <p>iv. Customer was not informed about 14 days FLP during CBC.</p> <p>v. The proposal form under point 6a stated the name of the plan to be Opal Takaful Plan; whereas, the plan issued was Eight Pay Takaful Savings Plan</p> <p>vi. Policy term conveyed to policyholder during CBC was 5 years whereas policy issued for 8 years.</p>
15	Anees Jabbar Khan Policy no. 681408	<p>i. Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. The policy documents were delivered after expiry of the FLP. The Commencement date of the policy was May 15, 2016. The policy was issued on May 31, 2016. Acknowledgement date of the policy was June 27, 2016.</p> <p>iv. CBC recording was not provided by the Company.</p>
16	Ms. Imrana Fayyaz UL20170000 947814002	<p>i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not</p>

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		<p>provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. Alleged fake signatures.</p> <p>iv. CBC recording was not provided by the Company.</p> <p>v. Signatures on policy documents and illustrations did not match.</p> <p>vi. The Company accepted that the policy was mis-sold and disciplinary action was taken against the salesperson.</p>
17	Mr. Michael Liu Policy no. 652667	<p>i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. Alleged fake signatures.</p> <p>iv. The policy documents were delivered after expiry of the FLP. The Commencement date of the policy was March 1, 2016. The policy was issued on March 9, 2016. Acknowledgement date as reported by the Company was April 11, 2016.</p>
18	Mr. Tahir Iqbal Policy no. 663961	<p>i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iii. CBC recording was not provided by the Company.</p> <p>iv. The policy documents were delivered after expiry of the FLP. The Commencement date of the policy was April 15, 2016. The policy was issued on April 18, 2016. Acknowledgement date as reported by the Company was May 20, 2016.</p>
19	Mr. Waheed Ahmed Policy no. 488235	<p>i. Evidence for financial underwriting was not submitted, which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>ii. Supporting documents such as proof of income were not provided by the Company.</p> <p>iii. The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) of the 2015 Rules were provided to the policyholder within the stipulated period.</p> <p>iv. Alleged fake signatures.</p> <p>v. CBC recording was not provided by the Company.</p> <p>vi. The policy documents were delivered after expiry of the FLP. The Commencement date of the Policy was September 15, 2014. The policy was issued on September 30, 2014. Acknowledgement date as reported by the Company was October 10, 2014.</p>

5. The Hon'ble Federal Insurance Ombudsman (FIO) vide letter No. 20/FIO/DD(A)/Ins/Omb/2019 dated June 11, 2019 raised the following apprehensions regarding bancassurance business;

".....

**Clause 3 (1)**

*The recording of verbal consent is not being conducted by the Bancassurance staff in a proper manner while selling the insurance product which should be made fundamental*



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to the bancassurance staff as an evidence for fair selling as per insurance ordinance and SECP's regulations...

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## Clause 9 (5)

The theme of this clause is not being done by the Bancassurance staff at the time of selling insurance policies and thus violating this clause. This trend must be stopped to restrain the act of misleading and deceiving the customer. The Insurance Company should be held responsible for doing wrong.

.....

• The auto debit system as is being done by the Bancassurance Staff in debiting the amount for investment in an insurance product from the Complainant's bank account without his consent and knowledge .....

....."

6. In view of the observations mentioned above, it transpired that the specified persons / sales agents at the bank were indulged in mis-selling of the insurance products offered by the Company. The Company as insurer, was responsible for the acts or omissions of the agents as per Section 95 of the Ordinance. Therefore, it appeared that the Company contravened the provisions of Section 12(4) and Section 95 of the Ordinance, Rule 62 of the 2017 Rules, Regulation 10(b), 15 & 17 of the Regulations and Rule 6(1)(d) of the 2015 Rules in respect of the above cited complaints filed by the policyholders against the Company.

7. Section 12(4) of the Ordinance states that:

*"The insurer or applicant shall not be regarded as conducting its business in a sound and prudent manner if it fails to conduct its business with due regard to the interests of policy holders and potential policy holders."*

8. Section 61 of the Ordinance provides that:

*"61. Power of Commission to call for information and access.- (1) The Commission may by notice in writing direct any insurer to supply the Commission, within such period as the notice may specify, with any information relating to its insurance business which the Commission may reasonably require.*

*(2) The Commission may direct that any information supplied under subsection (1) shall be certified by the principal officer of the insurer, by an independent auditor or in the case of a life insurer by the insurer's appointed actuary.*

*(3) The Commission may by notice in writing direct the chief executive or principal officer of the insurer to discuss with the Commission any matter pertaining to the business or management of the insurer.*

*(4) The Commission may by notice in writing require the insurer to allow any officers of the Commission nominated for the purpose to observe, for such period as the*

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*Commission may specify, the manner in which the affairs of the insurer or of any of its offices or branches are being conducted."*

9. Section 95 of the Ordinance states that:

*"Liability of Insurer for act or omissions of agent .- (1) Every insurer shall, so far as relates to a contract of insurance entered into by the insurer through an agent, be liable to the policy holder for the acts or omissions of that agent as though that agent were an employee of the insurer, in circumstances where the policy holder has relied in good faith on the agent and as a consequence has suffered loss or damage. Liability shall be absolute and shall not be capable of being contracted out of, either in the agency agreement or on a policy, proposal or other document.*

*(2) For the purposes of this Part, any person who, for remuneration arranges insurance cover for a policy holder or intending policy holder, and who is not a registered insurance broker, shall be presumed to be the agent of the insurer in relation to any matter relating to insurance.*

*(3) The provisions of the foregoing sub-section shall not operate to limit, curtail, diminish or extinguish any liability of the insurer to which the insurer would otherwise have been subject."*

10. Rule 62 of the 2017 Rules requires that:

*"Free look period for life insurance.- (1) A life insurance policy, not being a group life insurance policy, and the term of which is for more than one year, shall be liable to be cancelled at the option of the policyholder within fourteen days of commencement, and if the policyholder cancels the policy within that time all amounts paid by way of premium shall be refunded without any deduction for management expenses, other than expenses incurred in connection with the medical examination of any person insured under the policy.*

*(2) No person shall offer any inducement to a person for the purposes of procuring that person to cancel his policy in accordance with this rule."*

11. Regulation 10(b) of the Regulations states that:

*"Every bank shall ensure that the Bank Insurance Executive and the Specified persons do not make any misrepresentation or make misleading statement to the prospect on policy benefits and returns available under the policy which may tantamount to misleading or being deceptive under the relevant provisions of the Ordinance in respect of the market conduct."*

12. Regulation 15(4) of the Regulations provides that:

*"For the purpose of these Regulations, an insurance policy shall be considered as missold if any of the regulatory requirements, including but not limited to: training of specified persons, disclosures in marketing and sales material, financial underwriting,*

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*sales process, after sales-call and recycling of life insurance policies have not been complied with in letter and spirit."*

13. Regulation 17(a), 17(g) and 17(h) of the Regulations state that:

*"(a) Insurance Need Analysis Document.- No life insurance policy will be sold through bancassurance channel unless the specified persons has carried out an "Insurance Need Analysis" of the prospective customer. A general format has been given in Annexure to these Regulations containing the minimum aspects to be covered by such a document. An Insurer may use a different format for additional information."*

*"(g) Minimum Financial Underwriting.-*

- (i) An Insurer shall consider the regular income of the proposed Policyholder in determining the affordability of the policy from the perspective of policyholder as per their existing financial underwriting guidelines applicable to direct sales force distribution channel.*
- (ii) An Insurer should consider, amongst other pertinent factors, the average balance maintained by the prospect at the concerned Bank during at least the last year in assessing his annual regular income."*

*"(h) After Sale Call by the Insurer to All Policyholders.-*

- (i) The Insurer shall make a structured telephonic call within the free look period to all Policyholders to confirm their understanding of the product, appropriateness of the product considering the identified insurance needs and affordability of the product for the entire term. The Insurer will retain the record of such calls, preferably using interactive voice response system, for at least 5 years or maturity of the product whichever is earlier;*
- (ii) As an alternative to sub-clause (i) above, an insurer may integrate their after sale call scripts with the bank's call back confirmation mechanism to the bancassurance policyholders. However, the product specific scripts of such calls needs to be submitted to the Commission along with Bancassurance Agency Agreement;*
- (iii) If a Policyholder gives an adverse response; the Insurer will return the premium to the policyholder within 30 days of such call."*

14. Rule 6(1)(d) of the 2015 Rules states as follows:

*"Individual Statement of Policyholders Unit Account: The insurer shall provide the unit linked policyholders with a statement of the policyholders unit account as specified in Annexure I for the following reporting periods:*

- (i) Annual Statement within one month of the close of the financial year; and*
- (ii) Quarterly Statement within one month of the close of every quarter."*



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15. Accordingly, a Show Cause Notice (SCN) No. ID/Enf/JubileeLife/2019/2240 dated October 23, 2019 was issued to the Respondents, calling upon them to show cause as to why direction may not be given to and penalty may not be imposed on the Company, its Chief Executive, Directors and/or other officers under Section 60 and Section 156 of the Ordinance, for the aforementioned alleged contraventions of the law.

16. The hearing in the matter was scheduled on November 7, 2019 at the Head Office of the Commission in Islamabad. Meanwhile, the Respondents submitted their reply vide letter dated November 4, 2019, in respect of the SCN issued on October 23, 2019. The aforesaid hearing was attended by the Authorized Representatives of the Respondents namely, Mr. Zahid Barki (Group Head -Risk & Compliance), Mr. Muhammad Junaid (Departmental Head) and Mr. Zahir Shah (Deputy Manager).

17. During the hearing, the Authorized Representatives reiterated their comments submitted vide letter dated November 4, 2019 and stated that:

- i) Most of the complaints highlighted by the Commission in its SCN pertain to the policies issued during the years prior to year 2017;
- ii) The Company has taken substantial measures during the last few years to stem out the menace of mis-selling. The Authorized Representatives explained that the Company had strengthened its underwriting practices to align them with Anti Money Laundering (AML) regulatory framework;
- iii) The number of complaints received against the Company has substantially decreased due to the measures taken by the Company as mentioned above;
- iv) Feedback received from the Commission regarding redress of complaints is taken into account;
- v) Some policyholders have lodged false complaints despite being aware of the terms and conditions; and
- vi) Structure of call back confirmation has been improved over the years.

18. The instant show cause proceedings were initiated on the basis of 19 complaints, which were received by the Commission and forwarded to the Company for redress. In this context, the Respondents provided their written comments vide letter dated November 4, 2019 and further elaborated their response during the hearing held on November 7, 2019. Complaints received from the policyholders, responses provided by the Respondents and my observations are summarized as under:-

(1) Mr. Muhammad Younas (Policy No. UL20170000912574004)

The policyholder complained as under:-

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Continuation Sheet - 12 -

بخدمت جناب ہیڈ آفس وفاقی انشورنس محتسب ادارہ اسلام آباد پاکستان

جناب عالی

گزارش ہے کہ فدوی محمد عیسیٰ ولد محمد الہیہ رکن پک نمبر 184/WB غریبی کار بائی ہے۔

HBL:

جو کہ محنت مزدوری کیلئے 2008 سے سعودی عرب گیا ہوا ہے۔ اس کا اکاؤنٹ نمبر  
برائی گزارا ہوا ہے جس میں مطلع و ہادی میں مل رہا ہے۔ محمد عیسیٰ ولد محمد الہیہ جب سعودی عرب سے واپس آیا تو پک کیا  
تو پک اکاؤنٹ سے 20 لاکھ کاغاب ہے۔ اس کے گھر جو ملی ایک انشورنس کی فائل پڑھ لیا کہ گھر والوں کو ملی محمد عیسیٰ  
ان پڑھاوی ہے۔ جس وقت محمد عیسیٰ فائل سے گریوٹ کیا تو پک تلخ نے تاڑ کر آئی انشورنس ہوئی ہے جس کا ٹیکہ ہمیں  
تھیں جو سارا ادارہ نمبر HBL اور لکھا ہے انشورنس جو ملی گزارا ہوا ہے کہ پلہ اسرانی کر کے لکھے انصاف والا ہوا ہے جس تو  
میں آپ کے خلاف کورٹ جا اس کا۔ اور پھر ہی ڈول رقم 20 لاکھ فی سے ہم واپس واپس ہوتے ہیں۔

آئی نوٹس ملتی ہوگی۔

Sr. #	Deficiency	Comments of the Respondents	Remarks/comments
i.	Call back confirmation indicated that initial question seeking confirmation did not mention the word "insurance" while mentioning the plan.	From the CBC, it is evident that the Policyholder was informed that the Shandur Plan, which the Policyholder had purchased was a product of Jubilee Life Insurance Company Limited and that if he had any query he may contact the representative of the insurance company deputed in HBL or may contact Jubilee Life on their contact numbers mentioned in the policy documents. The policyholder was also informed that he had a 14 days period for review of policy terms & conditions and in case of dissatisfaction, he could request for its cancellation.	i. During the conversation with the Complainant, he denied that he received any call back confirmation from the bank or the Company. <u>Apparently, the call was made to another person.</u> ii. The following Para 3 of the approved CBC was missing in the actual CBC made (if any) to the Complainant.  "I would like to inform you that ___ Plan is a combination of investment and protection for your 'Retirement/ Education/ Marriage/ Future Investment/Women' needs for ___ years which safeguard your and family's future for

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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			<p>unforeseen happenings. The policy also acts as an investment return tool upon maturity, which is also briefed in the illustrations provided to you."</p> <p>iii. The caller stated that "Aap ney jo hammari HBL ki branch say policy khareedi hey Shandoor Plan, iski tasdeeqi call aap ko ki gai hey". The caller did not provide complete information to the prospective policyholder, as the word "insurance" was not said along with the product name.</p>
ii.	<p>The Company, as evidence of financial underwriting, submitted the bank statement of the policyholder. The total credits to the bank account of the policyholder were Rs. 543,803/- during the year 2017-18. Total credits made in his account during the year 2018-19 were Rs.1,072,460/-; however, the closing balance as on August 1, 2019 was Rs.2,545/- . The total annual premium of the policy was Rs. 999,000/- The Company did not explain as to how the Company</p>	<p>1. The Policy was underwritten on 31<sup>st</sup> August 2017. At that time Bank Statement of HBL Account No. of Muhammad Younis was submitted for the period January 01<sup>st</sup> 2017 to August 20, 2017 showing Opening Balance Rs. 3,520,379.66p, Total Debit Transactions amounting to Rs. 487,276.30p, Total Credit Transactions amounting to Rs.490,287.27p with Closing Balance Rs. 3,523,381.83p. Kindly note that we had annexed a copy of this statement in our response dated September 30, 2019 to the Commission's Notice for information under Section 61(1) of the Insurance Ordinance, 2000 dated September 18, 2019. The Bank Statement referred to in Commission's Query here above is a document not provided to the Commission by the Company. It may have been provided to the Commission by the Complainant subsequently or probably submitted to the Commission by him along with his complaint.</p> <p>2. Through the Call Back Confirmation (CBC) the Policyholder was clearly informed about the amount and term of premium payments. Copies of the Illustration of Benefits and the Proposal Form completed and submitted by him too were provided to him along with Policy Documents which too contained this information.</p> <p>3. The policyholder confirmed during the CBC that he had the ability to pay Rs.999,000/- regularly for 10 years. Upon his explicit confirmation to pay annual premium Rs.999,000/- for 10 years, the policy was issued.</p>	<p>The complainant claimed that he was a laborer in Saudi Arabia. The Company did not make proper financial underwriting by requiring any proof of income and merely based its decision on total debits and credits in bank account of the prospect. As per the proposal form, total yearly income net of expenses of the complainant was mentioned as Rs. 1,440,000, which apparently did not match with his annual premium of Rs. 999,000/-. As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p> <p>The policyholder in his complaint alleged that an amount of Rs. 2,000,000 was withdrawn from his account without his knowledge. Upon his visit to the bank, he was</p>

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	<p>considered that the policyholder had the ability to pay Rs. 999,000/- for 10 years</p>	<p>4. It is also worth mentioning that the policyholder had also paid second annual premium amounting to Rs.999,000/- which confirms his premium payment ability.</p> <p>5. During the course of CBC he was also informed about the 14 days free look period for cancellation of policy and if he was dis-satisfied with the premium amount, he could have availed refund.</p>	<p>informed that an insurance policy was issued in his name. Apparently, the specified persons / insurance consultants got the policy issued in the name of an illiterate policyholder without even informing him. He came to know when the amount was withdrawn from his bank account.</p>								
iii.	<p>Significant mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policy owner" and the Need Analysis Form.</p>	<p>1. Section 15 of Proposal Form "Personal Financial Review of Applicant/Policyowner" monthly income of Rs. 170,000/- is mentioned, which amounts to Rs.2,040,000/- per annum. Whereas, in "Insurance Need Analysis" Annual Income is mentioned as Rs.4 Million, which approximately tallys with the amount of Total Income Rs.4.2 Million mentioned under Question 4o(i) of the Proposal Form.</p> <p>2. Furthermore, value of Savings and Assets as mentioned in Insurance Need Analysis is Rs. 59.1 Million which is the same figure mentioned in Question 4m(i) under Total Assets of the Proposal Form.</p>	<p>Mismatch of financial priorities and need analysis was observed as under:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Financial Priorities</th> <th style="width: 50%;">Need Analysis</th> </tr> </thead> <tbody> <tr> <td>Financial protection for family in event of your death</td> <td>Children education</td> </tr> <tr> <td>Financial protection for family in event of your critical illness</td> <td>Building Capital through regular saving</td> </tr> <tr> <td>Building Capital through regular saving</td> <td>Children wedding</td> </tr> </tbody> </table>	Financial Priorities	Need Analysis	Financial protection for family in event of your death	Children education	Financial protection for family in event of your critical illness	Building Capital through regular saving	Building Capital through regular saving	Children wedding
Financial Priorities	Need Analysis										
Financial protection for family in event of your death	Children education										
Financial protection for family in event of your critical illness	Building Capital through regular saving										
Building Capital through regular saving	Children wedding										
iv.	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time</p>	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit-linked statements to the policyholder. Therefore, violation of Rule 6(1)(d) is established.</p>								

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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v.	<p>The policy documents were delivered after expiry of the Free Look Period (FLP). The commencement date of the policy was August 15, 2017. Receipt / manual acknowledgment date was reported as December 8, 2017, whereas the issue date of the policy was August 31, 2017.</p>	<p>1. Immediate delivery of policy documents are rendered unsuccessful in some instances where address of the consignee is incomplete or is not traceable or due to non-availability of the consignee at the given address etc. In such cases, policy documents are delivered after several attempts through alternative sources.</p> <p>2. However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.</p> <p>3. In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.</p> <p>4. However, in this case although policy documents were successfully delivered to the policyholder on December 8, 2017, but the policyholder did not revert within 14 days thereafter.</p> <p>5. The policyholder approached the Commission on August 30, 2019, i.e. after completion of two policy years and after payment of 2 annual premiums and on the 3<sup>rd</sup> annual premium having already fallen due.</p> <p>6. Kindly note that the policyholder in his undated complaint alleged that he was not informed that he was provided an insurance policy. Whereas, in the very first communication the Company had with him through Call Back Confirmation (CBC), he was explicitly informed that he had purchased an insurance policy with Jubilee Life.</p> <p>7. Finally, he submitted discharge receipt on stamp paper wherein he declared and stated that his grievance has been resolved to his satisfaction.</p> <p>Furthermore, as the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts his allegations, In the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>Reply is not tenable in light of Rule 62 of the 2017 Rules [previously Rule 39 of the Securities and Exchange Commission (Insurance) Rules, 2002]. As per the said provision, free look period starts from the date of commencement. The Company failed to deliver the policy documents to the policyholder within the prescribed period in violation of the said provision.</p> <p>The Company has stated that it commences count of the FLP from the date; the Policy Documents are delivered to the Policyholder. This is neither supported by the 2017 Rules nor mentioned in the policy documents.</p> <p>In a telephonic conversation, the policyholder explained the circumstances, under which policy was sold and subsequently surrendered. As mentioned in the complaint lodged by him, he was not aware of the policy and withdrawal of the amount from the bank. In my view, the specified persons / insurance consultants with fraudulent intent issued the policy without apprising the complainant about the policy. The Company is responsible for the acts and omission of the agent under Section 95 of the Ordinance; therefore, it must be penalized for such acts of its specified persons / insurance consultants.</p>
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(2) Ms. Shahnaz Akhtar (Policy no. 706053)



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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The complainant submitted the complaint as under:

The Chairman SECP

**Subject: COMPLAINT AGAINST MISS-SELLING OF POLICY BY INSURANCE AGENT THROUGH DECEITFUL CONDUCT.**

Dear Sir,

It is submitted that the undersigned visited Habib Bank Limited, Madiala Talga Branch, Gujranwala, for the purpose of depositing a sum of Rs.400000/- only in the bank as a fixed deposit 13-08-2016. However, the bank staff put forth the Hijazat Plan of the Jubilee Insurance presenting the same as Fixed Deposit. The undersigned being a housewife who could hardly read Urdu let alone detailed agreements and forms written in English acted as directed and led by the bank staff trusting that they were facilitating the undersigned as bank staff normally do with a customer. The undersigned, however, came to know of the fact that instead of depositing the said amount as fixed deposit the bank staff had made the undersigned put her signatures on the Hijazat Plan of the Jubilee Insurance when the undersigned was asked to deposit a sum of Rs.400000/- as premium of the Hijazat Plan worth Rs.4000000/-. Immediately, the undersigned contacted the bank regards the matter and demanded that the undersigned be returned the amount deposited which was denied time and again with the suggestion that the undersigned should contact the Jubilee Insurance. Later on the undersigned filed an application for the cancellation of the Policy that was sold to the undersigned deceitfully on 27-07-2017 in the prescribed manner, but, the same was returned to the undersigned without taking any action and verbal observation that a refund could only be got after the policy has got mature. The agent of the Jubilee Insurance had taken advantage of the undersigned being unable to read and comprehend the complicated terms and conditions most of them written in a foreign language or in purely technical and legal Urdu comprehensible to the undersigned by no stretch of imagination. The mala fide on the part of the agent as well as the Jubilee Insurance is glaringly visible from the fact that they haven't even given a cursory thought to the condition for selling a policy enjoined by regulation No. 17(a) of the Banc Assurance Regulations, 2015

which is reproduced below and merely mentioned that the undersigned's husband who has been falsely mentioned as a building contractor instead of a laborer which he actually is:

**17. Sales Process for Bancassurance Business:**

**(a) Insurance Need Analysis Document:**

No life insurance policy will be sold through bancassurance channel unless the specified person has carried out an "Insurance Need Analysis" of the prospective customer. A general format has been given in Annexure to these Regulations containing the minimum aspects to be covered by such a document. An Insurer may use a different format for additional information."

Secondly, although they have tried to fulfill all the legal formalities, but, one and that is the Insurance Need Analysis in order to hide their criminal activities.

2. In view of the foregoing it is requested that the undersigned may be refunded the amount with interest/profit that has been deceitfully extorted of the undersigned and the Jubilee Insurance Company penalized for having disregarded the abovementioned regulation. The undersigned reserves the right to initiate judicial proceedings against the company in case the grievances of the undersigned are not redressed. As far as the bank is concerned the undersigned is separately initiating proceedings against the bank staff and management for having committed criminal breach of trust under section 406 read with 409 of the Pakistan Penal Code and all other enabling clauses.

3. The undersigned shall remain ever thankful for a favorable consideration.

Shahnaz Akhtar





# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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Sr. #	Deficiencies	Comments of the Respondents	Remarks/ Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form the lady was described as housewife.</p> <p>2. In the Proposal Form under Sources of Income (Question 4i) it is mentioned "Husband in KSA. Doing work as Building Construction Contractor."</p> <p>3. Furthermore, through Call Back Confirmation (CBC) the policyholder was clearly informed about the amount and tenor of premium payments.</p> <p>4. During CBC the policyholder agreed with the amount and term of premium payments and did not express any inability to pay such amounts.</p> <p>5. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to her along with policy documents, explicit mention annual premium as Rs.400,000/- payable yearly.</p>	<p>(i) Evidence of Financial Underwriting was not submitted.</p> <p>(ii) Actual call made to the complainant did not fully match with Para 3 of the approved CBC.</p> <p>The complainant has claimed that her husband was a laborer instead of construction contractor as mentioned in the proposal form. The Company should have taken more evidence about occupation of the husband of the policyholder. Keeping in view the allegations of the complainant, that she visited the HBL bank branch to deposit amount in a bank account; however, the specified persons / insurance consultants mis-sold the policy without fully explaining the terms and conditions of the policy. The Company is responsible for the acts and omission of the agent under Section 95 of the Ordinance; therefore, it must be penalized for such acts of its specified persons / insurance consultants.</p>
ii	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I, I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statement to the policyholder. Therefore, violation of Rule 6(1)(d) is established.</p>

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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<p>ii</p> <p>i.</p>	<p>The policy documents were delivered after expiry of the FLP. The commencement date of the Policy was August 15, 2016. The issue date of the Policy was August 31, 2016. The acknowledgement date was reported as September 19, 2016.</p> <p>The complainant had alleged that the husband of the policyholder was a laborer, which was incorrectly, with mala fide intent, stated as a building contractor. The Company in its reply stated that misrepresentation of material facts did not occur, which has not been substantiated with any further evidence.</p>	<p>1.The Policy documents were delivered on 19<sup>th</sup> September 2016, which is about just 19 days after issuance of Policy on 31<sup>st</sup> August 2016.</p> <p>2.However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.</p> <p>3.In every case, the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.</p> <p>4.However, in this case although policy documents were successfully delivered to the policyholder on 19<sup>th</sup> September 2016, yet, the policyholder did not revert within 14 days thereafter.</p> <p>5.The policyholder approached the Commission on July 22, 2019, i.e. after about 3 years from the date the policy was issued.</p> <p>6.Finally, she submitted discharge receipt on stamp paper wherein she declared and stated that her grievance had been resolved to her satisfaction. Furthermore, as the Policyholder did not submit proof of mis-selling, whereas on the other hand the CBC communication and certain ocular evidences contradict her allegations, in the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>Free Look period of the policy starts from the date of commencement of the policy. Commencement date of the policy was August 15, 2016 while the policy was delivered on September 19, 2016 in violation of Rule 62 of the 2017 Rules (previously Rule 39 of the Securities and Exchange Commission (Insurance) Rules, 2002).</p> <p>The Company has stated that it commences count of the FLP from the date the Policy Documents are delivered to the Policyholder. This is neither supported by the 2017 Rules nor mentioned in the policy documents.</p> <p>It is evident from the plain reading of the complaint that it was a mis-selling case. The policyholder was forced to sign the discharge voucher and declare that her grievances were resolved before receiving any refund from the Company. As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>
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### (3) Mr. Shahid Mehmood Policy no. UL20180000968672001

The complaint submitted by the policyholder stated as under:



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Continuation Sheet - 19 -

## Complaint Details

**Subject:** Mis-selling of insurance policy

**Details:** Dear Sir, I am writing this email on behalf of my milkman who is an illiterate uneducated poor man not having any access to computer/Internet. Following is his submission: I am a small scale uneducated milkman having some cattle. Last year I sold one of my cows and a calf for Rs. 250,000/- and went to bank (Habib Bank Limited Adyala Road Rawalpindi Branch) to deposit the same in a saving account. When I reached there one Mr. Shah said to me that why am I investing in saving account which has very minor profits, I should invest in this insurance policy for which I will get Rs. 100,000 profit on my investment of Rs. 250,000 after one year. I am an uneducated simple man. And naturally his offer appeared attractive to me. He asked me to sign several documents which I did and I deposited the money. The Policy he sold to me was Shandur Policy of Jubilee Life Insurance. (document attached) Now the next year i.e. in 2010 when I went to collect my investment and promised profit, I was told that leave alone profit, if I withdraw my principal amount of Rs. 250,000, a deduction of Rs. 50,000 will be made. I was never told about these terms and conditions and/or any associated risks. I was not told about any deductions. Now when I go to the bank they do not entertain me. I am a poor man and this money is my bread and butter. I hope you will understand my genuine concerns and help me recover the full amount of my hard earned money. I beg for your assistance. For any query/correspondence you can contact me on this number:

## Applicant Info

**Name:** Mr. Shahid Mehmood

## Complaint Info

**Status:** SDRC Islamabad

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Call back confirmation indicated that initial question seeking confirmation did not mention "insurance" plan or product.	1.From the above it is evident that the Policyholder was informed that, the Shandur Plan which the Policyholder had purchased was a product of Jubilee Life Insurance Company Limited and that if he had any query he may contact the representative of the Insurance Company deputed in HBL or may contact Jubilee Life on their contact numbers mentioned in the policy documents. 2.The policyholder was also informed that he had a 14 days period for review of policy terms & conditions and in case of dissatisfaction he could request for its cancellation.	The CBC did not provide complete information to the prospective policyholder, as the word "insurance" was not said along with the product name. The caller says " yeh tasdeeqi call jo aap ko HBL kay adyala road branch sey shandoor plan ki khreedari sey mutalaq ki gai hai"
ii.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself	1.In the Proposal Form the Policyholder is described as a dairy farm owner. 2.However, through Call Back Confirmation (CBC), the policyholder was clearly informed about the amount and terms of premium payments. 3.He was very interactive in the discussion on premium and explicitly mentioned that he wished not to pay anything more than Rs.250,000/- per annum. 4.The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy	The Company did not make proper financial underwriting by requiring proof of income from the prospect. The policyholder was an illiterate person, who claimed to be a milkman. Had he been a dairy farm owner as mentioned in the proposal form; the Company could have sought any proof of his ownership of the dairy farm. As the Company failed to

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	in relation to Regulation 17(g) of the Regulations.	documents, explicit mention annual premium as Rs.250,000/-.	collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.  Need analysis was not properly performed, as columns of the form were left blank.
iii	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time.	1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3 <sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2 <sup>nd</sup> Floor, Techno City Mall, I. I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi. 2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments. 3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule 6(1)(d) is established.
iv	The policy documents were delivered after expiry of the FLP.  The commencement date of the Policy was February 15, 2018. The issue date of was reported as February 28, 2018. The customer's acknowledge	1. Yes, in this case extraordinary delay in delivery of policy documents did occur. At times delivery of policy documents are rendered unsuccessful because address of the consignee is incomplete or is not traceable or due to non-availability of the consignee at the given address etc. In such cases, policy documents are delivered after several attempts through alternative sources.  2. However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery, 3. In every case, the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.  4. In this case although policy documents were successfully delivered to the policyholder on	The Respondents conceded the violation that policy documents were not delivered within 14 days of the date of commencement of the policy in violation of the 2017 Rules. Therefore, violation of Rule 62 of the 2017 Rules {Rule 39 of the Securities and Exchange Commission (Insurance) Rules, 2002} is established.

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	ment date was September 18, 2018.	September 18, 2018, yet he did not revert for its cancellation within 14 days thereafter. He took up the matter with the Commission on June 25, 2019 some 9 months later.	
v.	<p>There seemed to be a misstatement on part of the issuer while filling up the proposal form as email account of the policyholder was mentioned there.</p> <p>Whereas the complaint specifically stated that policyholder was an uneducated man who did not have access to internet. The policyholder had approached someone else for filing his complaint.</p>	<p>1.The very fact that the Policyholder uses emails, albeit that of others, to communicate his grievances means that he understands its need and value. The email address mentioned in the proposal form exists, but it is unresponsive. It is quite possible that the email address mentioned in the proposal form was created by the sales team to facilitate him and thereafter he did not use it.</p> <p>2.Nevertheless, copy of the Proposal Form was sent to him along with the Policy Documents. He should have reverted if any fact mentioned therein was incorrect or amiss.</p> <p>3.Even on submission of his grievance, the policyholder did not raise this point. Whereas the CBC clearly indicates that the Policyholder was a bold person not shying away from enforcing his point of view. Finally, the policyholder submitted discharge receipt on stamp paper wherein he declared that his grievance has been resolved to his satisfaction. The policyholder has also not submitted any proof of mis-selling, whereas on the other hand the CBC contradicts his allegations. In the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>The policyholder submitted his complaint through another person. Had he been an educated person, he could have filed the complaint himself. He himself claimed that he is an illiterate person. Apparently, the specified persons / insurance consultants created a fake email address.</p> <p>Comments of the Company that the policyholder submitted discharge receipt on stamp paper wherein he declared that his grievance has been resolved to his satisfaction, are not tenable as the Company imposes this condition to release the payment.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit.</p> <p>Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>

**(4) Ms. Saima Bibi(Amaan Plan Plus & Takaful Istehkaam Plan) Policy no. 8042511 & UL20170000940050001**

The complainant stated as under:



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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*[Handwritten Urdu text, likely a reply or explanation, covering the majority of the page. The text is dense and difficult to transcribe accurately due to cursive handwriting.]*

*[Handwritten signatures and stamps. One stamp includes the number 199,879 and 942511.]*

Sr. #	Deficiencies	Reply	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form the policyholder is described as housewife.</p> <p>2. In the Proposal Form under Sources of Income (Question 4i) it is mentioned "She is housewife &amp; her husband is in Saudi Arabia. He supports her."</p> <p>3. Through two separate Call Back Confirmations (CBCs), the policyholder was clearly informed about the amounts and terms of premium payments. The policyholder replied in affirmative during the CBCs and did not contend that she could not pay Rs.200,000/- premium under each policy annually.</p> <p>4. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to her along with policy</p>	<p>The caller did not provide complete information to the prospective policyholder, as the word "insurance" was not stated along with the product name.</p> <p>The Company did not make proper financial underwriting by requiring proof of income from the prospect. As per plain reading of the complaint, it can easily be judged that she is an illiterate person. She was trapped to invest in a profitable scheme and</p>

*[Handwritten signature]*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Continuation Sheet - 23 -

		documents, explicitly mention the premiums payable yearly.	<p>the specified persons / insurance consultants cleverly got her signature on proposal form for insurance policies.</p> <p>As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p>								
ii.	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder.</p> <p>Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time</p>	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statement to the policyholder. Therefore, violation of Rule 6(1)(d) is established.</p>								
iii.	<p>Mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policyowner" and the Need Analysis Form for both the policies.</p>	<p>1. Section 15 of both Proposal Forms "Personal Financial Review of Applicant/Policyowner" monthly income of Rs.100,000/- is mentioned, which amounts to Rs.1,200,000/- per annum. Whereas, in "Insurance Need Analysis" she is labelled as 'Housewife' and Annual Income is not mentioned. Under Question 4o(i) of the "Proposal Form" total income is mentioned as Rs.1.2 Million.</p> <p>2. In "Insurance Need Analysis Form" she has denoted her intentions for purchasing the policy as "for saving" purpose.</p>	<p>Financial priorities in the proposal form and need analysis form did not match as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Financial Priorities as per proposal form</th> <th style="width: 50%;">Priorities as per need analysis form</th> </tr> </thead> <tbody> <tr> <td>Retirement income</td> <td>Investing capital for better returns</td> </tr> <tr> <td>Children wedding</td> <td>Children wedding</td> </tr> <tr> <td>Capital growth through regular saving</td> <td>Children education</td> </tr> </tbody> </table>	Financial Priorities as per proposal form	Priorities as per need analysis form	Retirement income	Investing capital for better returns	Children wedding	Children wedding	Capital growth through regular saving	Children education
Financial Priorities as per proposal form	Priorities as per need analysis form										
Retirement income	Investing capital for better returns										
Children wedding	Children wedding										
Capital growth through regular saving	Children education										
iv.	<p>Both the policies were issued having the same</p>	<p>1. Yes, in one proposal form the net worth is mentioned as 6.0 Million and in the other proposal form the net worth is written as 7.0</p>	<p>Admitted the mismatch between the net worth appearing in 4(n) of</p>								

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	<p>commencement date, yet there was difference in the net worth under point 4n of proposal form, the financial priorities under point 17B of the proposal form and the need analysis form.</p>	<p>Million. This could have been an inadvertent error as the annual Total Income (1.2 Million), Total Expenses (0.6 Million) and Net Savings (0.6 Million) in both the proposal forms are the same and are the basis of assessment of premium payment ability.</p>	<p>proposal forms of both the policies.</p>
<p>v.</p>	<p>The policy documents were delivered after expiry of the FLP. The Commencement date of the Policy was November 15, 2017. The issue date of the Policy was November 23, 2017.</p>	<p>1.The Policy documents were delivered on 29<sup>th</sup> December 2017 which is about 36 days after issuance,                  2.Immediate delivery of policy documents are rendered unsuccessful in some instances where address of the consignee is incomplete or is not traceable or due to non-availability of the consignee at the given address etc. In such cases, policy documents are delivered after several attempts through alternative sources.                  3.However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.                  4.In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.                  5.However, although policy documents were successfully delivered to the policyholder on December 29, 2017, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on August 26, 2019, i.e. after completion of approximately two policy years. Two annual premiums in each case too had been paid. Finally, as the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts her allegations, in the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy in violation of the 2017 Rules. Therefore, violation of Rule 62 of the 2017 Rules {Rule 39 of the Securities and Exchange Commission (Insurance) Rules, 2002} is established.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>

**(5) Ms. Salma Rao Policy no. 771580**

The complainant state as under:







# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Continuation Sheet - 26 -

	<p>provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time</p>	<p>2.Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments. 3.The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>policyholder. Therefore, violation of Rule 6(1)(d) is established</p>
iii.	<p>The policy documents were delivered after expiry of the FLP. The commencement date of the Policy was March 15, 2017. The issue date of the Policy was reported as March 17, 2017. The acknowledgement date was shown as May 25, 2017.</p>	<p>1.The Policy documents were delivered on 06<sup>th</sup> April 2017 (not May 25,2017 as is probably inadvertently mentioned), whereas the Policy was issued on 17<sup>th</sup> March 2017. Therefore, the documents were delivered 20 days after issuance. 2.However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery. 3.In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder. 4.However, although policy documents were successfully delivered to the policyholder on April 06, 2017, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on May 24, 2019, i.e. after completion of approximately two policy years. Two annual premiums too had been paid. The Policyholder has also submitted discharge receipt on stamp paper wherein she declared that her grievance has been resolved to her satisfaction. Finally, as the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts her allegations, in the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules, {Rule 39 of the Securities and Exchange Commission (Insurance) Rules, 2002} is established.</p> <p>As per the complaint received from the policyholder, it is a mis-selling case. The policyholder visited the bank to deposit the amount in the bank account. She was sold the policy without fully explaining the terms and conditions of the policy. As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>

**(6) Ms. Shaheen Policy no. 8105875**

NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad  
Phone No: 051-9207091-94 FAX No: 051-9100496

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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The policyholder stated her grievances as under:

شہیدین الین ای سی سی  
شہیدین ڈیپارٹمنٹ

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
20 MAY 2019  
CRO KARACHI

میں نے اپنے ایک پالیسی ہولڈر سے  
پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے  
پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے  
پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے  
پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے  
پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے  
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پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے  
پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے  
پالیسی ہولڈر نے کہا کہ وہ ایک پالیسی کے تحت سے ایک پالیسی کے تحت سے

شہیدین  
شہیدین

1224723  
SECURITIES & EXCHANGE  
Commission of Pakistan  
20 MAY 2019  
CRO KARACHI

SHAKEEN

Insurance Commission

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Client did not agree to the term of 10 years in CBC, still a policy of 10 years was sold.	<p>1.From the above it is evident that the Policyholder stated that she could pay Rs.25,000/-. She had only refused for deduction of amount greater than Rs.25,000/-.</p> <p>2.The caller then informed her that only Rs.25,000/- will be deducted from her bank account yearly for 10 years.</p> <p>3.The caller further sought clarification from the policyholder that had she understood the premium payment obligations under the policy and whether she had purchased the product on her own free will and out of her own desire and wishes to which the policyholder responded in the affirmative.</p> <p>4.The policyholder was also informed that if she had any query, she may contact the representative of the Insurance Company deputed in HBL or she may contact Jubilee Life on their contact numbers mentioned in the policy documents.</p> <p>5.The policyholder was also informed that she had a 14 days period for review of</p>	Apparently, the complainant did not agree for deduction from her bank account for 10 years during CBC.

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		policy terms & conditions and in case of dissatisfaction she could request for its cancellation.	
ii.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form she is described as "Tailor / Housewife. To look after homework and stitching clothes at home". Premium payable was only Rs.25,000/- per annum.</p> <p>2. Through Call Back Confirmation (CBC), the policyholder was repeatedly informed about the amounts and terms of premium payments. During the CBC, the policyholder confirmed her understanding by stating "may na bas yahe kaha hey ki 25,000 rupay saal k saal dongi".</p> <p>3. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to her along with policy documents, explicit mention the premiums payable yearly.</p>	Apparently, the Company did not ensure financial underwriting. The complainant has stated that she visited the bank to deposit in a bank account. However, the bancassurance staff got her signature on papers for an insurance policy without fully explaining the terms and conditions of the policy.
iii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statement to the policyholder. Therefore, violation of Rule 6(1)(d) is established.
iv.	Widow's occupation was tailoring. Income stated only Rs. 18,000/months and Expense Rs. 15,000, Net income Rs. 3,000/m. The premium for the policy issued was 70% of the total savings of the policyholder causing doubts on the ability of the policyholder to pay premiums for a period of 10 years.	<p>1. The policyholder had purchased this policy for the long term benefit her youngest daughter Areeba, 12 years old.</p> <p>2. Before issuance of the policy the policyholder had confirmed through CBC that she is willfully purchasing this policy and can pay Rs.25,000/- yearly for 10 years.</p>	As per plain reading of the complaint, it was a mis-selling case. The widow's annual saving was only Rs. 36,000/- against annual premium of Rs. 25,000/-.

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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v.	Mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policyowner" and the Need Analysis Form.	<p>1. Yes, income details mentioned in Proposal Form and Need Analysis Form do not match.</p> <p>2. However, the policy was issued keeping in view the fact that premium amount was Rs.25,000/- which the lady had communicated through CBC that she can afford to pay.</p> <p>3. The Policy was issued primarily for coverage of Rs.250,000/- and long term saving as it was for the benefit of her minor daughter. The case was heard by the Hon'ble members of Small Dispute Resolution Committee (SDRC) Karachi. The policyholder submitted discharge receipt on stamp paper wherein she declared and stated that her grievance has been resolved to her satisfaction. Finally, as the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts her allegations, in the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>The Respondents conceded the mismatch between income mentioned in the proposal form and need analysis form.</p> <p>The policyholder in her complaint has stated that she visited the bank to deposit the amount in the bank.</p> <p>The specified persons / insurance consultants however sold the policy without fully explaining the terms and conditions of the policy. The Company is responsible for the conduct of the agents under section 95 of the Ordinance; therefore, it must be penalized for such acts of its specified persons / insurance consultants.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit.</p> <p>Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>
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## (7) Mr. Faisal Mehmood Policy no. 8036622

The policyholder complained as under:



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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4/12/19  
 محمد علی احمد  
 4/12/19

اس میں مذکور ہے کہ پالیسی ہولڈر نے پالیسی کے لیے درخواست دی ہے۔ اس میں پالیسی ہولڈر نے اپنی آمدنی کے ثبوت فراہم نہیں کیا ہے۔ اس کے علاوہ پالیسی ہولڈر نے پالیسی کے شرائط و ضوابط کو پورا نہیں کیا ہے۔ اس لیے پالیسی کو منظور نہیں کیا گیا ہے۔

4/12/19

محمد علی احمد  
 محمد علی احمد

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	1. In the Proposal Form the Policyholder is described as "Property Dealer". 2. The premium in this case was Rs.50,000/- per annum. 3. Through Call Back Confirmation (CBC), the policyholder was informed about the amount and term of premium payment. The policyholder replied in affirmative during the CBC and did not contend that he would not be able to pay Rs.50,000/- premium annually. 4. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy documents, explicit mention the premiums payable yearly.	The Company did not make proper financial underwriting by requiring proof of income from the prospect. As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.  As per the complaint submitted by the policyholder, he is an illiterate person.

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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ii.	(Clause 4q shows that net saving is even more than net income as instead of deducting household expenses from net income, an addition to Rs. 20,000 made to net income to arrive at net savings.)	The mistake appears inadvertent as because the Net Income has correctly been mentioned as Rs. 110,000/- under Question 4p of proposal form.	Income of the policyholder stated in the proposal form was less than net saving. The Respondents conceded the mismatch.
iii.	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder.</p> <p>Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time.</p>	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mail, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Invoices of the Vendor, Courier and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit-linked statements to the policyholder. Therefore, violation of Rule 6(1)(d) is established.
iv.	Misstatement with policyholder on part of the agent.	<p>1. The policyholder has not submitted any proof of mis-selling, whereas, on the other hand the contents of CBC contradict his allegations.</p> <p>2. The policyholder had alleged that he had affixed his thumb impression on proposal documents, whereas he had simply written his name in the columns of signatures in proposal papers as he had written his name in the complaint letter dated September 04, 2019 submitted with the Commission.</p> <p>3. Furthermore, after submission of his grievance with the Commission and during our communication with the policyholder, he acknowledged his contractual obligations and finally, he submitted discharge receipt on</p>	Signatures of the policyholder on ID card and Proposal/Illustration Form did not match.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		stamp paper wherein he declared that his grievance has been resolved to his satisfaction.	
v.	<p>The policy documents were delivered after expiry of the FLP. The commencement date of the Plan was October 1, 2017. The issue date was reported as October 11, 2017. The acknowledgment date was October 30, 2017.</p>	<p>1. The Policy documents were delivered on 30<sup>th</sup> October 2017 whereas the Policy was issued on 11<sup>th</sup> October 2017. Therefore, the documents were delivered just 19 days after issuance.</p> <p>2. However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.</p> <p>3. In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.</p> <p>4. However, although policy documents were successfully delivered to the policyholder on October 30, 2017, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on September 05, 2019, i.e. after completion of approximately two policy years. Two annual premiums too had been paid.</p> <p>5. The Policyholder has also submitted discharge receipt on stamp paper wherein he declared that his grievance has been resolved to his satisfaction.</p> <p>6. Finally, as the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts his allegations, in the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules (Rule 39 of the Securities and Exchange Commission (Insurance) Rules, 2002) is established.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>

**(8) Mr. Anwar ul Haq Policy no. UL20180001016614004**

The policyholder in his complaint submitted as under:





# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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**مذکورہ ذیل گفتگو میں گفتگو کرنے والی**  
**مذکورہ ذیل**

مذکورہ ذیل گفتگو میں مذکورہ ذیل گفتگو کرنے والی نے مذکورہ ذیل گفتگو کرنے والی کو مذکورہ ذیل گفتگو کرنے والی کے بارے میں معلومات فراہم کرنے سے انکار کیا۔ مذکورہ ذیل گفتگو کرنے والی نے مذکورہ ذیل گفتگو کرنے والی کو مذکورہ ذیل گفتگو کرنے والی کے بارے میں معلومات فراہم کرنے سے انکار کیا۔ مذکورہ ذیل گفتگو کرنے والی نے مذکورہ ذیل گفتگو کرنے والی کو مذکورہ ذیل گفتگو کرنے والی کے بارے میں معلومات فراہم کرنے سے انکار کیا۔

مذکورہ ذیل گفتگو میں مذکورہ ذیل گفتگو کرنے والی نے مذکورہ ذیل گفتگو کرنے والی کو مذکورہ ذیل گفتگو کرنے والی کے بارے میں معلومات فراہم کرنے سے انکار کیا۔ مذکورہ ذیل گفتگو کرنے والی نے مذکورہ ذیل گفتگو کرنے والی کو مذکورہ ذیل گفتگو کرنے والی کے بارے میں معلومات فراہم کرنے سے انکار کیا۔ مذکورہ ذیل گفتگو کرنے والی نے مذکورہ ذیل گفتگو کرنے والی کو مذکورہ ذیل گفتگو کرنے والی کے بارے میں معلومات فراہم کرنے سے انکار کیا۔

افزادہ تفصیلات  
مذکورہ ذیل گفتگو میں مذکورہ ذیل گفتگو کرنے والی نے مذکورہ ذیل گفتگو کرنے والی کو مذکورہ ذیل گفتگو کرنے والی کے بارے میں معلومات فراہم کرنے سے انکار کیا۔

C.C. SECTION EXCHANGES COMMISSION OF PAKISTAN  
BANKING STREET DILLI  
PRESIDENT HBL KARACHI

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Call back confirmation indicated that initial question seeking confirmation did not mention "insurance" plan or product.	<ol style="list-style-type: none"> <li>The conversation took place in Punjabi i.e. the vernacular that is the policyholder's mother tongue.</li> <li>During the Call Back Confirmation (CBC), the caller informed the policyholder that HBL offers Hifazat Plan through Jubilee Life Insurance and adds that, for query, he may contact the Insurance representative deputed in HBL or he may contact Jubilee Life</li> </ol>	The caller did not provide complete information to the prospective policyholder, as the word "insurance" was not stated along with the product name.

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		<p>Insurance directly on the contact number mentioned in the policy documents.</p> <p>3. The caller also emphasized that the policyholder may review the policy documents and further added that in case of dissatisfaction, he could contact the available representatives of the insurance Company at HBL Branch or he could contact Jubilee Life Insurance for cancellation of policy within 14 days.</p> <p>4. At the end of the conversation, the caller mentions the telephone number of Jubilee Life that the policyholder may contact in case of query. The policyholder himself confirms the contact number from the caller and makes it a point to note it down.</p> <p>5. The CBC clearly indicates that the policyholder was informed that Hifazat Plan is a product of Jubilee Life Insurance.</p>	
ii.	<p>Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p>	<p>1. The Policyholder is an agriculturist and the annual premium under the policy was only Rs.25,000/-.</p> <p>2. Through Call Back Confirmation (CBC), the policyholder was clearly informed about the amount and terms of premium payments to which he agreed.</p> <p>3. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy documents, explicit mention annual premium as Rs.25,000/- payable yearly.</p>	<p>The Company did not seek any proof of income from the policyholder and merely based its underwriting on CBC. As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p> <p>The complainant visited the bank to deposit the amount in the bank account; however, the specified persons / insurance consultants sold the policy without fully explaining the terms and conditions of the insurance policy.</p>
iii.	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under</p>	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I. I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Invoices of the Vendor, Courier and Payment Instruments.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statement to the policyholder. Therefore, violation of Rule (6)(1)(d) is established.</p>

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	Rule 6(1)(d) were provided to the policyholder within the stipulated time	3.The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.	
iv.	Complainant disowned the CBC.	1.Voice recording of the policyholder in CBC has already been shared with the Commission and handwritten transcript is also produced here above. If required, forensic voice matching may please be carried out. 2.However, CBC was conducted on the very mobile number of the policyholder as mentioned in the proposal form. The same mobile number is also mentioned in Complaint Letter dated June 9, 2019 submitted by the Policyholder to the Commission. Hence, the policyholder's disowning the CBC is doubtful.	Complainant stated as "Janab e Ale wahan per mojood Mustansar nami bank mulazim nay mera mobile pakra aur bola ka app ko message service free lagwa ker daitay hein"
v.	Financial Priorities and Objectives not filled in the need analysis form.	1.Kindly refer to Question 15 (Personal Financial Review of Applicant / Policyowner) of Proposal Form (our Annexure 'H-4' with our earlier letter dated September 30, 2019 addressed to the Commission) wherein the policyholder submitted the said information. In clause B of question 15 of Proposal Form "YOUR FINANCIAL PRIORITIES" the policyholder ticked in the sub clause 'd' - Planning for your Children's Wedding - and in clause C of the same question of Proposal Form "YOUR FINANCAIL OBJECTIVES" the policyholder has mentioned amounts as under: a.Amount of money you can save on annual basis to achieve your objectives PKR 25,000/- b.How much of Capital would you like to Invest PKR 25,000/-. Thus, the requirement of policyholder's objectives and priorities were fully served for issuance of this policy. 2.However, although some information in Urdu as well as in English has been provided in the Insurance Need Analysis Form, we agree that it should have been more thoroughly completed.	Need Analysis form was not properly filled.
vi.	The policy documents were delivered after expiry of the Free Look Period. The commencement date of the Policy was July 15, 2018. The issue date was reported as July	1.At times delivery of policy documents are rendered unsuccessful because address of the consignee is incomplete or is not traceable or due to non-availability of the consignee at the given address etc. In such cases, policy documents are delivered after several attempts through alternative sources. 2.However, the point to be noted is that the Company does not put off its obligation to	The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules (previously Rule 39 of Securities and Exchange Commission

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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<p>15, 2018. The acknowledgement date was August 31, 2018.</p>	<p>deliver the policy documents, rather it ensures delivery.  3. In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.  4. In this case, although policy documents were successfully delivered to the policyholder on August 31, 2018, yet he did not revert for its cancellation within 14 days thereafter. He took up the matter with the Commission on June 17, 2019 some 10 months later. The Policyholder has also submitted discharge receipt on stamp paper wherein he declared that his grievance has been resolved to his satisfaction. Finally, the Policyholder has not submitted any concrete proof of mis-selling. Without proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>(Insurance) Rules, 2002} is established.   As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>
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### (9) Ms. Nargis Waqas Policy no. UL20170000903393006

The complainant stated as under:

بخدمت جناب میسٹر جوہلی انشورنس کمپنی

جرمنی لاکہ سٹریٹ HBL برانچ،

جمنان :-

جناب مالی

میرا پانڈا گزارش ہے کہ میں ٹریڈنگ ویس HBL اکاؤنٹ ہولڈر ہوں۔  
کارٹا ہے۔ میں نے HBL, Water Works Branch, Jaranwala میں ایک کرن اکاؤنٹ کھلوا یا اور میرے خرچہ ہر نے اکاؤنٹ میں ٹریڈنگ 250,000 روپے کیے۔ میں نے اس رقم کو saving account میں رکھوا لیا، مگر میرے خرچہ ہر نے تقریباً 250,000 روپے مجھے کھو رہے اور میرے بچے۔ میں نے اس رقم کو saving account میں رکھوانے کے لئے بینک گئی تو وہاں پر میری ملاقات Miss Huma Noreen (Code 31879) سے ہوئی۔ میں نے کہا کہ مجھے دو سال کے لئے saving account میں پیسے رکھوانے ہے۔ تو میڈم نے کہا کہ میں آپ کی رقم 600,000 روپے saving account میں رکھ دیتی ہوں اس کا فائدہ یہ ہوگا کہ آپ دو سال کے بعد آپ جب پیسے چاہتے ہیں تو کھلا سکتی ہے اور اس پر آپ کو تقریباً ایک لاکھ روپے Interest بھی ملے گا۔ مگر میں Branch Manager کے پاس گئی تو اس نے بھی کہا کہ آپ دو سال کے بعد اپنی Principal Amount اور منافع لے سکتی ہے۔ مگر saving account کیلئے Miss Huma Noreen نے خود کچھ دستاویزات کو برک کے جو کہ انگلش میں تھے میرے دھچکا لے اور کہا کہ آپ کو ہمارے بینک کی طرف سے ایک فون کال آئے گی اور آپ سے پوچھے گی کہ آپ اکاؤنٹ کھلوانے کے لئے رضامند ہے تو آپ نے "ہاں" میں جواب دیا ہے۔ پھر اسی وقت بینک میں ایک فون کال آئی میں نے "ہاں" کر دی۔ مگر اصل مجھے آٹھ مہینے بعد آئی۔

ایک سال کے بعد مجھے پتہ چلا کہ Miss Huma Noreen (Jubilee Agent) نے میرا Jubilee Life Insurance (Shandure Plan) کر دیا ہے اس نے میرے 500,000 روپے میں سے 250,000 تکلی قسط اور 250,000 ایک ہوک میں رکھ دیے ہیں۔ میں مگر میڈم کے پاس گئی تو اس نے کہا کہ آپ اس وقت اپنی پالیسی ختم کرتی ہو تو آپ کو تقریباً ایک لاکھ روپے نقصان ہوگا کیوں کہ تکلی قسط میں 65% آپ کی Investment اور 35% بینک کے کچھ اخراجات ہے اور کہا کہ آپ پر بیان نہ ہو یہ fraud نہیں ہے آپ کے رقم بینک میں موجود ہے آپ مزید دوسری قسط 250,000 روپے منج کرنا ہے پھر دو سال مکمل ہونے پر آپ کی رقم 750,000 روپے اور اس پر تقریباً ایک لاکھ روپے منافع دیا جائے گا۔ دو سال مکمل ہونے پر وہ میں جولائی 2019 کو HBL Water Works Branch, Jaranwala گئی تو مجھے پتہ چلا کہ میرے ساتھ Miss Huma Noreen نے دو کلا دیا ہے اگر میں اپنی اصل رقم جو کہ 750,000 روپے بتاتی ہے وہاں بھی ہوتی ہو تو مجھے 400,000 روپے ملنے کے اور باقی رقم 350,000 روپے Jubilee Life Insurance دالے خطا کرنے کے۔ بینک والوں نے کہا کہ اصل رقم چاہئے تو 3 لاکھ 250,000 کے حساب سے مزید منج کر دانی ہوگی۔ میں نے بینک سے میڈم کے ہاں سے میں پوچھا وہ میڈم کے ہاں سے میں پوچھیں بتا رہے ہیں میں نے میڈم کو فون پر کال کی، اسی ہاں سے میں بتا یا کہ دو سال مکمل ہو گئے ہیں اور مجھے میری رقم 750,000 چاہئے تو میڈم نے ویلو ویلڈ کر کے فون بند کر دیا۔ میرا پانڈا گزارش دینی میں Pizza Delivery کا کام کرتا ہے وہ اتنا پورا نقصان اور 250,000 روپے سالانہ کی قسط بھی ادا نہیں کر سکتا۔

میری آپ سے گزارش ہے۔ Noreen Miss Huma کو میرے ساتھ بینک میں آکر میری شکایت لے دو کلا دیتے ہیں کہ قانون کے مطابق سزا دی جائے۔ اتنا ہی ہر دوی پر میری رقم 750,000 روپے اور اس پر منافع دیا ہے۔ میرے Current Account میں رکھ دیا جائے۔ میں پانڈا گزارش ہوگی

انعام  
جمنان  
ٹریڈنگ ویس  
پلیسی نمبر UL20170000903393006

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form the Policyholder is described as housewife.</p> <p>2. In the Proposal Form under Sources of Income (Question 41) it is mentioned "Husband in Dubai. Pizza Hut Shop Supplier." Through Call Back Confirmation (CBC), the policyholder was clearly informed about the amount and term of premium payments. The policyholder replied in affirmative during the CBC and did not contend that she could not pay Rs.250,000/- premium annually.</p> <p>The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to the policyholder along with policy documents, explicit mention the premiums payable yearly.</p>	The Company did not collect any evidence of income from the policyholder and therefore, did not ensure proper financial underwriting. The policyholder visited the bank to deposit the amount in a saving account. Specified persons / insurance consultants sold her insurance policy without fully explaining the terms and conditions of the policy.
ii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time.	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I. I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Invoices of the Vendor, Courier and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule 69(1)(d) is established.
iii.	The policy documents were delivered after expiry of the FLP. Policy commencement date mentioned as July 15, 2017 and documents were delivered on December 26, 2017 after a lapse of almost five months. The issue date is July 31, 2017.	<p>1. Immediate delivery of policy documents are rendered unsuccessful in some instances where address of the consignee is incomplete or is not traceable or due to non-availability of the consignee at the given address etc. In such cases, policy documents are delivered after several attempts through alternative sources.</p> <p>2. However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.</p> <p>3. In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.</p> <p>4. However, in this case although policy documents were successfully delivered to the</p>	The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules [previously Rule 39 of Securities and Exchange Commission (Insurance) Rules, 2002] is established.

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# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		<p>policyholder on December 26, 2017, but the policyholder did not revert within 14 days thereafter.</p> <p>5.The policyholder approached the Commission on July 11, 2019, i.e. after lapse of over one and half years from delivery of policy documents and after payment of 2 annual premiums.</p>	
iv.	<p>Total assets of the policyholder stated in proposal form are worth Rs. 1,500 and yearly savings are stated at Rs. 20,000, yet the policyholder was issued a policy of Rs. 250,000/- annual premium for a policy term of 25 years.</p>	<p>1.Under Section 15 Clause C - 'Personal Financial Review of Applicant / Policyowner' of the Proposal Form the policyholder's reply is as follows:</p> <p>2.Quote: 'C, YOUR FINANCIAL OBJECTIVES</p> <p>(i) Amount of money you can save on annual basis to achieve your objectives PKR 250,000/-.</p> <p>(ii) How much of Capital you would like to Invest? PKR 250,000/-</p> <p>The Information that I have given is true to the best of my knowledge &amp; belief" Unquote</p> <p>The Policyholder has also submitted discharge receipt on stamp paper wherein she declared that her grievance has been resolved to her satisfaction. Finally, the Policyholder has not submitted any concrete proof of mis-selling. Without proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>Net worth and yearly saving did not match.</p> <p>The policyholder visited the bank to deposit the amount in the bank account. After plain reading of the complaint, it is evident that it is clear case of mis-selling.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>

**(10) Syeda Sadia Zahid Policy no. 679066**

The policyholder submitted as follows in her complaint:

**Complaint Details**

**Subject:** Complaint against Jubilee Life Insurance company for misguiding regarding policy

**Details:** To, Jubilee Life Insurance Sir, Respectfully stated that I Syeda Sadia Zahid Signed your insurance Policy on May 30, 2016 Recommendation of one of your employe. At that time he told us that after two years our Amount with benefit will return us. But now I came to know that he misguided us as this Policy is for ten years. I am unable to continue this Policy due to my Financial conditions. Therefore I requested You to please return my total amount. I will be very grateful to you. Thank Syeda Sadia Zahid Account no: 01127900328003 Policy No:679066 Cell

*Handwritten signature/initials*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1.The policyholder, who is an educated lady, has stated in the proposal form that she is employed as teacher in Islamabad Model College for Boys (IMCB).</p> <p>2.In the Proposal Form she had declared her Total Monthly Income as Rs.150,000/- and Net Savings as Rs. 100,000/- per month.</p> <p>3.She is a permanent resident of PWD Colony, G-7/2, Islamabad and was then unmarried living with her parents.</p> <p>4.Through Call Back Confirmations (CBC), the policyholder was clearly informed about the amount and terms of premium payment. She replied in affirmative during the CBC and did not contend that she could not pay Rs. 100,000/- premium annually.</p> <p>5.Premium payment ability appears not to be the issue in this case.</p>	<p>Para 3 of the actual call made to the complainant did not match with the approved CBC.</p> <p>The Company did not seek any proof of income from the policyholder to ensure proper financial underwriting. As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p>
ii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time	<p>1.Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I. I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2.Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3.The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statement to the policyholder. Therefore, violation of Rule 6(1)(d) is established.
iii.	The policy documents were delivered after expiry of the FLP. The commencement date of the Policy was May 15, 2016. The issue date was reported as May 30, 2016. The acknowledgement date was July 15, 2016.	<p>1.At times delivery of policy documents are rendered unsuccessful because address of the consignee is incomplete or is not traceable or due to non-availability of the consignee at the given address etc. In such cases, policy documents are delivered after several attempts through alternative sources.</p> <p>2.The Policy documents were delivered on 15<sup>th</sup> July 2016 whereas the Policy was issued on 30<sup>th</sup> May 2016. Therefore, the documents were delivered 45 days after issuance.</p> <p>3.However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.</p> <p>4.In every case the Company commences count of the Free Look Period (FLP) from the</p>	The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules (previously Rule 39 of Securities and Exchange Commission (Insurance) Rules, 2002) is established.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		<p>date the Policy Documents are delivered to the Policyholder. 5.However, although policy documents were successfully delivered to the policyholder on July 15, 2016, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on June 09, 2017, i.e. after completion of approximately one policy year. Two annual premiums too had been paid.</p>									
iv.	<p>Mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policyowner" and the Need Analysis Form.</p>	<p>1.The Annual Income mentioned in the Insurance Need Analysis Form is Rs.1,200,000/- and the priority number one appears to be savings. 2.Under Question 15 (Personal Financial Review of Applicant / Policyowner) of Proposal Form the policyholder in clause C "YOUR FINANCIAL OBJECTIVES" the policyholder has mentioned amounts as under: c. Amount of money you can save on annual basis to achieve your objectives PKR 1,200,000/- d. How much of Capital would you like to invest? PKR 100,000/- Thus, the requirement of policyholder's objectives does not appear to be unduly exaggerated. The Policyholder has also submitted letter in Urdu wherein she has categorically mentioned that she agrees that the Policy was issued on her life correctly by Jubilee Life as per agreed terms and conditions. She declares that her grievance has been resolved to her satisfaction by Jubilee Life. Finally, as the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication confirms that she was informed about the premium payment amount &amp; term. In the absence of evidences and testimonies to the contrary, we are unable to label this case as mis-selling.</p>	<p>Mismatch of the financial priorities and need analysis was observed as under:-</p> <table border="1" data-bbox="1023 618 1326 1059"> <thead> <tr> <th>Financial Priorities</th> <th>Need Analysis</th> </tr> </thead> <tbody> <tr> <td>Capital for Better Return</td> <td>Children education</td> </tr> <tr> <td>Building Capital for Regular Saving</td> <td>Retirement Income</td> </tr> <tr> <td>Financial protection for Children Wedding</td> <td>Children wedding</td> </tr> </tbody> </table> <p>As per the complaint submitted by the policyholder, the specified persons / insurance consultants did not fully explain the terms and conditions of the policy. The specified persons / insurance consultants lured the policyholder that she can take her money back in two years and mis-sold the policy. The Company is responsible for the conduct of the agents under section 95 of the Ordinance; therefore, it must be penalized for such acts of its specified persons / insurance consultants.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including</p>	Financial Priorities	Need Analysis	Capital for Better Return	Children education	Building Capital for Regular Saving	Retirement Income	Financial protection for Children Wedding	Children wedding
Financial Priorities	Need Analysis										
Capital for Better Return	Children education										
Building Capital for Regular Saving	Retirement Income										
Financial protection for Children Wedding	Children wedding										

*Handwritten signature/initials*





# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		<p>but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>
--	--	---

(11) Mr. Shamim Madni Policy no. UL20170000793568005

The policyholder in his complaint stated as under:

*By Shamim Madni*  
*Policy no. UL20170000793568005*

*Dear Sir,*

*Reference to the above subject.*

*Now receipt of Policy Document is herewith submitted.*

*Respected Sir,*

*It is submitted that I am serving as a student in all branches. I am offered a home policy by your agent. He says and the bank who visited my office from 24 hours and invited me also at that time. I visited at bank about half of all my commitments with me as well as my commitments regarding the policy (later). They took first premium of Rs. 200,000/- in my name but failed to provide me any sort of acknowledgment / policy document. I contacted many times and included them for provisioning of policy document but they stated something and the bank told me that the agent is cheating you as there is no bank for the purpose, he did not inform me that the agent had assigned from his office. However, on completion of about one year in 2017/18, the bank contacted me for submission of 2nd premium amount of Rs. 200,000/-. Then I visited bank for the same & requested to provide me some evidence that with regard to policy amount he said the contract the agent for document but still he did not inform me. The agent has assigned to me.*

*I personally visited bank about 10 times but I did not get any policy document. I contacted your office many times but I did not get any policy document. I contacted your office many times but I did not get any policy document. I contacted your office many times but I did not get any policy document.*



*Handwritten signature*



promising of demands but he tried to avoid me & said that I will try for your demands but all commitments were broken.

Subsequently, as per advice of some friend I lodged complaint of non-receipt of policy document and acknowledgment letter etc. I have had good communication with your customer care help <sup>desk</sup> Mr. Hafeez who lodged my complaint & confirmed me that computer is showing that your demands ~~was~~ not delivered. He said your complaint No. 3-000018174 dated 11 Feb 2019. I am pursuing your complaint you will get your policy document within 15 days. <sup>with some delay</sup> about ~~one~~ week. I contacted your complaint office <sup>due to</sup> because phone at Gurdaspur with India on 17/1/19. The customer care rep informed me your complaint is under process, however we dispatched the acknowledgment letter through TCC on 11/02/2019. I told her that I have not received your acknowledgment letter then she gave me the helpline No. of TCC and assignment No. of TCC as 30153-650592 for helping. I called TCC office who confirmed me that our record revealed that your assignment has not been delivered due to some problem in address/location, however the same is returned back to public head office. I informed immediately same to your customer care who gave me my second complaint No. 3-000020144 dated 27/1/2019 and she advised me to visit head office personally to resolve the issues.

I visited your head office today where Mr. Iqbal deal me very nicely and responded with and show me the copy of ~~acknowledgment~~ letter which is totally differ what I was informed by your agents. He left and Mr. Iqbal was informed by your agents. He left and Mr. Iqbal was informed by your agents. He left and Mr. Iqbal was informed by your agents.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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after submitting the 2000/01 Income tax return for about 10 years you  
 profit will be approximately double. When I categorically said  
 that the profit would be for 10 years it will be returned to you  
 the bank advised me it will be returned after submission of  
 State installment of Income (i.e. Rs 200,000/-) and you will get  
 of some less amount. I said he clearly said not 200,000/- but  
 it should be more than 200,000/- to 220,000/- definitely. Then  
 when Mr. Tirmain explained me the illustration but when  
 details that policy is of 15 years and not of 6 years I  
 take it very serious that your agent have miscommitted  
 as well did miscommitment with a Commission Officer  
 of Pakistan Navy and I would like that the authorities may  
 take serious disciplinary action against them. I am compelled  
 to think that if such people are doing fraud with me who is  
 serving in Arm forces then how ~~easy~~ easily may defraud  
 with normal citizen of Pakistan.

Sir, I would like to cancel my policy and re fund  
 my ~~amount~~ full sum amount of Rs 200,000/- and  
 take severe disciplinary action with the bank who is still  
 working ~~as~~ as agent of your reputable and esteemed org. I  
 kindly, please have the favor being a part of white arm forces  
 and returned my amount of Rs 200,000/- at the earliest. It may  
 be noted that I have also been advised by the legal members  
 people to approach Federal Income Ombudsman in case of  
 non-compliance of Government or financial institution. I have  
 not done so because I am not sure about the result.

Yours truly,  
 Mr. Tirmain  
 11, Tirmain Building  
 11, Tirmain Building  
 11, Tirmain Building  
 11, Tirmain Building  
 11, Tirmain Building  
 11, Tirmain Building

*Handwritten signature/initials*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form the Policyholder was described as "Commander. Managing and Teaching at Surface Weapons School" PNS Bahadur, Karsaz Karachi.</p> <p>2. Premium was Rs.250,000/- per annum.</p> <p>3. Financial information is submitted as follows:</p> <p>a. Proposal Form Section 4 - Organization, Occupation, Income &amp; Financials</p> <p>b. Proposal Form Section 15 - Personal Financial Review of Applicant / Policyowner</p> <p>c. Insurance Need Analysis Form Based on the given financial information, the policy was issued on his life. This information has already been provided to the Commission vide our letter dated September 30, 2019 and is annexed therein as K4.</p>	<p>The Company did not take any proof of income from the policyholder.</p> <p>As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p>
ii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time.	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statement to the policyholder.
iii.	No evidence of delivery of policy documents within the Free Look Period was provided.	Policy documents delivery record is not available.	Violation conceded by the Respondents.
iv.	Mismatch was noted in the financial priorities stated in point 15 "Personal Financial Review of Applicant / Policyowner"	<p>1. Under Section 15 of Proposal Form 'Personal Financial Review of Applicant / Policy Owner', the policyholder's monthly income is stated as Rs.50,000/- i.e. Rs.0.6 Million Yearly.</p> <p>2. The same amount is shown as Annual Income of the policyholder in "Need Analysis Form".</p> <p>3. Furthermore, financial priorities and objectives in both documents gravitate around savings and retirement supplementation.</p>	<p>Income of policyholder was mentioned as Rs. 600,000/- Whereas, savings (Rs. 240,000) and premium (Rs. 250,000) did not match.</p> <p>Financial Priorities and Need Analysis did not match as under:-</p>

*[Handwritten signature]*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	and the Need Analysis Form for both the policies		Financial Priorities	Need Analysis
			Providing retirement income	Capital growth through regular saving
			Capital growth through regular saving	Providing retirement income
			Investing existing capital for better return	Children wedding
vi.	The complainant was not provided with the policy documents even upon the 2 <sup>nd</sup> year premium becoming due. The agents of the Company mis-sold the policy by stating the term of policy to be 6 years whereas the policy was issued for 15 years.	Policy documents delivery record is not available	Violation conceded. As evident from the complaint submitted by the policyholder, it is a case of mis-selling of the policy to the policyholder. The Company is responsible for the conduct of the agents under section 95 of the Ordinance; therefore, it must be penalized for such acts of its agents.	

## (12) Mr. Muhammad Ramzan Policy no. UL20180001010871004

A complainant stated as under:-

Complaint Details	
Subject:	Complaint Against Jubilee Life
Details	<p>Dear sir As per below earlier complain same case founded with my Brother Muhammad Ramzan. My brother are illiterate and his listening and speaking not 100% ok and he work as a labour on 500/day but he sum a amount so that he provide to family on sister marriage. He submit his payment (25000/-) in HBL sahiwal(so that save them) But the HBL, Mam uzma asmat (34834) his payment as insurance policy in jubilee life and my brother not now the who jubilee life insurance (benefit or loss) when the my brother need money he go to bank then that mam confirm him that your brother have a jubilee life insurance, then some my family member visit to HBL but that mam not return the policy and says that your payment not return before next 2-year. My family member are also observe that some more people happen in same conduction then return to home. I am sure that that mam (uzma asmat) are fourde with uneducated people with misguidance. we are request kindly stop this game with uneducated people playing through HBL bank. I also request you kindly return my brotner payment 25000/- we will very thankful if you take a action. Name:Muhammad Ramzan Policy :UL20180001010871004 HBL Bank person: uzma asmat (Jubilee life person sevice 34834) Regards.</p>

Sr. #	Deficiencies	Response of the Respondents	Remarks/Comments
i.	Call back confirmation indicated that	1.From the above it is evident that the Policyholder was informed that, the Tabeer Plan which the Policyholder had purchased	The caller did not provide complete information to the prospective policyholder,

*[Handwritten Signature]*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	initial question seeking confirmation did not mention "insurance" plan or product.	was a product of Jubilee Life Insurance Company Limited and that if he had any query he may contact the representative of the Insurance Company deputed in HBL or may contact Jubilee Life on their contact number which was recited to him and which the policyholder himself reconfirmed. 2.The policyholder was also Informed that he had a 14 days period for review of policy terms & conditions and in case of dissatisfaction he could request for its cancellation. The policyholder also sought confirmation of the free look period from the caller very lucidly confirmed it to him.	as the word "insurance" was not stated along with the product name.
ii.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	1.In the Proposal Form the Policyholder has been described as a Karyana shop keeper. 2.The annual premium was only Rs.25,000/. 3.Through Call Back Confirmation (CBC), the policyholder was clearly informed about the amount and term of premium payments. He was interactive during the CBC and enquired about the free look period. 4.The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy documents, explicit mention annual premium as Rs.25,000/- payable yearly.	The Company did not take any proof of income to ensure proper financial underwriting.  As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.
iii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time	1.Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3 <sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2 <sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi. 2.Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments. 3.The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statement to the policyholder. Therefore, violation of Rule 6(1)(d) is established.
iv.	The policy documents were delivered after expiry of the FLP. The commencement date of the Policy was July 15, 2018. Acknowledgement date was reported	1.The Policy documents were delivered on 20 <sup>th</sup> August 2018 whereas the Policy was issued on 16 <sup>th</sup> July 2018. Therefore, the documents were delivered just 35 days after issuance. 2.However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.	The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules (previously Rule 39 of Securities and Exchange



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	<p>as August 20, 2018 whereas the policy was issued on July 16, 2018.</p>	<p>3. In every case, the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder. 4. However, although policy documents were successfully delivered to the policyholder on August 20, 2018, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on May 23, 2019, i.e. after expiry of approximately 09 months from delivery date.</p>	<p>Commission (Insurance) Rules, 2002] is established.</p>
<p>v.</p>	<p>Many columns of the proposal form were left blank which rather should have been filled out with due diligence in order to assess the exact financial position of the policyholder.</p>	<p>1. We agree that form filling in this case is not up-to the mark. 2. However, financial underwriting appears to be had been undertaken on the basis of given information in Proposal Form. a. He is a Karyana shop keeper and it has been mentioned under Question 4o(i) of the proposal form that his Total Annual Income is Rs.600,000/- b. In question 4o(iii) of the proposal form it has been mentioned that his Annual Expenses is Rs.250,000/- c. Net Income is mentioned as Rs.350,000/- in answer to Question 4p. d. Furthermore, the policyholder has also declared his monthly income as Rs.50,000/- under Section 15 - Personal Financial Review of Applicant/Policyowner - of the Proposal Form which amounts to Rs,600,000 per annum the same as mentioned in Question 4o(i). e. Policy was issued for a premium of only Rs.25,000/- per annum which appears to be well within the affordability of the applicant. Finally, as the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts his allegations, in the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>Violation conceded. Many columns including need analysis and financial priorities in the proposal form were left blank.  As evident from the complaint submitted by the policyholder, it is a clear case of mis-selling. The Company is responsible for the conduct of the agents under section 95 of the Ordinance; therefore, it must be penalized for such acts of its agents.  As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>

(13) Mr. Mulazim Hussain (Hifazat Plan & Shndur Plan) Policy no. 531128 & 779621

The complainant stated as under:-



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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*[Handwritten Urdu text, likely a response to a query or a report, covering the majority of the page. The text is dense and difficult to transcribe accurately due to its cursive nature.]*

*[Handwritten signature and date: 28/04/2019]*

*[Handwritten notes and dates: 53/124, 50000/- per year, 15/04/2017]*

Sr. #	Deficiencies	Response of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form, the policyholder was described as Landlord with Agricultural Holdings of 5 Acres.</p> <p>2. Through Call Back Confirmation (CBC), the policyholder was clearly informed, not once but twice, about the amount and term of premium payment.</p> <p>3. During CBC, he repeatedly confirmed his understanding and did not contend that he could not pay Rs.250,000/- premium annually.</p> <p>4. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy documents, explicit mention annual premium as Rs.250,000/- payable yearly.</p>	<p>The caller did not provide complete information to the prospective policyholder, as the word "insurance" was not stated along with the product name.</p> <p>The Company did not take any proof of income from the policyholder to ensure proper financial underwriting. The company based its underwriting on CBC, whereas proper proof of income should have been</p>

*[Handwritten signature]*





# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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			sought for annual premium of Rs. 250,000/- As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.
ii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time	1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3 <sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2 <sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi. 2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments. 3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule 6(1)(d) is established.
iii.	The policy documents were delivered after expiry of the FLP Receipt/activity date in Shandur Plan (Policy No. 779621) reported as May 02, 2017 whereas the policy was issued on April 10, 2017. Commencement date was April 1, 2017;	1. The Policy documents were delivered on 13 <sup>th</sup> April 2017 whereas the Policy was issued on 10 <sup>th</sup> April 2017. Therefore, the documents were delivered just 03 days after issuance. The delivery was recorded in the business system on 02 <sup>nd</sup> May 2017. 2. However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery. 3. In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder. 4. However, although policy documents were successfully delivered to the policyholder on April 13, 2017, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on September 02, 2019, i.e. after expiry of approximately two and half years from documents delivery date.	The policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules {previously Rule 39 of Securities and Exchange Commission (Insurance) Rules, 2002} is established.
iv.	There was a mismatch between the income and savings as stated in the proposal forms of both the	1. We agree that form filling in this case is not up-to the mark. 2. However, being a semi-literate agriculturist, the veracity of information provided would not be accurate.	Violation conceded.  Income and saving in the proposal forms of both policies did not match.

*[Handwritten signature]*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	<p>policies. Moreover, there were drastic changes in the particulars filled in the proposal form within a period of only 1 year. Some of the examples included change in age of spouse and siblings and children by as much as 10 years. Further, the landholding size as well as value of the residential and agri land stated in the proposal form showed drastic differences.</p>		<p>The complainant has mentioned his profession as "Maimaar" whereas in the proposal form he has been mentioned as landlord with agricultural land of 5 acres. As per plain reading of the complaint, it is a clear case of mis-selling. The policyholder visited the bank branch to deposit the amount in a saving account; however, the specified persons / insurance consultants sold him insurance policy without fully explaining the terms and conditions of the policy.</p>
v.	<p>Due diligence was not carried out while issuing the policies and random figures were filled therein for the sake of completion of formalities only</p>	<p>In response we wish to state that the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts his allegations. In the absence of proper evidences and testimonies, we are unable to label this case as mis-selling. Finally, he submitted discharge receipt on stamp paper wherein he declared and stated that his grievance had been resolved to his satisfaction on the basis of which the matter was amicably settled.</p>	<p>As mentioned in the complaint, his profession was misstated in the proposal form. Hence, it is evident that it is a clear case of mis-selling. The Company is responsible for the conduct of the agents under section 95 of the Ordinance; therefore, it must be penalized for such acts of its agents.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied, with in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its</p>



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		specified persons / insurance consultants.
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## (14) Mr. Gulzar Ahmed Policy no. 8109453

The complaint of the policyholder stated as follows:

To

The coordinator,

Small disputes resolution committee

3<sup>rd</sup> floor NICL Bldg 63 Jinnah Avenue Blue Area

Islamabad

Subject: Application for recovery of cancelled policy membership no 8109453.

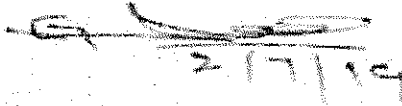
Respected sir,

With reference to my cancelled policy amounting Rs 5 lac initiated through Bhalwal distt sargodha jubilee family Takaful office, my request is as under:

- 1\_ I submitted my 5 year OPAL plan with my signature in December 2018.
- 2\_ I do not know who changed my plan into 8 pay plan instead of 5 year OPAL plan by doing my fake signature.
- 3\_ when I received stamp paper for agreement in 7<sup>th</sup> May 2019 I came to know it was changed, so immediately I cancelled this plan and sent back to Karachi office through jubilee Bhalwal office with in 3 days.
- 4\_ Sargodha Jubilee office submitted this cancellation on 15.5.2019 copy attached
- 5\_ After submission of cancellation I called so many time to Karachi office for early recovery of my 5 Lac amount (having recording). And Karachi of said to me to submitted bank certificate and than IBFT form on 27. may 2019 which I submitted to Bhalwal office on same day after filling and signature of my bank etc but bhalwal office submitted as they said on 3. June to Karachi office.
- 6\_ on 12. June I received sms from jubilee head office saying that my request is declines due to non provision of document when I submitted all in time.

Keeping in view above facts kindly return my money in my account to avoid any litigation.

Gulzar Ahmad



2/7/19

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to	1. In the Proposal Form the Policyholder is an Engineer in a Construction Company in Abu Dhabi said to be earning Rs. 100,000/- per month. 2. Through Call Back Confirmation (CBC), it is apparent that the policyholder knew that he had to pay Rs.500,000/= annually for 10 years, He himself corrected the caller and confirmed the amount. 3. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy	The Company did not take any proof of income from the policyholder to ensure proper financial underwriting. The company based its underwriting on the income mentioned in the proposal form and CBC, whereas proper proof of income should have been





# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	Regulation 17(g) of the Regulations.	documents, explicit mention annual premium as Rs.500,000/- payable yearly.	sought for annual premium of Rs. 500,000/-  As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.  Premium payment term of 10 years was not properly mentioned in CBC.
ii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time	1.Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3 <sup>rd</sup> Party Vendor M/S. FFF Computer located at SA. 21, 2 <sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi. 2.Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments. 3.The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.	The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule 6(1)(d) is established.
iii.	No evidence for delivery of policy documents within FLP was provided by the Company.	1.Evidence of delivery of policy documents is not available. 2.However, the policyholder has not contended that he did not receive policy documents.	Violation conceded. The policyholder received policy documents on May 7, 2019 and applied for cancellation on May 15, 2019.
iv.	Customer was not informed about 14 days FLP during CBC.	Kindly refer to the transcript of this CBC wherein it is evident that the caller clearly informed the policyholder that he has a 14 days free look period to review the policy documents. The caller also guided the policyholder to contact the Company on the given telephone numbers in the policy documents for any concern or query.	In CBC, the caller did not say that the policy can be cancelled within the FLP.
v.	The proposal form under point 6a states the name of the plan to be Opal Takaful Plan, whereas, the plan issued was Eight	1.Please refer to 'Amendment to Proposal' request of the policyholder dated 29 <sup>th</sup> March 2019, hereto attached, wherein he requested change of plan to 'Eight Pay Plan'. 2.Furthermore, the CBC clearly mentions the choice of product as 'Eight Pay Plan'. 3.Therefore, in accordance with the customer's wish, the policy was issued for 'Eight Pay Plan'.	It was observed that signature on the change of plan were <i>prima facie</i> fake. Plan was changed from 5 years to 8 years.

*Handwritten signature*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	Pay Takaful Savings Plan		
vi.	Policy term conveyed to policyholder during CBC was 5 years whereas policy issued for 8 years.	Kindly refer to the transcript of the CBC. The caller informed the policyholder that Policy Term was 10-years, whereas, premium for two years need not be paid. As the Policyholder has not submitted any proof of mis-selling, whereas on the other hand the CBC communication contradicts his allegations, in the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.	Premium payment term of 10 years was not mentioned in CBC.

**(15) Anees Jabbar Khan Policy no. 681408**

The policyholder submitted his complaint as under:-

**Complaint Details**

**Subject:** Complaint Against Jubilee Life

**Details:** I purchased a policy of jubilee insurance through a reference from HBL. I paid my first two premiums on time but recently I was going through my policy papers and I was revealed to the fact that illustration of benefits attached in my documents was never shown to me at the time of policy. Secondly the biggest crime committed by jubilee insurance is, they forged my signatures on illustration of benefits. For further reference, I have attached all the documents containing my signatures and forged signatures. By just having a look on these documents you can easily identify my signatures and the fake ones. Conclusion is cancel this case and deposit my 4 Million back to my account within next 14 days or get ready for litigation. Thank You Anees Jabbar Khan Policy # 681408

Sr. #	Deficiencies	Response of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form the Policyholder is described as owner of "Ghazall Construction Company. Government and Private Contractor".</p> <p>2. Enquiry was conducted which revealed the following "Customer is doing his own construction business. He is also town planner and government contractor. His Askari Bank has given him credit limit of 555 Million based on his financial credibility and smooth business. Accounts statements provided to underwriter (personal and his company) worth 6.9 + 6.9 (2 personal accounts) and 88 + 77 million (own company)".</p> <p>Unfortunately copies of these bank statements are not attached in Policy File.</p> <p>3. Through Call Back Confirmation (CBC), it is apparent that the policyholder knew that he had to pay Rs.2,000,000/= annually for 10</p>	<p>The Company did not take any proof of income from the policyholder to ensure proper financial underwriting. The company based its underwriting on the income mentioned in the proposal form and CBC, whereas proper proof of income should have been sought for annual premium of Rs. 2,000,000/-</p> <p>As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing</p>

*Handwritten signature/initials*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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		<p>years. During the call he interjected seeking further information.</p> <p>4.The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy documents, explicit mention annual premium as Rs.2,000,000/- payable yearly.</p>	<p>of Terrorism) Regulations, 2018.</p> <p>The policyholder in his complaint has stated that he did not sign the illustration form. He alleged that signature on the illustration were fake.</p>
ii.	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time</p>	<p>1.Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S. FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2.Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3.The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule 6(1)(d) is established.</p>
iii.	<p>The policy documents were delivered after expiry of the FLP. -The Commencement date of the Policy was May 15, 2016. The issue date of the Policy was May 31, 2016. Acknowledgement date was June 27, 2016.</p>	<p>1.The Policy documents were delivered on 10<sup>th</sup> June 2016 whereas the Policy was issued on 31<sup>st</sup> May 2016. Therefore, the documents were delivered just 10 days after issuance. The delivery was recorded in the business system on 27<sup>th</sup> June 2016.</p> <p>2.However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.</p> <p>3.In every case the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.</p> <p>4.However, although policy documents were successfully delivered to the policyholder on June 10, 2016, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on November 06, 2018, i.e. after expiry of approximately two and half years from delivery of documents.</p>	<p>The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules (previously Rule 39 of Securities and Exchange Commission (Insurance) Rules, 2002) is established.</p>



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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iv.	SDRC, Lahore instructed the complainant to approach a court of competent jurisdiction for authenticity of signatures.	1. We also welcomed SDRC's decision asking the policyholder to do so. If it had been established that signatures are fake and forged, we would have initiated disciplinary action against the miscreants. However, the policyholder neither substantiated his allegations nor did he submit any proof of mis-selling then or subsequently. Whereas, the CBC communication does not give credence to any accusation of fraud. In the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.	Apparently, signature of the policyholder did not match.  As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.
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(16) **Ms. Imrana Fayyaz UL20170000947814002**

The complainant submitted the complaint as under:

**Complaint Details**

**Subject:** ILLEGAL SIGNATURE and MISCONDUCT

**Details:** Dear Sir, I am writing this application to inform you that I have taken a policy from your organization the policy number being UL20170000947814002 on 5th December as I was in Pakistan. On 26th October 2017, my husband left Pakistan. After having done with all paperwork for insurance from my side I also left Pakistan on 8th December 2017. I feel sorry to let you know that your company changed that proposal form which was signed by me and replaced with another form (as you can see serial number is missing) without letting me know they did an illegal signature of my husband just to make their commission. I tried my best to be in their contact while in Saudi Arabia. But when I received hardly document by myself they were ready to be sent to Canada embassy I came to know all paperwork and signature were done illegally. When I tried reaching them they did not answer my call. As I was not in Pakistan for me it was not easy to come here at that time. I have to face a lot of mental stress as well as financial loss. Now I could not be able to trust anyone. Also, I don't want to continue with this policy and want to withdraw premium which is 240,000 PKR paid by me. People who are involved in a crime of misguiding me, preparing fake papers and illegal signature are Awais Khan, Aniq, Ghulam. (Currently in Cavalry, Lahore) I would like to bring to your notice that I didn't get any correspondence from the company yet in spite of my reminders for last 30 days. This appeal has been drafted to request you to look into the matter since its pending from the last 5 months. I hereby enclosed all the documents (By Post) to follow up my case and I will be available for any sort of reference in relation with this case. Hope you will take it seriously and get back with a positive reply and action. Thank You Imrana Fayyaz 28th June 2018

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments

*Handwritten signature*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<p>1. In the Proposal Form Occupation has been described as Operation Coordinator, National Petroleum Technology, Daman, Eastern Province, Kingdom of Saudi Arabia.</p> <p>2. Financial information of the policyholder submitted under Section 4 of Proposal Form (ORGANIZATION, OCCUPATION, INCOME AND FINANCIALS); In Question 4o(i) Total Monthly Income is mentioned as Rs.350,000/-; In Question 4p Net Saving is mentioned as Rs. 150,000/- per month.</p> <p>3. Financial information of the policyholder submitted under Section 15 of Proposal Form (<u>PERSONAL FINANCIAL REVIEW OF APPLICANT / POLICYOWNER</u> under Life Assurance Needs - Net Monthly Income is mentioned as Rs. 350,000/- and Net Monthly Savings as Rs. 150,000/-.</p> <p>4. In "Insurance Need Analysis Form", Annual Income is overwritten as Rs.4.8 Million.</p>	<p>The Company did not take any proof of income from the policyholder to ensure proper financial underwriting. The company based its underwriting on the income mentioned in the proposal form and CBC, whereas proper proof of income should have been sought.</p> <p>As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p>
ii.	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder.</p> <p>Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time</p>	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I. I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule 6(1)(d) is established.</p>
iii.	Alleged fake signatures.	<p>Although the complainant did not submit any proof to substantiate his allegations of fake signatures, the Company through enquiry was able to establish that the Policyholder was not in Pakistan during the dates the proposal was completed. Hence, his allegations could be true.</p>	<p>The Company conceded that signatures of the policyholder were fake and it was a case of mis-selling. Accordingly, disciplinary action was taken against the agent.</p>
iv.	CBC recording was not provided by the Company.	CBC recording is not available.	Violation conceded.
v.	Difference in signatures on	Response is as in (iii) above.	Violation conceded.

*Handwritten signature*





# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	policy documents and illustrations.		
vi.	The Company accepted that it was a case of mis-selling and disciplinary action was taken against the salesperson.	Yes, the Company through enquiry was able to establish that it was a case of mis-selling and disciplinary action was taken against the salesperson.	Violation conceded.

## (17) Mr. Michael Liu Policy no. 652667

Mr. Michael Liu submitted his complaint as under:

### Complaint Details

**Subject:** Forgery & Fraud on Policy # 652667

**Details:** Hello & Good day, This is Michael Liu. I am a Merchant at mall Road Lahore. I have a shop at main mall Road Lahore. I'm using my banking services at habib Bank Limited opposite high Court branch. I am a Pakistani resident. I am well versed with pakistani local language urdu. Once I receive the call from one of my bank branch staff named Rabia. Ramya was basically an agent from jubilee Life Insurance Company. She called me up and asked that I need to come to branch to sign few documents in order to get my information updated for my account. Once I went to the branch she got few documents signed by me. Once I enquired about the documents, she told me that these are insurance papers and as per rules of State Bank it is now mandatory for every customer. We agreed on 30000 rupees premium amount. In the meanwhile I receive the call from habib Bank Limited head office, in this call they give me few information about the policy and I agreed to there terms and conditions. Till that time I was ok and agreed all the terms and conditions of the company. But one thing that I never agreed to was forgery done by that agent on my documents. How could a person sign a document on 1st of March 2016 which was prepared and printed on 7th of March 2016. What I meant to say is illustration of benefits attached for hifazat plan in my documents was not shown to me nor I signed that document. Had anybody seen my illustration of benefits document with open Eyes. He or she would not have approved that document. As signatures along with verification stamp are fake on this document. Securities and exchange commission of Pakistan must take clear action against these types of frauds. Regards Michael Liu Policy # 652667

Sr.#	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	The Policyholder is the owner of a shoe store on Mall Road Lahore, whereas, the premium payable was only Rs.30,000/- per annum.	The Company did not take any proof of income from the policyholder to ensure proper financial underwriting. The company based its underwriting on the income mentioned in the proposal form and CBC, whereas proper proof of income should have been sought.  As the Company failed to collect proper proof of income of the policyholder,

*Handwritten signature*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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SECP

			<p>it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p> <p>The caller did not provide complete information to the prospective policyholder, as the word "insurance" was not stated along with the product name.</p>
ii	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time</p>	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I. I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule 6 (1)(d) was established.</p>
ii i.	<p>Alleged fake signatures.</p>	<p>1. The Complainant's stance is that because the print date on the Illustration of Benefits and the signature date differ, therefore, the signature on the Illustration of Benefits must be fake.</p> <p>2. Ocular examination with the naked eye does not reveal significant difference in signature affixed on the Illustration of Benefits and on other documents (including CNIC) submitted</p> <p>3. The complainant did not submit any proof along with his complaint, in the absence of forensic examination of signatures, allegations of fake signatures cannot be deemed tenable.</p>	<p>The complainant has alleged that signature on the illustration are fake.</p>
i v	<p>The policy documents were delivered after expiry of the FLP. - The Commencement date of the Policy was March 1, 2016. The issue date of the Policy was March 9,</p>	<p>1. The Policy documents were delivered on 11<sup>th</sup> March 2016 whereas the Policy was issued on 09<sup>th</sup> March 2016. Therefore, the documents were delivered just 02 days after issuance. The delivery was recorded in the business system on 11<sup>th</sup> April 2016.</p> <p>2. However, the point to be noted is that the Company does not put off its obligation to</p>	<p>Activity date as per record provided by the Company was April 11, 2016. Therefore, the Company failed to deliver the documents within Free Look Period. Therefore, violation of Rule 62 of the 2017 Rules (previously Rule</p>

*Handwritten signature*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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<p>2016. Acknowledgement date was April 11, 2016</p>	<p>deliver the policy documents, rather it ensures delivery.</p> <p>3. In every case, the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.</p> <p>4. However, although policy documents were successfully delivered to the policyholder on March 11, 2016, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission on April 10, 2018, i.e. after expiry of approximately two years from delivery of documents.</p> <p>5. The policyholder neither substantiated his allegations nor did he submit any concrete proof of mis-selling. The CBC communication does not give credence to any accusation of mis-selling. In the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>39 of Securities and Exchange Commission (Insurance) Rules, 2002] is established.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>
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**(18)      Mr. Tahir Iqbal Policy no. 663961**

The complaint submitted to this office by Mr. Tahir stated as follows:

**Complaint Details**

**Subject:** Policy # 663961 Fraud Sign on Illustration of Benefits.

**Details:** Hello SECP and Jubilee Insurance. My Name is Tahir Iqbal and policy number 663961 & policy amount rupees 30000. I purchase the policy of Jubilee insurance from habib Bank RA Bazar Branch. Lady named Amina told me very lucrative plan of investment in Jubilee insurance. And she got my signatures on few of the document. In addition to this I receive the call from Habib Bank Limited on the same day and they told me that if I am not satisfied with the policy, I can cancel it within first 14 days after receiving my documents. Right after receiving my file I went to the branch and ask for the cancellation of policy as the document of illustration of benefits attached in my policy documents with my fake signatures was never shown or explained to me. Still I believe that the same lady amina must have done my space fake signatures on the document. I asked her to cancel my policy on the second day I received my documents but she never cancel my policy and kept all my documents with her. First time she said that I will receive my money after 60 days. After 60 days when I went there she again talk sometime and kept on taking time again and again. Jubilee insurance sales person has done my Fake signs and Fraud with me. So I request SECP to help me in taking my amount back from jubilee insurance. Regards Tahir Iqbal  
Policy # 663961

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted	1. In the Proposal Form the Policyholder is described as chef and the annual premium under the policy was only Rs.30,000/-.	The Company did not take any proof of income from the policyholder to ensure proper financial

*Handwritten signature*



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	<p>which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.</p>	<p>2. The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy documents, explicit mention annual premium as Rs.30,000/- payable yearly.</p> <p>3. Financial Information of the policyholder submitted under Section 4 of Proposal Form (ORGANIZATION, OCCUPATION, INCOME AND FINANCIALS): In Question 4o(i) Total Annual Income is mentioned as Rs.360,000/-; In Question 4p Net Income is mentioned as Rs.180,000/- per annum.</p> <p>4. Financial information of the policyholder submitted under Section 15 of Proposal Form (PERSONAL FINANCIAL REVIEW OF APPLICANT / POLICYOWNER under Life Assurance Needs - Net Monthly Income Is mentioned as Rs.30,000/- (Rs.360,000/- annually) and Net Monthly Savings as Rs. 15,000/- (Rs. 180,000/-).</p> <p>5. In "Insurance Need Analysis Form" Annual Income is mentioned as Rs.360,000/-</p>	<p>underwriting. The company based its underwriting on the income mentioned in the proposal form and CBC, whereas proper proof of income should have been sought.</p> <p>As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p>
ii.	<p>The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time</p>	<p>1. Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I.I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</p> <p>2. Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</p> <p>3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.</p>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore, violation of Rule (1)(d) is established.</p>
iii.	<p>CBC recording was not provided by the Company.</p>	<p>1. CBC Recording is not available.</p> <p>2. However, the policyholder in his complaint forwarded to us by SECP on April 25, 2018, himself acknowledges that CBC was carried out by Habib Bank and he was informed about the 14-day free look period pertaining to cancellation of policy.</p>	<p>Violation conceded.</p>
iv.	<p>The policy documents were delivered after expiry of the FLP. - The Commencement date of the Policy was April 15, 2016.</p>	<p>1. The Policy documents were delivered on 20<sup>th</sup> April 2016 whereas the Policy was issued on 18<sup>th</sup> April 2016. Therefore, the documents were delivered just 02 days after Issuance. The delivery was recorded in the business system on 20<sup>th</sup> May 2016.</p> <p>2. However, the point to be noted is that the Company does not put off its obligation to</p>	<p>The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules</p>



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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	<p>The issue date of the Policy was April 18, 2016. Acknowledgement date was May 20, 2016.</p>	<p>deliver the policy documents, rather it ensures delivery.</p> <p>3. In every case, the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder.</p> <p>4. However, although policy documents were successfully delivered to the policyholder on April 20, 2016, but the policyholder did not revert within 14 days thereafter. The policyholder approached the Commission in April, 2018, i.e. after expiry of approximately two years from delivery of documents. In the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.</p>	<p>[previously Rule 39 of Securities and Exchange Commission (Insurance) Rules, 2002] is established. The policyholder has stated that he contacted the specified persons / insurance consultants within the free look period but she did not process it timely.</p> <p>As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.</p>
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## (19) Mr. Waheed Ahmed Policy no. 488235

The complainant stated as follows in his complaint:

----- Forwarded message -----  
**From:** WAHEED AHMAD  
**Date:** Fri, Dec 1, 2017 at 4:41 PM  
**Subject:** Refund of my amount required against Policy # 488235  
**To:** [complaints@jubileelife.com](mailto:complaints@jubileelife.com), [customer.complaint@hbl.com](mailto:customer.complaint@hbl.com)

Team of Jubilee life Insurance,

I have got a bit late in writing this email. But I was never late in letting team HBL know about the act of forgery that HBL and Jubilee life have done with me. Infact that was the only reason why I have not paid any further premium to Jubilee life Insurance.

I will never go to nitties and gritties of how this happened. I will only say one thing that HBL operations team along with Jubilee life's operations team are also not working with open eyes. My signatures on both pages of Illustration of benefits are fake. I have attached my complete file for reference. Both HBL and Jubilee must refund my full amount. Otherwise I will take both the teams to court of law.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

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Dear SECP and Jubilee Life Insurance,

While I am writing you email with complete documentations attached with proofs then I believe there is no point in writing you on plain paper.

SECP Team, Undersigned has sent Jubilee life insurance complete documentation with proofs of fake signatures done by HBL Bank staff and Jubilee insurance sale staff. But even after one month they have not solved my problem and have forced me to contact you to intervene in this matter and get it resolved as soon as possible.

Regards

Waheed Ahmed

On Mon, Dec 4, 2017 at 3:03 PM, Complaints <[Complaints@jubileelife.com](mailto:Complaints@jubileelife.com)> wrote:

Sr. #	Deficiencies	Comments of the Respondents	Remarks/Comments
i.	Evidence for financial underwriting was not submitted which was required to demonstrate the measures that were taken by the Company to satisfy itself in relation to Regulation 17(g) of the Regulations.	<ol style="list-style-type: none"> <li>In the Proposal Form, the Policyholder is described as trader and owner of Waheed Ahmed &amp; Company located at Building No.85, 1<sup>st</sup> Floor, Sector-H, DHA, Lahore.</li> <li>The Proposal Form, Illustration of Benefits, Policy Schedule and other documents, copies of which were sent to him along with policy documents, explicit mention annual premium as Rs.250,000/- payable yearly.</li> <li>Financial Information of the policyholder submitted under Section 4 of Proposal Form (ORGANIZATION, OCCUPATION, INCOME AND FINANCIALS): In Question 4o(i) Total Annual Income is mentioned as Rs.500,000/-; In Question 4p Net Income is mentioned as Rs.300,000/- per annum.</li> <li>Financial information of the policyholder submitted under Section 15 of Proposal Form PERSONAL FINANCIAL REVIEW OF APPLICANT / POLICYOWNER under Life Assurance Needs - Net Monthly Income is mentioned as Rs.200,000/-.</li> <li>We agree that financial underwriting in this case was deficient.</li> </ol>	<p>The Company conceded the Violation.</p> <p>The Company did not take any proof of income from the policyholder to ensure proper financial underwriting. The company based its underwriting on the income mentioned in the proposal form and CBC, whereas proper proof of income should have been sought.</p> <p>As the Company failed to collect proper proof of income of the policyholder, it also violated SECP's (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.</p> <p>CBC not available.</p>
ii.	The Company stated that it did not maintain record of sending quarterly and annual unit statements to the policyholder. Further, the	<ol style="list-style-type: none"> <li>Kindly note that the Company is sending unit statements to policyholder in accordance with the Rule 6(1)(d) within stipulated time through a 3<sup>rd</sup> Party Vendor M/S FFF Computer located at SA. 21, 2<sup>nd</sup> Floor, Techno City Mall, I. I. Chundrigar Road, Karachi, and Courier Company - Leopards, located at 19-F, Block-6, PECHS, Karachi.</li> <li>Attached please find copies of Vendor Invoices, Courier Receipts and Payment Instruments.</li> </ol>	<p>The Company did not provide any proof that quarterly and annual unit linked statements were provided to the policyholder. The courier invoice annexed to the reply does not substantiate delivery of the unit linked statements to the policyholder. Therefore,</p>

*Handwritten signature/initials*



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	Company did not provide any evidence that statements under Rule 6(1)(d) were provided to the policyholder within the stipulated time	3. The shipments being in large bulk quantities, the Company is not maintaining record of the statements nor of courier receipts. However, we are rendering the process paperless and should thereafter, be able to provide copies as well as proof of the statements dispatched.	violation of Rule 6(1)(d) is established.
iii.	Alleged fake signatures.	<p>1. In his initial complaint dated 01<sup>st</sup> December 2017, the policyholder had alleged that his signatures on Illustration of Benefits are fake. To the naked eye the signature affixed on Plan Illustration on 29<sup>th</sup> September 2019 appears to be the same as affixed on the following documents:</p> <p>a. NADRA VERISYS copy of CNIC  b. Direct Debit Standing Order and Authorization dated 29<sup>th</sup> September 2014.  c. Proposal Form dated 29<sup>th</sup> September 2014.  d. Specimen Signature Form dated 29<sup>th</sup> September 2019.  e. Complaint Application dated 31<sup>st</sup> January 2018.  f. Discharge Receipt and Payment Acknowledgement Dated 08<sup>th</sup> March 2018.</p> <p>2. In the absence of forensic examination of signatures, allegations of fake signatures cannot be deemed tenable.</p> <p>The policyholder had also withdrawn his complaint and submitted his written statement dated January 31, 2018 and discharge receipt on affidavit dated March 08, 2018 wherein he declared that his grievance has been resolved to his satisfaction.</p>	Alleged fake signature, as stated by the complainant
iv.	CBC recording was not provided by the Company.	CBC Recording is not available	The Company conceded the violation.
v.	The policy documents were delivered after expiry of the FLP. -The Commencement date of the Policy was September 15, 2014. The issue date of the Policy was September 30, 2016. Acknowledgement date was	<p>1. The Policy documents were delivered on 04<sup>th</sup> October 2014 whereas the Policy was issued on 30<sup>th</sup> September 2014. Therefore, the documents were delivered just 04 days after issuance. The delivery was recorded in the business system on 10<sup>th</sup> October 2014.</p> <p>2. However, the point to be noted is that the Company does not put off its obligation to deliver the policy documents, rather it ensures delivery.</p> <p>3. In every case, the Company commences count of the Free Look Period (FLP) from the date the Policy Documents are delivered to the Policyholder,</p> <p>4. However, although policy documents were successfully delivered to the policyholder on October 04, 2014, but the policyholder did not</p>	The Respondents conceded the violation that policy documents were not being delivered within 14 days of the date of commencement of the policy. Therefore, violation of Rule 62 of the 2017 Rules {previously Rule 39 of Securities and Exchange Commission (Insurance) Rules, 2002} is established. As provided under Regulation 15(4) of the Regulations that an insurance policy shall be considered as mis-sold if

*Handwritten signature/initials*



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October 10, 2014.	revert within 14 days thereafter. The policyholder lodged his complaint vide letter dated 01 <sup>st</sup> December 2017, approximately three years from delivery of documents. In the absence of proper evidences and testimonies, we are unable to label this case as mis-selling.	any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit. Therefore, the Company is involved in mis-selling of insurance products through its specified persons / insurance consultants.
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19. The Respondents in their reply to the SCN provided year-wise detail of the complaints pertaining to the policies issued in the years 2015 to 2018 as under:-

Bancassurance Business	Banca Grievances (Number of Cases)				
	2015	2016	2017	2018	2019
SECP & SDRC Banca Grievance Cases	107	200	217	137	23
Total - All Forums Banca Grievance Cases (including SECP/SDRC)	307	503	647	387	52

20. The Representatives of the Respondents claimed that due to weaknesses in the bancassurance sales process, customer grievances were high against the policies issued by the Company during the years prior to the year 2017. They further apprised that the Company, however, introduced stringent measures to curb the malpractices w.e.f. the year 2018. Therefore, the number of complaints were reduced for policies issued in the years 2018 and 2019. They also explained that the measures put in place were working and the Company was gradually witnessing significant reduction in the customer grievances.

21. In contradiction to the above, the record of the Commission presents a different picture regarding the number of complaints received against the Company. The Insurance Division has noted an increased inflow of the policyholder complaints against the Company. Both the Commission and office of the Federal Insurance Ombudsman have received highest number of complaints against the Company among all the life insurers. Out of the total complaints received against the Company, majority of the complaints relate to bancassurance business undertaken by the Company. Year-wise complaints against the Company are depicted in the table below:-

	2016	2017	2018	2019
Complaints received by the Commission through its SDMS	87	201	297	295
Complaints received by the Honorable Federal Insurance Ombudsman (FIO)	111	213	602	1281
Complaints received by the SDRCs	2	5	12	74
Complaints received by the Commission through PMDU	-	-	-	45
Total	200	419	911	1650
%age increase in the complaints over the previous year		110%	117%	81%

*Handwritten signature*





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22. It is evident from the above-mentioned data that the number of complaints received against the Company has increased considerably over the period of time. These statistics refute the Respondents' claim that they have taken measures to curb mis-selling in the bancassurance business. It was apprised during the hearing that the Company adopted numerous procedures that were bound to reduce the number of complaints received by the Commission since the year 2016. Nevertheless, the number of complaints received against the Company has increased to an alarming level. As large number of policyholders are filing complaints directly with the Company, State Bank of Pakistan, Federal Insurance Ombudsman, Prime Minister's Delivery Unit (PMDU) portal and the Commission; hence, argument of the Respondents that number of complaints remain negligible in proportion to the business underwritten, stands invalid.

23. Analysis of the nineteen such complaints indicated above, have at least one of the three elements that appear to be compromised in some manner. These three aspects can be summarized as follows:

Proposal Form / Illustration	Call Back Confirmation	Delivery of policy Documents and others
<p>Evidence for financial underwriting is not obtained, which is required to demonstrate the measures that the Company has undertaken to satisfy itself in relation to Regulation 17(g) of the Regulations.</p> <p>Verification of the information and suitability of the insurance product also needs to be addressed.</p> <p>Specified persons / insurance consultants fill the proposal form for apparent compliance with the disclosure requirements. However, they do not take into account financial priorities and need analysis of the prospective policyholders. At times, it has been observed that information regarding occupation, net income and net worth etc. was wrongly mentioned in the proposal form to comply with the underwriting requirements.</p> <p>Illustration is not fully explained to the prospect. In few of the cases, illustration was not provided to the prospect or</p>	<p>Call back confirmation indicates that initial question seeking confirmation does not mention "insurance" plan.</p> <p>CBC is ambiguous and requires clarity.</p> <p>Apparently, the policyholder perceives the insurance product as a bank's investment product.</p> <p>Company needs to structure CBC to make it transparent and easy to</p>	<p>Policy documents are not delivered timely. FLP starts from date of commencement of the policy. Therefore, the Company violates the spirit of Rule 62 of the 2017 Rules.</p> <p>Company has failed to furnish evidence that unit statements have been sent quarterly and annually. Thereby, it transpires that Rule 6(1)(d) of the Rule has been contravened.</p> <p>Few of the complainants have stated that they</p>



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contained fake signature of the policyholder.  Few instances were observed whereby specified persons / insurance consultants amended the proposal form i.e. term of the policy without consent of the prospect.  The requirements of Regulation 17(a) and 17(g) of the Regulations are not fully adhered to.	understand for ordinary people.  The requirements of Regulation 17(h) of the Regulations are not fully complied with.	timely informed the respective bancassurance officer to cancel the policy within FLP but he/she did not process the request.
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24. In the past, the Commission issued a warning letter dated November 30, 2015 to the Company, wherein it was stated that:

"2. Having noticed the recent trend of increasing number of grievances of the policyholders, the Commission has carried out an analysis of the insurers/takaful operators against whom maximum number of policyholders' complaints have been received. We regret to inform you that Jubilee Life Insurance Company Limited ("the Company") is included in the above list.

3. In this regard, your attention is drawn towards the provisions of Section 12(4) of the Insurance Ordinance, 2000 which states that:

"The insurer or applicant shall not be regarded as conducting its business in a sound and prudent manner if it fails to conduct its business with due regard to the interests of policy holders and potential policy holders."

4. In view of the fact that increasing number of aggrieved policyholders are approaching the Commission for seeking relief in their complaints against Jubilee Life Insurance Company Limited, the Company is hereby strictly warned to put in place a mechanism to ensure prompt and effective resolution of the grievances of its policy holders, within one month of the date of this warning, failing which the Commission may, under Section 84, undertake visits to the offices and branches of the Company in order to evaluate the compliance with the market conduct requirements of the Ordinance. The Commission may also initiate a stern action in the matter under relevant provisions of the Ordinance including but not limited to imposition of penalty under Section 156 and/or initiation of the proceedings under Section 63 *ibid.*"

25. The Commission issued another warning letter dated March 2, 2016 to the Company, wherein it was stated that:

"2. The Company vide letter dated January 13, 2016 provided the details of the steps that it has taken during the last few years to facilitate its policyholders. However, the Commission vide letter dated November 30, 2015 directed the Company to put in place a mechanism to ensure prompt and effective resolution of the grievances of its policyholders. You would appreciate the fact that had the existing measures of the Company for complaint resolution been adequate and effective enough, there would not



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have been such a growing number of complaints filed with the Commission against the Company. Furthermore, if the aggrieved policyholders of the Company were getting fair treatment from the Company's grievance handling cell, then they would not have filed their complaints with Small Disputes Resolution Committee or Federal Insurance Ombudsman. Therefore, the Company particularly needs to focus on area of bancassurance as most of the policyholders of the Company, who filed their complaints with the Commission were extremely concerned about mis-selling of the policies. The Company also needs to further strengthen and improve its grievance handling cell by introducing the efficient procedures and systems to expedite the resolution of complaints. The Direction given vide letter dated November 30, 2015 aims at providing speedy and effective resolution of policyholders' complaints.

3. In view of the above, the Company is again advised to submit the compliance report in respect of the aforesaid Direction along with the following contact information:

- a) Name and Designation of the Focal Person for Complaints Resolution; and
- b) Phone No., Cell No., Fax No., Email, and Postal Address of the Focal Person."

26. It is pertinent to mention here that the Commission also issued Show Cause Notice to the Respondents in the similar matter, which was concluded through Order dated October 5, 2016. Excerpt from the aforesaid Order is reproduced below:

"... ..

15. In terms of Section 76 read with Section 11(1)(f) & (h) and Section 12(4) of the Ordinance, the Company is required to avoid engaging in a conduct which is misleading and deceptive in nature.

16. The complaints especially with reference to bancassurance polices, that too in the presence of Bancassurance Regulations, 2015, is a cause of concern for the Commission. Furthermore, most of these complainants approached the Commission when the Company failed to resolve their grievances.

17. In view of the above, it appears that the Company has violated the provisions of Section 76 read with Section 11(1)(f) & (h) and Section 12(4) of the Ordinance.

18. With regard to the merits of the Show Cause Notice, the Respondents broadly based their arguments on the following:

- a. The number of complaints received against the Company is very small as compared to Company's overall business portfolio. Therefore, it cannot be construed that the Company is not conducting business in Sound and Prudent manner or that the Company is engaged in mis-selling. Moreover, all deliverables of a particular life insurance product are being vetted, reviewed and approved by the Commission before that product is offered by the Company to the general public;

The Commission's approval of a life insurance product in no way can be construed as an approval for mis-selling.

*Handwritten signature*



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b. Out of the 28 complaints, only 3 complaints pertain to the bancassurance policies issued after January 2016, and 2 of the said complaints have already been resolved to the satisfaction of the policyholders and only 1 complaint is pending for the reason that the policyholder is abroad;

The Company's admission that 3 complaints pertain to mis-selling of bancassurance policies issued after January 1, 2016, is a clear evidence of misleading and deceptive conduct in contravention of the provisions of Section 76, Section 12(4) read with Section 11(1)(f) & (h) of the Ordinance.

c. Subsequent to the Commission's letter dated November 30, 2015, the Company has taken additional measures to protect the interest of the policyholders;

As informed, the Company has taken steps for protecting the interests of its policyholders; however, the underwriting process needs to be improved further, and in pursuit of this, the Company needs to introduce more stringent procedures and take appropriate necessary measures to cover the following at a minimum:

i. the policyholders have actually given their express written as well as verbal consent to obtain the insurance policies;

ii. the policies so issued or to be issued are going hand-in-hand with the levels of income of the respective policyholders;

iii. the life covered is either over-insured and that the life covered / to be covered by the Company has not already been covered by other life insurers, allowing similar benefits to the covered life; and

iv. the agents have acted in good faith and that the policyholders understand, to the fullest, the rights and obligations, the coverages and exclusions of their respective insurance policies.

d. Insurance Ordinance, 2000 has provided for a free-look period of fourteen days during which the policyholder may decide whether to continue with a particular policy or otherwise, and any afterthought beyond that period cannot be construed as an instance of mis-selling. However, the Company resolves complaints and settles the grievances of the unsatisfied policyholders to protect its reputation and image.

It is true that the Insurance Ordinance, 2000 has provided for a free-look period of fourteen days to the policyholder, during which he can decide to continue his policy or not. However, it has been observed that insurance policyholders by and large rely on the statements and promises made by the insurance agents including but not limited to the individuals selling the insurance policies on behalf of the Company's corporate agents. Hence, unless and until adequate steps and measures are taken to improve controls through effective underwriting coupled with proper training of the agents and enlightening those agents about the

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consequences of being engaged in mis-selling, and misleading or deceptive conduct ranging from claw-back of the commissions to criminal complaints etc., the adequacy of the internal controls may not be achieved to a satisfactory level.

19. Needless to mention that since the Respondents have withdrawn the letters sent by their legal counsel, the concerns raised in the said letters may not be taken into consideration in the instant proceedings.

20. In view of the above, the element of mis-selling has been observed, which has also been accepted by the Respondents, on account of which the Commission has the power to impose penalty under Sections 76(5) and Section 156 of the Ordinance and also to issue direction under Section 60 of the Ordinance, for contravening the provisions of Section 76, Section 11(1)(f) & (h) and Section 12(4) of the Ordinance, as mentioned hereinabove. However, the Company has taken steps in the interests of their policyholders, which has been demonstrated by refunds / settlement. Therefore, in exercise of the powers conferred under Section 60 of the Ordinance read with S.R.O. 122(I)/2016 dated February 12, 2016, the Company is hereby directed to curb mis-selling and to promptly settle the grievances of the policyholders.

....."

27. Recently, a complainant namely, Mr. Usman Jilani, vide email dated October 28, 2019, has approached this Office regarding malpractice prevalent in the bancassurance business and has stated that:-

*"In June / July 2019 we had a property in F7 Islamabad, which we sold. Upon receiving the funds of approximately PKR 80,000,000 into our bank account, we then wanted to transfer that amount to the UK. My Mother, Gulnaz Jilani was the person dealing with this, as she was in Pakistan at the time.*

*My mother, Gulnaz Jilani was persuaded to sign up to the Jubilee Insurance (Takaful Vaqar Plan), and was told by an employee (Rozeena Zakariya) at the HBL Civic Centre Br (0602), Melody, Islamabad to put all of the amount into the scheme (PKR 80M). Rozeena some how managed to get my mother to invest half of that money into the scheme (approx PKR 40M).*

*Rozeena Zakariya accompanied by a colleague Mudassar (who didn't have much input, and had no role to play) even came to the property where my mother was staying (St 35 House 21, G6/2), just so she could get my mothers signature. As the bank was about to close within 30 mins or so, they rushed to the property. My mother didn't have her phone with her at the bank, so Rozeena Zakariya went to the property so they can contact me (Usman Jilani) for my ID Card Number. I wasn't even told about this scheme and was told when she had signed the documents.*

*When the signing was taking place, my mother had clearly told Rozeena that I (Usman Jilani - writing this email) can not sign, as I was not even in Pakistan at the time. Rozeena then said, it doesn't matter, just sign on his behalf. The thing that find most strange is that, those signed documents, they all have stamps of approval from HBL, and the Branch Manager (Masood Ahmed - PA #20249). How can they verify my*



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signatures, when I wasn't even present? This is clear fraud that has taken place, and these people should be arrested.

They had promised that they will send the Jubilee Insurance documents to our UK address (56 Burntwood Lane, London SW17 0JZ), and they kept on delaying this. We finally received the documents around early October 2019. I have consignment details, that shows these documents were dispatched from Islamabad on the 26th September 2019.

## Summary:

In Section 2 > Member Schedule, it clearly states that the Membership Term is for 10 years, when they agreed for 1 year. They lured my mother into signing the documents, and convinced her that the agreement was for 1 year.

In Section 3 > Form 3, mine and Gulnaz Jilani's email has been written in the form. I have not created such an email address ever in my life, and it looks like Rozeena Zakariya or the Branch Manager (Masood Ahmed) has created these email addresses just to submit the forms. If you check the IP addresses on where these email addresses were created, I can promise you, they were not created in the UK. They were created in Pakistan, and most probably after the documents were fraudulently signed.

In Section 3 > Form 4, 6, 8, 9, 10, you can see my signature, which is fraudulent. I was not even in Pakistan when these documents were signed and Rozeena Zakariya has clearly pressurised my mother (Gulnaz Jilani) to sign on my behalf, when I was not present. NADRA will be also be able to confirm that I was not in Pakistan when these documents were fraudulently signed.

What's more concerning to me is that those signed documents have stamps of approval from the bank and the bank manager (Masood Ahmed). I'm not sure how he can do such thing of verifying my signature, when I wasn't even in Pakistan at the time. This is clearly looking like fraud that has taken place.

Please note that there are two policies, as follows:

8125736 = Usman Jilani (In email subject line)

8125740 = Mamona Usman; exactly the same thing has taken place with this person as well. Her signatures are fraudulent, and she also was not in Pakistan at that time.

28. The above mentioned complaints corroborate with the observations of the Commission regarding practice of mis-selling in bancassurance business. It also affirms that policyholders have suffered due to the connivance of the bank staff and the Company. The bancassurance staff portray insurance policies as investment products offering high rate of return without fully explaining the actual terms and conditions of the policy. The agents also assure the prospective policyholder that he or she can withdraw the amount at any point in time. Few instances have been observed that CBC is *prima facie* faked and the call is not made to the actual policyholder in order to hide



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the terms and conditions of insurance policy and at the same time, to complete the formalities for issuance of the policy.

29. It is regrettable that the bancassurance officers do not share the risks involved in insurance with their prospective clients. They only extol the benefits and use their account holders' trust to assure them of huge benefits while cleverly concealing the charges involved. The un-soliciting bank account holders accept such proposals of investment tempted by the risk-free benefits and falsely promised profit. Thus, the problem starts with the bank staff who cleverly gets application forms etc. signed from the prospective clients without explaining to them the nitty-gritty facts and pitfalls hidden therein. The duly signed application form is the 1<sup>st</sup> documentary evidence with the bank and the Company. The 2<sup>nd</sup> sterling evidence in their hands is telephonic Call Back Confirmation (CBC) between the bank's headquarters in Karachi and the policyholder, whose responses to the CBC queries are pre-tutored and pre-conditioned by bancassurance officers in the bank. As against these, no solid evidence, either documentary or otherwise, is made available to the policyholder to prove mis-selling of insurance policies.

30. Moreover, as critical information for policyholders is rendered in percentages and illustration of benefits is not explained by the bank's sales staff while selling the insurance products, the bank account holders are being taken for a free ride and deceived by the bank staff at will. It has also been noted in some of the cases that specified persons / insurance consultants do not provide the illustration to the policyholder and sign the forms by themselves (*prima facie* fake), so that the policyholder is not aware about the deductible charges and expected values during the initial years of the policy. Further, the policyholders are not informed that investment risk is carried by them.

31. It is unfortunate that the bank staff, propelled by their compulsions for greed of commission on sale of insurance policies, misuse the trust of account holders by concealing the actual description of insurance products. The insurance regulations describe life insurance products in two categories namely, (i) Saving Products; and (ii) Protection Products. However, the bank's staff introduces these plans as high profit bearing investment plans. Owing to its nature, life insurance is mainly a saving and protection product; however, this cannot be introduced as high profit bearing investment product as the breakeven in case of regularly paid premium is not reached during the initial few years due to hefty deduction of agency commission by the banks paired with administrative costs, and charges etc. deductible from the paid premium amounts.

32. It may not be out of place to mention that bancassurance equation is absolutely crooked in favor of the Company and the bank. One end of the aforesaid equation is insurance company that is fully equipped with insurance law, literate, well-trained and extensively experienced manpower whereas the other end comprises of unwary and insurance inexperienced bank account holder. In between the above-mentioned equation lies the bancassurance staff based at the bank branch, whose status is effectively camouflaged by concealment and non-disclosure of its agency status. The



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bancassurance staff sitting in the bank branch is invariably and innocuously believed as reliable and trustworthy by visiting bank account holders. The account holder falls easy prey to their own trust in the bank staff in face of any proposed product introduced by them as highly profitable. The product is believed to be issued by the bank.

33. In pursuit of its objective of protection of insurance policyholders, the Commission, being the apex regulator of insurance sector, has been addressing genuine grievances of bancassurance policyholders through appropriate regulatory actions against insurers. Over a period of time, it has been observed that mis-selling of the Unit Linked Insurance Policies (ULIPs) has become so rampant that large number of policyholders are filing their complaints to the respective insurers, the Federal Insurance Ombudsman (FIO), State Bank of Pakistan and the Commission. An overwhelming majority of policyholders' complaints pertains to bancassurance policies.

34. One of the reasons for such complaints in the ULIPs is that large portion of first few years' premium is booked only towards commission and other charges i.e. policyholder is left with negligible fund value. Further, the specified persons / insurance consultants mislead the prospective policyholders by providing them with false promises about the insurance products.

35. The Company does not timely deliver the policy documents to the policyholders in violation of Rule 62 of the 2017 Rules (previously Rule 39 of Securities and Exchange Commission (Insurance) Rules, 2002. Surprisingly, the Company has given reasons for unsuccessful delivery of the documents i.e. incomplete or untraceable address of the consignee, which corroborates with the aspect of mis-selling. Had all the underwriting requirements been completed, the address of the policyholder would not have been incomplete or untraceable.

36. Based on the complaints handling experience of the Commission, the main causes of grievances of policyholders in respect of sale of bancassurance policies are summarized as follows:

- (a) Proper insurance need analysis of intending policyholders is not carried out in most of the cases;
- (b) Prospective policyholders are given false promises about profit, term of the policy and withdrawal. They are not usually given adequate time period to understand the illustration and product's terms & conditions and make informed decision;
- (c) In the absence of proper explanation of the illustration in majority of complaints, policyholders do not understand the terms and conditions of policy, especially, front-end charges, investment risks, exclusions, limitations, restrictions and cash/surrender value etc.;
- (d) In most of the cases of complaints, policyholders are not aware of the fact that no cash value is accumulated prior to payment of 2<sup>nd</sup> year premium. Instead, they are given false understanding that they would be able to get full refund of premium along with profit at any point in time;





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- (e) Recurring nature of direct debit authority/ auto debit option for collection of premiums is not fully explained to policyholders;
- (f) Deduction of adhoc premium is made without giving proper illustration.
- (g) Signing of policy documents without filling up required complete information is a potential cause of dispute;
- (h) Documents are delivered to the policyholder after expiry of the free look period. No assistance is provided to policyholder if he wishes to return the policy in the free look period; and
- (i) First communication/letter through which policy documents are delivered to the policyholder does not mention that the policy can be cancelled. For instance, the Company in its letter states as under:

*"As per section 39(1) of the Securities and Exchange Commission (Insurance) Rules 2002, you have a 14 (fourteen) days Free Look Period to review the contents of your policy and the terms and conditions of the contract. If you have any query in this regard please feel free to contract us."*

37. It is also relevant to mention here that similar complaints of mis-selling of insurance policies by the bancassurance staff have also started pouring in at an accelerated rate through the Prime Minister's Delivery Unit (PMDU) portal. Geographical spread of the complaints also indicates that menace of mis-selling through bancassurance distribution channel is so rampant that such complaints are being received from across the country. The grievances mentioned in the complaints received through the PMDU portal also correlate with the observations given herein above. The complaints received vide PMDU portal are mentioned hereunder for reference:

Sr.#	Particulars of the Complainants	Complaint Details
1	PU241019-5263495 Name: Muhammad Irfan Gender: Male Province: Punjab District: Layyah	Aoa...sir m n 2012 m HBL ki jubilee life insurance m policy krwai <u>mjy kha tha k ap ko duble paisy mln gay 3 saal bd ap ka profit strt ho jy ga</u> ...ten yrs duration tha 36000 per yrs pay krta tha .7 yrs tk pay krta rha yni m n 252000 jubilee life ko pay ky hn hm ghr m 10 log hn sistr ki shadi krni the t mjy paisy zrort thay t m n policy khtm krny k ly apply kr dia. ...mjy 2 mah bd jubilee life walon n 219000 nry acunt m bhj dy .mery asl rqm s b kum mjy mly hn yni 33000 kum mly hn ...unhnon n mfy 7 saal paisy invstunt m lgai lkn na mjy koi profit dia ...mery sbmittd orgnl ruqm b ni dy ...plz sir mjy apny raqam wapis krwa jy jo k 33000 bnti h ..mjy profit na dn.frad h Sumary: policy # 250714 Yni 252000 me n 7 saal m jubilee life ko submit krwai .36000 per anum Mjy 7 saal bd 219000 retrn hua h .. 33000 mjy wapis ni kia ur sath profit b ni dia Bss sir ap s yi rquest h k mjy 33000 wapis dilwya jy jo k mra apna jamma shuda h .dcumnts sath attachd h main branch karachi h ...thnkxxxx sir
2	PU171019-5162857 Province: Punjab District: Gujranwala	Banks sales product named as Banca from different banks by making contact with different insurance-companies In which all banks said that is investment and insurance scheme in which life is insured and also profit is provided in both ways that's companies are taking investments from general people's and not giving them their own money back after 6 years almost means 6 years latter bank/ insurance company use money of customer and giving them no any profit it is just fraudulent product by which banks by involving insurance companies sales the people Please take care of your simple and uneducated persons who becomes the toys in banks Please check the return status of product in different plans So please arrange the needful as done In 1991 by

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		creating the state life insurance by GOVT of Pakistan by closing the all fake and wrong companies.
3	IS030819-3964446 Name: Muhammad Javaid Iqbal Gender: Male	Mubasharr Hussain Mughal deposited Rs 20 lac to Jubilee insurance company but after some time he was asked to pay 20 lac more. Now he wants to discontinue policy and wants his original amount back. See attachments. Kindly return , thanks
4	PU260919-4819329 Name: Zafran Aslam Gender: Male Province: Punjab District: Dera Ghazi Khan Tehsil: Taunsa	میرے بڑے بھائی زیشان اسلم نے سونیری بینک ڈیرا غازی خان بزنس کے ملازم ناسر خان میرانی جو کہ جوہلی لائف انشورنس کا ایجنٹ تھا کے ذریعے جوہلی انشورنس کی دو عدد پالیسیاں لیں ناسر خان میرانی جو کہ بینک اسلامی کا ملازم ہے نے غلط بیانی سے کام لے کر پالیسیاں کی۔ سونیری بینک کے ملازم نے میڈیکل بینیفٹ کا وعدہ کیا جو کہ میرے بھائی کی بیماری کے وقت کوئی کام نہ آیا اور یہ کہا گیا کہ اس کا بینیفٹ وفات کے بعد ملے گا جو کہ موافقہ کی خلاف ورزی ہے ناسر نامی ایجنٹ نے یہ بھی کہا تھا کہ آپ جس وقت یہ پالیسیاں ختم کرنا چھاپیں کر سکتے ہیں اور آپ کی ایک روپیہ بھی کٹوتی نہیں ہو گی جب بینفٹ بینیفٹ نہ ملنے پر پالیسیاں ختم کرنے کا ارادہ کیا تو درخواست دینے کے چھ ماہ بعد کمپنی کی ایک کال آئی کہ آپ کو ادا شدہ رقم کا نصف نقصان دیا جائے گا اور نصف رقم ادا کی جائے گی جو کہ جوہلی لائف انشورنس کمپنی کی سراسر زیادتی ہے اور اس میں ناسر میرانی نامی ایجنٹ بھی برابر کا شریک جرم ہے۔ ناسر خان میرانی جو تب سونیری بینک میں ملازمت کرتا تھا اب بینک اسلامی میں کام کر رہا ہے۔ برائے مہربانی میرے بھائی کی ادا شدہ رقم واپس کرائی جائے۔
5	PU161019-5140527 Name: Ahmad Nadeem Zafar Province: Punjab District: Lahore	Maine apni wife ki 2013 mein jubilee insurance krwai thi yearly 45000 pay krta tha aaj 2019 tak main 195000 pay kr chuka hun inhon ne kaha tha K apko 5 saal baad He munafa mil jayega lekin ap 10 saal K liye insurance policy lelen aor 6 saal baad nikalwa lena apko achy returns mil jayengay But aaj mujhy call pr 140000 pay kr rahay hain maine 7 years wait kiya To ulta munafa denay K mujhy 50 ya 60 hazaar ki katoti kr rahay hain
6	IS110319-1804153 Name: Shahida Parveen Province: Federal Govt District: Islamabad ICT	I want to register my complaint against jubilee life insurance and hbl bank fraud they took my life time savings and didnot give me back i m worried about and hope will get my money back through this channel.  Dear concerns,i am a house wife and illiterate woman.Jubilee life insurance are not giving my money back since 3 years,please intervien and help me to get my life time savings from these white collar criminals.
7	FC120319-1824015 Name: Javed Iqbal Gender: Male	In 2016 I came to Pakistan I was operating by bank account with Habib bank Pahrianwali branch code (2351) I visited the branch at that time and they offered me Jubilee life insurance company investment amounting 250,000/- per year. They took my signature without informing me that it insurance, once I investigated the the investment they offered and I found its insurance, I approached the bank and with in FREE LOOK period which is as per rules and I submitted my application for cancellation, bank manager and insurance agent given me the surety that my amount will be credited in my account. After getting the surety I went back to KSA. Now I am back to Pakistan on my annual leaves I found that they haven't cancelled my policy and also they have deducted the second instalment from my account even after my cancellation request. I approached Jubilee life and refused to help same hbl. Details: Javed Iqbal ..... Policy#661976 Kindly help to get my amount as I am labourer and hard earner they took my amount fraudulently.
8	FC180319-1913019 Name: Abid Raza Gender: Male	I have obtained a life insurance and paid it's premium for 10 years policy 95589 I have been residing in Muscat and earning bread for my family my policy has matured and I was shocked to hear that my maturity value in lower than I have been committed. I am now applying for encasing my policy but jubilee life pppl are making lame excuses and are making me suffer please help me and save me from Jubilee life insurance they are pathetic.
9	FC180319-1907435 Name: Syed Faheem Ud Din Hashmi Gender: Male	To the Office of Prime Minister of Pakistan Prime Minister's Office Islamabad Subject : Insurance Fraud from New Jubilee Insurance - Karachi Pakistan - Insurance No. 80027 NJ Life Insurance For Attention : Banking Mohtasib / Stock Exchange commission / State bank regulatory committee for Insurance The Insurance Association of Pakistan / PM inquiry Cell Dear Sir I am overseas Pakistani and serving my country since last 14 Years by sending remittance back to my loving home country. In 2007, I have taken the

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		<p>Insurance policy from New Jubilee Insurance Rahim Yar Khan City Branch - Policy No. 80027 (documents attached) I was told that in 10 Years' time, the One Lakh premium Policy value will be around 200,0000 (2 Million Rupees - double of my insurance indemnification value) Because of the fraudulent , rude , impudent and non-professional demeanor of insurance company and their poor performance , I have decided to withdraw my policy. After correspondent with insurance's head office, I have specially travelled to Pakistan so I can withdraw the policy , in month of February. 2019 Although , it took 1-2 weeks' time to process all, insurance company id delaying my withdrawn process and they maturity amount they are mentioning is somehow equal to my identically tantamount (if consider the money devaluation) Even than that the amount they would pay is my own money and insurance didn't add any significant value , (didn't integrate any consequential value) they are not cooperating with me to relinquish my money Kindly assign someone to pls. do inquiry from insurance company for their Poor performance and delay to process the request. Such fraudulent companies should ban as they are cheating Pakistanis and serving their own agendas to de-stabilize country by not doing their required work I am sending written application too for reference Pls. have time to allocate my matter to some responsible person Syed Faheem Ud Din Hashmi NIC No. .... Policy No. 80027 Rahim Yar Khan city Registered email: sfd24@hotmail.com and s.fatheem@oryxgtl.com.qa Qatar Phone No. +974 55138374 Postal Address ; P.O. Box 13326 Doha , Qatar</p>
10	<p>PU211218-0694230 Name: Shaikh Amjad Masood Gender: Male Province: Punjab District: Lahore</p>	<p>گزارش یہ ہے کہ میرا نام شیخ امجد مسعود ہے۔ پالیسی نمبر 4230108999585 ہے مجھے ایک سال قبل یہ پالیسی دی گئی تھی 8023981 قومی شناختی کارڈ نمبر ہے اور کچھ امور پوشیدہ رکھے گئے جن میں یہ شامل تھا کہ میرے پرنسپل امونٹ کی کیش ویلیو کم ہو سکتی ہے اور میں اپنی رقم کب کتنے عرصہ میں نکالوا سکتا ہوں مجھے گائیڈ نہیں کیا گیا اور یہ پالیسی یہ کہہ کر دی گئی کہ اب جب بھی رقم وٹرا کر انا چاہیں ہو جائے گی مگر جب میں بیلن لائن پر فون کال کی تو انہوں نے بتایا کہ تین سال تک یہ ممکن نہیں۔ نیز میرا ٹوٹل امونٹ ایک ملین روپے ہے جبکہ آج مجھے بتایا گیا کہ اس وقت 6820000 موجود ہے۔ گزارش عرض کرتا ہوں کہ میں ایک ریٹائرڈ زندگی گزار رہا ہوں اور ہر سال اس پالیسی کی رقم جو کہ 400,000 ہے ادا کرنے سے قاصر ہوں کیونکہ مجھ پر ذاتی اور گھریلو ذمہ داریاں ہیں لہذا انسانی ہمدردی کی بنیاد پر میری اس پالیسی کو کینسل کر کے میری اصل رقم کو 10,000000 ہے مجھے لوٹا دی جائے کیونکہ میں اس پالیسی کو نہیں چلا سکتا شکر یہ خیر اندیش شیخ امجد مسعود لاہور</p>
11	<p>SD191218-0668912 Name: Allah Dino Channa Gender: Male Province: Sindh District: Hyderabad</p>	<p>I purchased Jubilee life Insurance plan on 31st August 2008 with Rs 50,000 premium per year and was told will get Rs 800,000 after completion of 10 years. After 31st August 2018, after inquiry, I'm told I'll get Cash Value of Rs 129,000 back, which today has further reduced to about Rs 113,000. I'm unable to understand, how is it possible that my deposited amount of Rs 500,000 got reduced. I've sent several emails through local branch Ghotki to Head office Karachi but no response so far. Either there's a serious error or there seems to be a fraud. I'm retired and a senior citizen. Please help me to get recover my hard earned money.</p>
12	<p>PU011218-0446113 Name: Sonia Ameen Gender: Female Province: Punjab District: Lahore</p>	<p>Jubilee insurance is not getting back my paid money. I just want to get back my complete money which i paid to jubilee since 3 years. Because i can't continue my policy. I told them to get back my money but they are not agree. Please help me. They are completely fraud or kehty h 50,000 dia hua hai to 20'000 wapis ly lo. Jab-k jb mene policy li thi to inho ny kaha tha 2 saal bad ap policy khatm krwaa k apny diye hue sab pese wapis ly skti hai. Ye log pehly phasa lety hai or bad ma pese daity nae h. Or bhi bohttt logo ka ye hi masla hai. Meri madad kre.</p>
13	<p>PU070119-0950256 Name: Mumtaz Hussain Gender: Male Province: Punjab District: Rawalpindi</p>	<p>My complain about jublee life insurance Policy.They didn't guide me proper i am illiterate person i couldn't undersrood properly. Now i want my money back But they are not ready to give me my money back.I have been waiting for 2 year.i am taxi driver and i need money back immediately.I have paid 50,000 to bank.</p>



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14	PU081118-0236131 Name: Abdul Ghaffar Gender: Male Province: Punjab District: Faisalabad	آپ بھی بچیں اور دوسروں کو بھی بچائیں.. جوہلی انشورنس کی پالیسی میں پیسے جمع کروا کر اگر آپ یہ غلطی کر لیتے ہیں اور اپنا پیسہ بینک کے کہنے یا جوہلی انشورنس کے کسی نمائندے کے روپ میں ملنے والے ایجنٹ کے ذریعے انشورنس پالیسی لے لیتے ہیں تو بدقسمتی سے آپ اور آپ کا پیسہ پھنس گیا. وہ کبھی نہ تو آپ کی زندگی میں آپ کو ملے گا نہ ہی اس بیمہ پالیسی سے آپ کو کوئی میڈیکل یا تعلیمی سہولیات ملیں گی. آپ سے کافی معلومات چھپائی جائیں گی اور آپ کا پیسہ وہ لوگ استعمال کریں گے جب آپ ایک سال بعد معلوم کریں گے کہ میری پالیسی کا کیا ہوا تو آپ کا ایک چوتھائی روپیہ آپ کی اصل رقم سے کم ہو چکا ہو گا، یعنی آپ کو ایک لاکھ کا پچیس ہزار واپس ملے گا باقی پچھتر ہزار کمپنی ہڑپ کر لیتی ہے. جب آپ احتجاج کریں گے تو جوہلی والے کہیں گے کہ آپ بینک جا کر پتہ کریں اور بینک والے کہیں گے آپ انشورنس کمپنی کے آفس جائیں اس طرح آپ بری طرح پھنس چکے ہونگے، اور آپ کا کوئی پرسان حال نہ ہوگا جب آپ انشورنس کمپنی سے بات کریں گے تو وہ کہیں گے کہ آپ دس سال تک پیسہ نہیں لے سکتے اس سناری صورتحال کے ذمہ دار وہ بینک ایجنٹ ہیں جو مختلف افراد کو پھانستے
15	PU260519-2855618 Name: Shiza karim Gender: Female Province: Punjab District: Rawalpindi	5 years ago i(muhammad karim khan) got the insurance plan of 10 years done by the jubilee insurance and nominated by 2 daughters(Shiza karim and Esha Karim) in the case. At that time my elder daughter was not 18 years old therefore we had to move up with a joint account. I was told that the sum will belong to my daughters.As am not much familiar with all the norms of banking i assumed that the insurance is basically of my daughters. At that time,the lady who was their to manage at A-Block Hbl branch (Hifsa Sultana) got all my paper work done and told me that in case i want to surrender i can get all my deposited money after 5 years. I therefore accepted all conditions and signed the insurance file. When my elder daughter grew 18 the joint account got blocked and we had to open a new account in order to fulfill the criteria of insurance submission for rest of tenure. The monthly payment of Rs.2000 then got deducted from the account title of Shiza Karim as per insurance. When the time period of 5 years got completed, i decided to surrender the insurance therefore i stepped up in the further process. When all other criterion have been fulfilled and this is the time of getting my assured sum of Rs.1,24,000 back the company says that they cannot pay me my amount just because i have grown above 60 years but they did not tell me any condition of age at the time of commitment neither was it mentioned in any of the papers...had i been aware of all this i would have never invested my money. Now, the company is offering me a sum of merely Rs. 23,800. Neither had this insurance ever helped me financially nor provided me any other service . This is the total misreport by the insurance company. i was much happy as i thought all my problems might end up with my saved money but jubilee insurance refuses to pay back my own saved money. I need your help in order to get my money back. All my files and details are with the insurance company as i had surrendered the policy. The only letter with me is the last letter sent by the company after my request of discontinuing life assurance policy
16	PU190619-3196837 Name: Waseem Bari Gender: Male Province: Punjab District: Bahawalpur	Sir mei nei 2013 mei jubilee life insurance me 6 lac ki amount different time mei sarmaya plan mei invest ki thi jo k jubilee k GM asim ali kazmi ne fraud se 20 yearly plan mei invest kr di thi mei ne jubilee k elawa SECP aur Federal Mohtasib se bhi contact kiya mei ne mohtasib mei case bhi kiya jo k jubilee k kch officers ne mujhe aik bar phir cheat krte howe withdraw krwa diya kehna yeh hei k mujhe meri amount jubilee se wapis dilwayi jye jab jubilee admit krti hei aur jb mere pas sabhi evidence bhi hein tu mujhe meri amount return kio aur kis waja se return nhi ki ja rahi aaj almost 7 years hone ko hein aur mujhe jubilee mohtasib aur SECP mei request krte itna time ho gya hei per kisi ko mujh per rehmi nhi ata ye amount mera kul sarmaya thi mujh per mehrbari ki jye aur mujhe aur jubilee k kisi bhi person ko positive forum per bula kr faisla kiya jye aur mere sath insaaf kiya jye mei policy # air policy slips attach kr raha hn evidence k tor per so kindly check it.



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17	PU240619-3298613 Name: Muhammad Umar Shabir Gender: Male Province: Punjab District: Multan	Aoa.. Main ne 7 saal phly jubilee life insurance se policy krahi thi. 7 saal guzrne k bd 280,000 main jubilee life insurance ko pay kia. hr saal 40'000 ki instalment pay krta tha. Bank alfalah kamra se jb jubilee insurance krahi to wo mjhy br br yhi khty rhy jb bhi surrender krao gy asal paise bhi miln gy ar sath munafa bhi. lekin ab 7 saal guzrne k bd main ne jb surrender ki application di to ab asal paison main se 84000 km dte hain. Main PAC kamra main job krta hoon ar bht mushkil se 7 saal pay kye hain total 10 saal ka plan hai. ab mjhy paise zarort hn ar ye asal paise bhi nahi dy rhy. kindly meri help ki jye shukriya Amjad pervez .....
18	PU010719-3410977 Name: Irfan Ali Gender: Male Province: Punjab District: Lahore	My complain is about Jubilee insurance policy My uncle made a policy there he's about 63 now he can't even do work for their living even don't have a baby boy who can do something for them. He deposit 10 lac for Jubilee insurance policy. And now he can't pay because they haven't enough money. What they said earlier to him was completely a fraud. Now when he wants his money back they use very bad behavior to him. They are cutting 3 lac and 14 thousands out of 10 lac. Please do something for him. He can't even have enough resources to live their life. I earlier complain on cm cell but they don't even reply. You are our last hope please do something for us. Their policy numbers are My uncle's policy number 427175 His wife policy number 427176 My uncle cnic number .....His wife cnic number .....
19	PU060719-3506767 Name: Manzoor Hussain Gender: Male Province: Punjab District: Sheikhpura	Dear Prime Minister Mera naam Manzoor Hussain hai. Meri complain Jubilee insurance walo k khilaaf hai main nay March 2014 ko insurance krwayi thi apni or apni biwi ki jo k salana 2 lakh thi 1 lakh mera or 1 lakh meri biwi ka. Jab main nay pehli kist jama krwayi tu main insurance khatam krwana chahta tha lekin unho nay kaha k agar puri raqam leni hai tu 3 kist jama krwao jab 3 kist jama krwa di or apni raqam ka mutalba kiya tu kehny lagay 5 kist jama krwao gay tu poory paisy milain gay jab main nay 5 kist jama krwa di or apni raqam ka mutalba kiya jo k 10 lakh banti hai tu kehny lagy k apka 3 lakh katy gha or kehny lagy k agar 2 ya 3 mah sabr krlo tu zyada raqam mil jaye ghe jab main dobara gaya tu kehny lagy ab 3 lakh 14 hazar katy gay. Meri umar 63 saal hai or na meri olad hai or main kaam b nai kr skta. Meri arzi hai k meri raqam in zalmo say wapis dilwa dain apki meharbani ho ghe. Mery bhanjy nay pehly b darkhwast di thi lekin hamari baat unho nay axhi tarha nai suni.
20	FC150719-3657043 Name: Amir Naeem Gender: Male	سر میں 13 سال سے کویت میں محنت مزدوری کر رہا ہوں۔ 2013 میں حبیب بینک نے جولائی انشورنس کے ساتھ مل کر مجھے فورس کر کے 5 لاکھ 3 ہزار کا پلان دیا جس کی مدت مجھے 12 سال بتائی گئی ساتھ بولا گیا 12 سال کے بعد آپکو 1 کروڑ 50 لاکھ تک ملیں گے اور 12 سال کے بیچ جب مرضی پلان بند کروا کے اپنی امونٹ واپس لے لینا۔ اب تک میں 6 سال میں 30 لاکھ 18 ہزار ادا کر چکا ہوں بٹ مجھے میری کیش وٹیو ابھی 22 لاکھ 50 ہزار تک بتائی جا رہی ہے مطلب کے 6 سال بعد بھی مجھے ہی 7 لاکھ 50 ہزار کا خسارہ ہو رہا ہے ابھی جب واپس منگوں گا تب پتا نہیں کتنی کٹوتی ہو گی سر یہ کتنا بڑا ظلم ہے کے 6 سال بعد بھی میری دی ہوئی رقم سے بھی 7 لاکھ 50 ہزار کم مل رہی ہے جب کے جب میں 300 Rs سے بھی نیچے تھا اب کویتی دینار کی وٹیو 525 Rs 2013 میں پلان۔ لیا تھا تب کویتی دینار 300 سر پلیز مجھے انصاف دلایا جائے ہم لوگ پردیس میں محنت مزدوری کر کے پیسہ پیسہ اکھٹا کرتے ہیں کہ کل کو پاکستان میں گھر بنا سکیں گے کچھ چھوٹا موٹا بزنس کر کے بیوی بچوں کے ساتھ رہ سکیں گے بٹ ہمارا حق حلال کا پیسہ اتنی آسانی سے لوٹ لیا جاتا ہے۔





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24	PU290819-4371121 Province: Punjab District: Lahore Tehsil: Lahore City	Sir after the death of my father in 2014 named Farooq ishaq (late) who was a government employe. With the money of his gratuity Rs 50,000/- my mother went to Habib Bank Limited Davis road branch to deposit in the name of my sister. But the manager at that time convince my mother to go for jubilee insurance hawwa plan for 5 years which is having yearly premium Rs 50,000/- and she got that policy( policy # 545758) in march 2014. Now after 5 years of premium when she want to get back her money which cumulatively becomes Rs 2,50,000/- they said that we will never give you the full amount instead they are paying only 1,59,000/- please help us to recover our amount because we didn't have finances to arrange our sister marriage. our only hope is Allah the almighty. Policy title Hawwa plan Named on shamim farooq Cnic # ..... Policy # 545758
25	PU280819-4362099 Name: Muhammad Nasim Khan Gender: Male Province: Azad Jammu and Kashmir District: Poonch	Subject:Appeal for the Payment of my deposited amount Rs. 600,000/- shifted from my HBL account Statlite Town by Jubilee Life Insurance With reference to the subject cited above, it is submitted that I had been on miscellaneous information insured with Jubilee life insurance and deposited Rs. 600,000/- hitherto. My policy number is 8002496. Due to dire need of money I contacted Jubilee insurance authorities at various forums and lodged complaints and legal compliance under number 3-000024798 dated: 29.04.2019 and numerous appeals for payment of my original amount Rs. 600,000/- with all the benefits. All the same, no positive response has been witnessed. This altogether gave me mantle torcher. So I have been constrained to seek your kind help. Your honor is requested to look into the matter and order the authorities of Jubilee Insurance to pay back my original amount Rs. 600,000/-. With profound regards, Prof. @ Dr. Muhammad Naseem Khan
26	SD090819-4049520 Name: Imtiaz Ali Jatoi Gender: Male Province: Sindh District: Larkana	Jubilee life insurance company walo ne kha the year li profit manimum one lac per 25 % mile gaye maximum 45 ye 52 % ate hn year li base because mujhe 3 rd year chale rhe hn mujhe 1% present bi one lac per 1 rupees bi profits nhe mila ano ne jo jo ducmant daye hn ane ane per bi koi fark nhe pare h
27	PU030919-4455035 Name: Syed Haseeb Pasha Kazmi Gender: Male Province: Punjab District: Lahore	Jubilee insurance trap me and give me a policy, i paid 6 lacs totally in six years when i surrender the policy they deduct 1 lac 70 thousand from actual amount, i m TV artist and reknowned as Hamoon Jadugar (Ainak Wala Jin) so i uploaded a protest video on Social Media which becomes viral because so many people are already affected of this insurance company, now the agents of insurance company threating me from different sources, i request authorities to take a serious action against these agents and provide me protection.
28	PU090819-4060142 Name: Umair Idris Gender: Male Province: Punjab District: Rawalpindi	I have a life insurance policy with jubilee life insurance. The policy number is 770984. The yearly premium of the policy is Rs. 600,000. I issued a pay order in the name of jubilee life insurance of Rs. 600,000 in may 2018 against 2nd annual premium and handed it over to jubilee employee and relevant policy manager named as Maria having contact number ..... Later on, when I contacted jubilee helpline to check the status of my policy, i was being informed that no such payment has been received by jubilee whereas according to my bank the amount was credited into jubilee bank account on June 25,2018. I have written various letters to jubilee life insurance and called them many times but they have refused to honor my payment. Can authorities take action against jubilee life insurance?
29	IS060919-4507034 District: Islamabad ICT Tehsil: Islamabad	Jubilee life insurance had a fraud company. We (my wife-daughter abd me) are suffering from very difficult situation because of this fraud company and his pathetic staff... Kindly ban this company to fraud from poor peoples
30	PU120919-4593798 Province: Punjab District: Sheikhpura Tehsil: Muridke	I complain about rai munir +92 300 4890953 who were bank manager at summit bank muridke ...on dec 2015 he got signature from me on papers for adhoc investment of rs 600000 but later i found it was jubilee insurance policy not a adhoc investment...after knowing truth i complaint to summit bank and

*Handwritten signature/initials*



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	<p>Address: Muridke</p>	<p>jubilee insurance head office but no one help me after all i fight case through insurance muhtsib now after 3.8years i get just my rs 560000 ..... He showed me dream rs 600000 will be double after 5 years. As it is insurance policy of 10 years then how i will get double amount after 5 years because for cbc he used fake cell number that was not mine.i get loss of rs 40000 and dont get any profit after losing 3.8 years. must help me i really disappointed by such frud investment and he must cover my loss from his pocket as he enjoyed comission after such investment.i attached file that decalred he said me to wait for 5 years but how i will wait for 5 years as it is 10 years insurance policy.</p>
31	<p>SD190919-4694071 Name: Naveed Gul Gender: Male Province: Sindh District: Jamshoro</p>	<p>Khurum gamal consultant jubilee life insurance working under Faisal khawaja group manager of jubilee life insurance did fraud with me in policies he took money of amount 498000 in few of policy and gave me fake receipts and he also took 500000 in dew of policy premiums one time investment but didn't give me any receipt and he vanish after that his mobile numb is .....</p>
32	<p>SD190919-4693651 Name: Atif Gul Gender: Male Province: Sindh District: Jamshoro</p>	<p>I have taken multiple policy from khurum Kamal which is consultant of jubilee life insurance working under group manager Faisal Khawaja of total amount 1085000 a All of the receipt he gave to me are fake and he become absconder from there on Before he vanished i asked him to surrender policy and he gave me check of 7420000 from his personal account and said company giving me money thru dori account and thru this u will get ur money back i have checks he gave to me which bounced back 3 times bc account is closed kindly help me he live in tandojam.</p>
33	<p>PU220819-4238826 Name: Tariq Javaid Gender: Male Province: Punjab District: Okara</p>	<p>HBL JUBILEE LIFE INSURANCE detail as per attached application.          خدمت چنانہ روزیہ انشورنس پاکستان پر شکایت کے تحت ارسال کیا جا رہا ہے۔          چنانہ عمارتی          33302-1579870-5          56 گلیزیر 01-9207091-94          0300-7539495          UL20110000174128004 (Secur life Plan Bancassurance)</p>
34	<p>PU180919-4688387 Province: Punjab District: Lahore Tehsil: Lahore City</p>	<p>Jubilee insurance has stolen our money , we r in great problem.</p>
35	<p>SD200919-4709219 Name: Ali Bux Rid Gender: Male Province: Sindh District: Sukkur</p>	<p>Assalam O Alekum Mene Jubilee Life Insurance Policy no. 323732. HBL k through in year 2013 as per criteria I have paid 100000 one lac per year to Jubilee Life Insurance since 2013 and 100000 submit adoc payment in 2015 after that I have need of money ki k policy mene withdraw karwai to muje benefit to nahe mila ulbata Meri payment 700000 Mai se sirf muje 498000 muje diye kindly in k khilaf action liya jae or muje Meri remaining payment dilwai jae Mehrbani</p>

*Handwritten signature*



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36	PU220919-4745697 Name: Hammad Safdar Gender: Male Province: Punjab District: Gujranwala	<p>Dear sir, i had been cheated and fraud by HBL and Jubilee Life Insurance Company. At the time of opening an account in HBL i was being informed by bank representative about the insurance policy of premium worth 25000 per year with no loss no profit. He told me that premium amount will remain and deduct from my HBL account and i can use the premium money. After the 2nd deduction of the premium from my HBL account i had requested to withdraw my policy. But they told me if i withdraw now, a handsome amount will be deducted from my paid premium so i should wait. Now is after the 3rd premium i have requested to surrender my policy. I had paid 75000 in 3 premium in 3 years. By using my money for 3 years now they have returned me only 42900 rupee. Sir please take the action against the criminal activity and fraud of HBL and Jubilee insurance.</p> <p>Dear sir, Please refer to the attached screen shot i had launched 3 complains about an organized, well planned, white collar crime of pure corruption has been taken up to the HOD insurance department. But every time he just closes the complain without carrying any investigation. Please cross check all these 3 attached complains the response of HOD is biased and partial. Please file the notice against the criminal negligence of culprits at every level.</p>
37	IS310819-4404946 Name: Syed Reza Hyder Bokhary Gender: Male Province: Federal Govt District: Islamabad ICT	<p>I signed up for the subject life insurance policy in 2010 for a 13 year term and continued to pay annual premiums until 2018 (9 years). The total money I have invested in the policy is Rs 3,841,900. However, my investment, instead of appreciating, was depreciating every year for the last many years. In 2019, I decided to stop investing more in this scam of a policy and requested Jubilee Insurance for a pay-out by surrendering the policy. The pay-out amount that has been offered to me is Rs. 2,882,000, which is 25% less than what I have paid in premiums since 2010. To lure in customers for buying their insurance policies, Jubilee Insurance presents extremely rosy pictures, as can be seen from the attached "Illustration of Benefits of SECURE LIFE PLAN", but the reality is quite different, which is always covered in fine print. Since I had invested with Jubilee Insurance for 10 long years, I requested them not to penalize me for the poor investment choices made by their company and reimburse the full amount that I had paid to them in premiums. This is a fair request considering that I am not asking for any return on investment or any other undue favor. I would have been better off investing Rs 3.84 Mio in a simple PLS account in a commercial bank and made a sizeable profit by now. However, Jubilee Insurance has been deflecting my request by telling me how the country's economy is responsible for my losses and how prudently their expert fund managers manage the investments. I strongly believe that unless the government intervenes, Jubilee Insurance will continue to scam people in such bogus insurance policies and deprive them of their hard-earned money. I also request that Jubilee Insurance may kindly be instructed to reimburse the full amount of Rs. 3,841,900 to me at the earliest.</p>
38	PU211119-5657039 Name: Gull Hassan Bhatti Gender: Male Province: Punjab District: Lahore	<p>Jubilee Insurance company did fraud with me and got my 10,00,000 in investment purpose but gave me wrong documents which I never signed. Kindly refund my halal money from Jubilee Insurance company.</p>



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38	<p>IS270919-4834110 Province: Federal Govt District: Islamabad ICT Tehsil: Islamabad</p>	<p>This compliant is regarding fraudulent of jubilee insurance company. Details and application is in attachment</p> <p>Dear sir,</p> <p>It is stated that I Ch Abdul malik resident of village sheikhpur rawat islamabad. In April 2015 I went to the Habib Bank branch kakpui sihaia for the withdraw some money. A guy name Muhammed Imran met me there he said that I have I good offer to you I have some good insurance plans for you you get more profit from it. I said to him that I am govt servant and I have limited salary. In this bank I have salary account. I saved some money for my family to perform umrah. He said you can withdraw cash whenever you want. I said ok to him for 5 years plan. When I decided to go for umrah in January 2019. I went to the bank that guy Muhammad imran quit his job and went to another bank. The other guy said that your policy is life time insurance. Imran had told me that the policy would be five years. On 26 June 2019 I also submitted the application to the jubilee insurance office abpara Islamabad to return my money back there madam shahida and guy named faisal who was the team leader of the insurance agents of kakpui sihaia. I told them now I'm retired and I cannot pay the installment and when I retired I got pension in my salary account then my installment was deducted from it. And so far my five installment have been deducted which totals a million. And when I call to the karachi head office they said to me that your cash value is 5 lakh which you can withdraw instead of 1 million.</p> <p>Now sir I am worried that the insurers have bothered me. I need my money back with out any profit and I need your help to recover my Money</p> <p>It is requested to you to help me to bring my money back</p> <p>I shall be very thankful to you.</p> <p>Sincerely yours Ch Abdul Malik</p> <p>Policy no# 549324</p>
40	<p>PU111019-5049405 Name: Muhammad Yasser Gender: Male Province: Punjab District: Lahore Amended</p>	<p>I would like to draw your attention on subject matter that i have purchased an insurance policy ( Jubilee Family Takaful) from your agent, Mr Abbas( .....) Membership date 30/04/2018, Membership Number 8064826 Branch Name 2z Lions Branch LHR, sum of amounting Rs, 250000/- yearly. Mr Abbas told me at the time of policy I have to pay Rs, 250,000/- per year for 5 years and at the start of 6th Years approximately Rs, 2 million will be given back, Yesterday i called the help line number for the confirmation about my policy , they told me that your policy is for 10 years not for 5 years , you have to pay the premium for 5 years but the said amount will be given back to you after 10 years company is doing fraud with innocent peoples, and misguided them as well, lot of cases are also on social media against Jubilee life insurance , they are telling the same story to pay for 5 years and get approximately double amount at the start of 6th year.</p>
41	<p>PU171019-5155923 Name: Jameela Ahmad Gender: Female Province: Punjab District: Lahore</p>	<p>Maine 2013 mein HBL R.A Bazar Branch code 1015 se Jubilee life insurance li thi salana 45000 pay krta rahi Jubilee k numainday ne kaha Tha k ap 6 saal baad he acha munafaa le sakti hain aj 2019 tak main 185000 pay kr chuki hun meri health aor job dono theek nai hain aaj 7 saal baad Maine policy surrender ki k mujhy takreeban 3 laakh tak milay ga but mujhy mere 185000 b pooray hai de rahay balkay 140000 de rahay hain 7 saal wait krnay ka munafa denay ki bajaye 50000 deduct kr rahay hain kwhtay hain k Pakistan ki economy bht down hai to economy down honay se munafa na den lekin mere diye huay paisay to pooray den main Har wakt beemar rehti hun hepatitis c hai heart ki problem hai medicine k liye paisay nai hain ghar rent ka hai mujhy Imran khan sab se insaf aor apnay paisay chahiyen Jameela Ahmad 4340605679942.</p>
42	<p>SD071019-4984879 Name: Muhammad Idrees Mohsin Gender: Male Province: Punjab District: Lahore</p>	<p>Dear sir i have invested in Jubilee Life insurance plan , the information given by the bank rep was wrong i want to cancel my policy as i have paid them 150000 i have approached to head office of jubleelife and many a time contacted on telephone but no response received just informed working on issue its been 3-4 months since i am waiting for i have sent 4-5 emails no positive response received so far i have email records and phone call records please help me in this regard.</p>

*Amir*



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43	PU041019-4937551 Province: Punjab District: Kasur Tehsil: Kasur	..... Muhammad Yousaf Hanif Basti Tarkhana wali near shel gas Sir G mri help kren mj sy juiblee Insurance k naam py 250000 Ka fraud kia gaya jb Mai Habiba Bank Khudian khas ki branch gaya to Mjy kha gaya ky paesy Nhe hein na hi milny hein Kindly mjy asal raqam wapsi dilwayi jaey mjy or kch nh chahye mai aek gareeb insan hon.. ?????????????????????????????????
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38. Section 95 of the Ordinance explicitly placed the responsibility of the acts of the agents on the insurer. Section 95(1) of the Ordinance states that every insurer shall, so far as relates to a contract of insurance entered into by the insurer through an agent, be liable to the policy holder for the acts or omissions of that agent as though that agent were an employee of the insurer, in circumstances where the policy holder has relied in good faith on the agent and as a consequence has suffered loss or damage. Liability shall be absolute and shall not be capable of being contracted out of, either in the agency agreement or on a policy, proposal or other document.

39. Furthermore, Section 12 (4) of the Ordinance states that the insurer shall not be regarded as conducting its business in a sound and prudent manner if it fails to conduct its business with due regard to the interests of existing as well as potential policyholders.

40. Regulation 10(b) of the Regulations states that every bank shall ensure that the bank insurance executives and the specified persons do not make any misrepresentation or make misleading statement to the prospect on policy benefits and returns available under the policy, which may tantamount to misleading or being deceptive under the relevant provisions of the Ordinance in respect of the market conduct.

41. Similarly, Regulation 15(4) of the Regulations states that for the purpose of these Regulations, an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to training of specified persons, disclosures in marketing and sales material, financial underwriting, sales process, after-sales call and recycling of life insurance policies have not been complied with, in letter and spirit.

42. Keeping in view that large number of complaints are being submitted to the complaint handling forums, I am of the view that the Respondents have failed to check rampant mis-selling of the insurance products through specified persons / insurance consultants deputed at the bank branches. The Respondents have turned a blind eye to this menace of mis-selling. Had the measures been put in place, as claimed by the Company, such large number of complaints from across the country would not have been received. The Respondents failed to address mis-selling despite two earlier warnings and an Order issued to the Company. To protect the interest of the policyholders, this practice of mis-selling of the insurance products must immediately be addressed by acting against the culprits.

43. As mentioned in the preamble, the objective of the Ordinance is 'to regulate the business of the insurance industry to ensure the protection of the interests of insurance policyholders and to promote sound development of the insurance industry and for matters connected therewith and incidental thereto'. Therefore, the Commission in order to protect



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the interest of the insurance policyholders, cannot allow the specified persons / sales agents of the Company deputed at the bank branches to fleece the hard-earned income and life time savings of the naive citizens of Pakistan by mis-selling the insurance products in the name of profitable investment schemes. Without fully explaining the features and applicable charges of insurance products i.e. front-end fee, commission and other charges etc., which are deducted up-front, the prospective policyholders are misled / lured to invest in profitable investment schemes with false promises of their redemption at any time without any loss. Some policyholders even complained that they were promised, by the specified persons / insurance consultants to double the investment in few years. Few complainants were not even aware that an insurance product was sold to them while completing the formalities for opening a bank account. The Company has failed to comply with financial underwriting requirements, free look period requirements and provision of periodic unit statements etc. As Regulation 15(4) of the Regulations provides that an insurance policy shall be considered as mis-sold if any of the regulatory requirements, including but not limited to disclosures in marketing and sales material, financial underwriting, sales process, after sales-call etc. are not complied with, in letter and spirit; therefore, it can be adjudged that the Company is involved in mis-selling of insurance products through its specified persons / sales agents at the bank.

44. The arguments, documents and evidences, which have been submitted by the Respondents so far, have been found to be evidencing the fact that the Company has failed to comply with requirements of Section 12(4) and Section 95 of the Ordinance, Rule 62 of the 2017 Rules, Regulation 10(b), 15 and 17 of the Regulations as well as Rule 6(1)(d) of the 2015 Rules, for which direction may be given and punitive action can be taken against the Company, its Chief Executive, Directors and/or other officers under Section 60 and Section 156 of the Ordinance, respectively.

45. Section 60 of the Ordinance states that:

*"Power of the Commission to give directions to the insurer.- (1) The Commission may, if it believes on reasonable grounds that an insurer registered under this Ordinance has failed, or is about to fail, to comply with the conditions of registration set out in section 11, issue to the insurer such directions, not otherwise provided for in this Ordinance, as it believes on reasonable grounds to be necessary to protect the interests of the policy holders of the insurer.*

*(2) The Commission may, on representation made in this behalf, or on its own motion, modify, or cancel any direction issued under sub-section (1) and may, in so modifying or cancelling a direction, impose such conditions as it may deem on reasonable grounds to be appropriate under the circumstances.*

*(3) Every insurer shall comply with any direction issued under sub-section (1) or such direction as modified under sub-section (2) subject to such further conditions, if any, as may be imposed.*

*(4) The Federal Government may, by rules made in this behalf, provide*

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(a) for the procedures which the Commission shall follow with respect to all or any of the matters set out in subsections (1) and (2);

Provided that no powers shall be exercised under sub-section (1) until such rules, consonant with the provisions of sub-sections (3) and (4) of section 22 of the SECP Act, have been made; and

(b) for any other matter supplementary or incidental to or consequential on the matters aforesaid for which provision requires to be made by rules."

46. Section 156 of the Ordinance states that:

*"Penalty for default in complying with, or acting in contravention of this Ordinance.- Except as otherwise provided in this Ordinance, any insurer who makes default in complying with or acts in contravention of any requirement of this Ordinance, or any direction made by the Commission, the Commission shall have the power to impose fine on the insurer, and, where the insurer is a Company, any director, or other officer of the Company, who is knowingly a party to the default, shall be punishable with fine which may extend to one million rupees and, in the case of a continuing default, with an additional fine which may extend to ten thousand rupees for every day during which the default continues."*

47. I have carefully examined and given due consideration to the written and verbal submissions of the Respondents, and have also referred to the provisions of the Ordinance, the Rules / Regulations made thereunder and/or other legal references. I am of the view that the violations of Section 12(4) and Section 95 of the Ordinance, Rule 62 of the 2017 Rules, Regulation 10(b), 15 & 17 of the Regulations and Rule 6(1)(d) of the 2015 Rules are established, for which the Respondents are penalized in terms of Section 156 of the Ordinance read with S.R.O. 1468 (I)/2019 dated November 27, 2019, in the following manner:

Sr. No.	Name of Respondents	Amount of penalty/fine (Rs.)
1	Mr. Javed Ahmed, Chief Executive	100,000/-
2	Mr. Zahid Barki, Head of Compliance	50,000/-
3	Syed Rizwan Aziez, Head of Bancassurance	50,000/-
4	M/s. Jubilee Life Insurance Company Limited	200,000/-
<b>Total</b>		<b>400,000/-</b>

48. Therefore, the above-named Respondents are hereby directed to deposit the fine as mentioned above, totaling to an amount of Rs. 400,000/- (Rupees Four Hundred Thousand only) in the designated bank account maintained in the name of Securities and Exchange Commission of Pakistan with MCB Bank Limited within thirty (30) days from the receipt of this Order and furnish receipted vouchers issued in the name of Commission for information and record.

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49. In view of the foregoing, I believe on reasonable grounds that the Company has failed to comply with the conditions of registration set out in Section 11 of the Ordinance. Therefore, to protect the interest of the policyholders, I hereby direct the Respondents under Section 60 of the Ordinance as under:-

- I. The Board of Directors (BOD) is directed to review the bancassurance sale process. In this regard, the BOD may consider ceasing Company's bancassurance business for necessary measures to address the element of mis-selling and minimize the complaints received from the policyholders.
- II. The Company is directed to claw back the commission paid to the bank(s) and refund the full amount of premium, after deduction of costs incurred for protection charges during the period under which the policies were in force, to the respective nineteen policyholders mentioned at Para 18 above. Differential amounts shall be paid if any amount has already been paid to the respective policyholders;
- III. The Company is directed to restructure/revamp the CBC in a way that it leaves no room for ambiguity and does not contain any aspect of mis-selling. Therefore, the following aspects must be included, at the minimum, in the CBC to policyholder during the after-sale call:
  - a. *"You have bought an insurance policy from \_\_\_\_ bank, which is acting as an agent of \_\_\_\_ Jubilee Life Insurance company Limited. Please note that it is an insurance policy under which \_\_\_\_ risk(s) are covered.*
  - b. *Total term of the policy is \_\_ years, premium paying term is \_\_ years, and you are required to pay premium amounting to Rs. \_\_ every year/ quarter/ month, as the case may be. The premium may increase subject to indexation option chosen by you in the second year onwards premium.*
  - c. *Please note that during first two years, the insurance policy will not acquire any cash/surrender value\*. You must be aware that an amount of Rs. \_\_\_\_ and Rs. \_\_\_\_ shall be deducted from your first and second year premium respectively and the remaining amounts shall be deposited into your policy. You are entitled to get back the amount allocated to your policy account, if the policy remains enforce for more than two years.  
\*(This statement shall accordingly be amended for those insurance products, which acquire cash value during first two years)*
  - d. *Please note that it is an investment-linked product and cash value of your policy may go up and down according to performance of the \_\_\_\_ fund\* in which you have opted to invest.  
\*(name of the statutory fund)*
  - e. *Please note that the value of your insurance policy is expected to be equal to total premium(s) paid by you in \_\_ to \_\_ years\*, If you cancel the policy before this period, you may not get the total amount paid by you.*

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(\*projected at the average of three growth rate scenarios notified by the Commission, applicable at that time)

- f. You can cancel the policy within fourteen (14) days of receipt of policy documents."
- g. As per proposal form you have mentioned your profession as \_\_\_\_\_ and your monthly income is Rs. \_\_\_\_\_. Please confirm.
- h. Please read the terms and conditions of the policy. If your agent has given you any verbal commitment, other than the terms and conditions of the policy, please ask for a written confirmation duly signed and stamped by the insurance company.
- IV. The Company, in addition to the CBC made by the bank as provided under Regulation 17(h)(2) of the Regulations, shall also make the after-sale call at least one day after the sale is closed;
- V. First communication/letter through which policy documents are provided to the policyholder shall be in Urdu language and shall clearly mention the option that the policy can be cancelled within Free Look Period of fourteen days. FLP may be extended at the option of the Company and the same may be mentioned in the first communication/letter to the policyholder;
- VI. Policy documents shall be directly sent to the policyholder within the Free Look Period i.e. 14 days from the date of commencement. The policy documents shall not be sent to the specified persons / insurance consultants or the bank in any case;
- VII. The Company shall generate a Short Service Message (SMS) at the mobile number mentioned by the policyholder in the proposal form, confirming Policy No., periodic premium and date of issue;
- VIII. Proposal form should be filled by the prospects and not by the agent;
- IX. The Company is directed to require the banks to seek an undertaking from specified persons selling insurance products at the front desk of the bank branch to comply with the code of conduct prescribed in Regulation 11 of the Regulations. The Company shall also enter detail of the specified person in the centralized agents (S-Reference) register maintained by CDC under CISSII, if the said person is failed to comply with the code of conduct or he is found indulged in mis-selling of insurance products to the policyholders. The Company shall establish procedures which will ensure that due consideration is given to the S-Reference register, which contains codified misconduct details of insurance agents, at the time of recruitment / certification of specified persons by the bank and/or the Company; and

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X. The Company shall implement the measures as directed above within 30 days of the date of this order and submit compliance report to the Commission.

50. In a nutshell, the Respondents are advised to take effective measures in order to curb the mal-practices and irregularities, as narrated above in the bancassurance business. The Commission shall closely monitor the complaints against the Company and if such mal-practices and irregularities in the sale process of bancassurance products are observed recurrently in the future, the Commission may proceed against the Respondents under provisions of the Ordinance. Please note that incase similar misselling complaints are received from the policyholders against the Company, the Commission may direct the Company to stop offering its products through bancassurance distribution channel and may also proceed against the Respondents under Section 65 of the Ordinance.

51. This Order is issued without prejudice to any other action that the Commission may initiate against the Company and / or its management (including the CEO of the Company) in accordance with the law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

Hasnat Ahmad  
Director/HoD (Enforcement)

