

SINDH ACT NO.XIII OF 2015
THE SINDH INSURANCE OF PUBLIC PROPERTY ACT, 2015

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SINDH ACT NO.XIII OF 2015

THE SINDH INSURANCE OF PUBLIC PROPERTY ACT, 2015
[2-4 March, 2015]

An Act to regulate and direct the procurement of non-life insurance with respect to public property pertaining to the Province of Sindh.

WHEREAS pursuance to the Constitution (Eighteen Amendment) Act, 2010, matters pertaining to government insurance undertaken by a Province have been devolved to the Provincial Assembly, and hence it is expedient and necessary to pass a law with respect to the insurance of public property pertaining to the Province of Sindh and to dis-apply the existing law relating to the non-life insurance of public property in this regard.

It is hereby enacted as follows:-

1. (1) This Act may be called the Sindh Insurance of Public Property Act, 2015.

(2) It shall extend to the whole of the Province of Sindh.

(3) It shall come into force at once.

2. In this Act, unless there is anything repugnant in the subject or context -

(i) "Commission" means the Securities and Exchange Commission of Pakistan;

(ii) "Company" means Sindh Insurance Limited;

(iii) "Government" means the Government of Sindh;

(iv) "Ordinance" means the Insurance Ordinance, 2000; and

(v) "public property" means any property, movable or immovable, which belongs to, or the safety or management of which is the legal responsibility of -

(a) Government, including the various departments thereunder including any Government project;

(6) any local authority including, but not limited to, a council or body corporate set up by a law or Government; or

Preamble.

Short title,
extent and
commencement.

Definitions

THE SINDH INSURANCE OF PUBLIC PROPERTY ACT, 2015

(c)a company, firm, institution, organization, authority or other establishment which is managed or controlled by Government or a local authority or statutory corporation holds a controlling financial share or interest for the purposes of this Act.

(2) The words or expressions used but not defined in this Act shall have the same meaning as ascribed thereto in the Ordinance.

3. Subject to the provisions of section 4, all insurance business related to any public property, or to any risk or liability with respect to any public property, shall be placed with and procured from the Company only, and shall not be placed with or procured from any other insurer.

4. (1) Government may, by notification in the official gazette, exempt from compliance with section 3, any public property, or liability in respect thereof, to which the provisions of the said section apply.

(2) If the company declares that it is unable to enter into a contract of insurance or provide insurance with respect to matters enumerated in section 3, for any reasons to be recorded in writing, it shall be exempted from the application of provisions of section 3, to the extent of the insurance proposed under the contract.

5. (1) Nothing in this Act shall effect, nullify or discharge any contract of insurance or insurance coverage procured prior to the commencement of this Act with respect to public property or liability enumerated in section 3.

(2) Notwithstanding the provisions of sub-section (1), the contract of insurance or insurance coverage shall be valid for a period of one year from the date of commencement of this Act.

6. Any person who insures public property contravenes the provisions of section 3, shall be punishable with fine which may extend to one percent of the sum assured or an amount not exceeding two million rupees, whichever is lower.

7. Section 3 shall cease to have effect upon the occurrence of any of the following:-

(a) the Company is wound up; or

property.

Exemption.

Applicability of the
Act.

Penalty for
contravention of
the Ordinance.

Cessation of the
application of this
Ordinance.

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(6) the Commission issues a direction to the Company to cease entering into new contracts of insurance or providing insurance;

(c) Government no longer owns at least fifty one percent shares of the Company.

8. (1) Insurance tariff rates of public property shall be determined by a Committee from time to time which shall be in line with market rates and trends, by a Committee appointed under sub-section (2).

(2) The Committee shall be appointed by Government comprising of three members, one each from Government, the Company and a former or current member of the Executive Committee of Insurance Association of Pakistan.

(3) The members of the Committee shall hold office for a period of two years and shall be eligible for re-appointment; provided that on expiry of its term, the Committee shall continue to work until new committee is notified by Government.

9. Government may, by notification in the official Gazette, make rules, regulations and notifications, not inconsistent with the provisions of this Act, for carrying out the purposes of this Act.

10. The provisions of this Act shall have over-riding effect notwithstanding anything contained in any other law, for the time being in force.

11. The provisions of section 166 of the Ordinance shall not be applicable to public property and liabilities which are the subject matter of this Act.

12. — If any difficulty arises in giving effect to the provisions of this Act, Government may, by notification in the official Gazette, make such provision or order as may appear to be necessary for the purpose of removing such difficulty.

Insurance tariff determination by Committee.

Power to make Rules, Regulations and Notifications.

Overriding effect.

Application of the
provision of the
Ordinance.

Removal of
Difficulty.