



PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

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October 12, 2026

NOTICE FOR MEMBERS

CONCEPT PAPER STRENGTHENING THE REGULATORY FRAMEWORK FOR INSURANCE SURVEYORS IN PAKISTAN

Dear Members,

This is in reference to the concept paper dated October 12, 2026 (attached), whereby the SECP has invited the comments:

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **October 30, 2026**, so that a consolidated response can be forwarded to the authorities for their consideration.

____sd____
AKBER ALI
Officer - Secretariat

Copy to:

1. PSBA Website



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

CONCEPT PAPER

STRENGTHENING THE REGULATORY FRAMEWORK FOR INSURANCE SURVEYORS IN PAKISTAN



TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	2
2. ROLE OF THE INSURANCE SURVEYORS AND GLOBAL MARKET OVERVIEW	3
3. CURRENT REGULATORY FRAMEWORK.....	5
4. MARKET OVERVIEW OF INSURANCE SURVEYING BUSINESS - PAKISTAN	8
5. REVIEW OF INTERNATIONAL JURISDICTIONS	14
6. CONDUCT OF INSURANCE SURVEYORS GUIDELINES FROM KEY PROFESSIONAL BODIES.....	17
7. CHALLENGES IN THE EXISTING FRAMEWORK	19
8. PROPOSED CHANGES TO THE REGULATORY REGIME	25
9. FEEDBACK AND PUBLIC CONSULTATION.....	31

1. EXECUTIVE SUMMARY

- 1.1 Insurance surveyors are an important component of Pakistan's insurance ecosystem, providing independent assessments of losses and damages, investigating claims, evaluating policy coverage, and preparing reports that support fair and timely claim settlements. Their role helps ensure transparency and confidence in the claims process while balancing the interests of both insurers and policyholders. With the emergence of increasingly specialized and complex risks, the need for skilled and professionally competent surveyors has become more pronounced.
- 1.2 The Securities and Exchange Commission of Pakistan (SECP) is responsible for the regulation and licensing of insurance surveyors and authorized Surveying Officers (ASOs) under the Insurance Ordinance, 2000 and the Insurance Rules, 2017. In view of the evolving insurance landscape and growing expectations regarding professionalism, accountability, and service quality, SECP has undertaken a review of the existing regulatory framework under its five-year strategic plan, *"Journey to an Insured Pakistan."* The objective of this initiative is to identify areas for improvement and explore measures to strengthen the insurance surveying profession, enhance policyholder protection, and align the framework with emerging market needs and international good practices.
- 1.4 This Concept Paper presents the findings of a comprehensive review of the regulatory framework governing insurance surveyors in Pakistan. The review included consultations with insurance surveyors, insurers, professional bodies, and other stakeholders, as well as a comparative assessment of international practices. The review identified several challenges in the existing framework relating to professional standards, licensing arrangements, claims assessment processes, policyholder protection, conflict management, and regulatory oversight. These issues have implications for the quality, consistency, transparency, and independence of insurance surveying services.
- 1.5 To address these challenges, the Concept Paper outlines a range of potential regulatory reforms aimed at strengthening the insurance surveying profession and enhancing confidence in the claim's settlement process. Key proposals include the introduction of a comprehensive Code of Conduct and defined responsibilities for surveyors, strengthened qualification, training and continuing professional development requirements, mandatory appointment of licensed surveyors above prescribed claim thresholds, defined timelines for survey appointments and report submission, improved conflict of interest safeguards, enhanced supervision and reporting requirements, and measures to support fair allocation of survey assignments and timely payment of surveyor fees.
- 1.6 The purpose of this paper is to invite all interested stakeholders, including insurance surveyors, surveying companies, insurers, industry associations, professional bodies, policyholders, and members of the public, to review this Concept Paper and provide written comments and recommendations on the issues and potential reform areas identified herein.

2. ROLE OF THE INSURANCE SURVEYORS AND GLOBAL MARKET OVERVIEW

- 2.1 Insurance surveyors, play a vital role in the insurance industry by assessing damages to quantify losses. It is important to note that specific duties and responsibilities may vary across different jurisdictions globally, but generally speaking their duties include examining insured properties or goods to evaluate conditions and potential losses, providing detailed reports to insurers for determining causes and facilitate claim settlements. They investigate the circumstances surrounding a claim, verify policy coverage, and ensure the legitimacy of claims. By gathering evidence, interviewing witnesses, and inspecting damaged property, surveyors provide insurers with detailed reports that help determine fair and justified payouts. They can contribute to industry stability by ensuring accurate assessments and fair claims handling, safeguarding the interests of both insurers and policyholders. This process not only ensures that claims are settled fairly but also helps in controlling costs for insurers by preventing overpayments and managing expenses effectively.



- 2.2 The world of insurance has gotten more complex over the years. Now insurance companies cover things that could only be imagined years ago. These additional coverages have led to more specialized insurance surveyors in the industry globally. For instance, Insurance surveyors need very specific experience across a variety of industries and industry verticals; marine, agriculture, aviation, trucking, electric vehicles, and cyber technology, to name a few. Their role has evolved alongside the insurance industry's growth, adapting to new changing risk landscapes to provide effective loss assessment and risk management solutions. Their importance in ensuring a fair and efficient insurance process cannot be overstated, making them indispensable professionals in safeguarding both insurer's and policyholders' interests.

- 2.3. The insurance surveyors are referred to by different titles, they are generally referred as loss adjustors or surveyors. Additionally, where the surveyors/ loss adjustors work on behalf of policyholders they are often referred as loss assessors/ public adjustors.
- 2.4 Global Claim Adjusting Market is projected to grow from USD 145.8 Billion in 2025 to USD 231.2 Billion by 2035, reflecting a compound annual growth rate of 6.4% from 2026 through 2035. The claim adjusting market encompasses a broad range of services aimed at assessing, investigating, and settling insurance claims on behalf of insurers and policyholders. However, market growth faces restraints such as the rising cost of skilled adjusters and the pressure to reduce operational expenses within the insurance sector. The intense competition among service providers also impacts pricing power. Opportunities lie in the expansion of niche adjusting services, particularly in emerging risk areas like parametric insurance and specialized liability claims.¹

Table 1 – Key statistics of the global surveying business

MARKET INDICATOR	MARKET STATISTICS
 Market Size (2025)	USD 145.8 Billion
 Projected Market Size (2035)	USD 231.2 Billion
 Compound Annual Growth Rate (2026–2035)	6.4%
 Leading Market Segment	Insurance Companies (62.8%)
 Dominant Region (2025)	North America (38.2%)
 Key Market Participants	• Ellington Management Group • Crawford & Company • Aon plc • Sedgwick Claims Management Services • The Hartford • Berkshire Hathaway • Liberty Mutual

¹ 2026 Claims Adjustment Services: Global Market Size & Growth Report with Updated Country Recession Risk Forecasts

3. CURRENT REGULATORY FRAMEWORK

3.1 The regulatory framework for insurance surveyors is established under Sections 111–114 of the Insurance Ordinance, 2000 (the “Ordinance”) and Rules 41–47 of the Insurance Rules, 2017 (the “Rules”), which together govern licensing, classes of business, eligibility, qualifications, survey conduct, reporting timelines, and enforcement related provisions.

Licensing Structure

3.2 Under Section 111 of the Ordinance, no person may act for remuneration as a surveyor, loss adjuster, or loss assessor unless such person is an adjuster of aviation or maritime losses or licensed by the Commission. Insurance Ordinance, 2000. However, Clause 2(a) of the said allows the performance in the course of his employment by an employee of an insurer, the activities of insurance surveying for that insurer. Section 112 governs the grant of licenses to insurance surveying companies, while Section 113 governs the registration of Authorized Surveying Officers (ASOs) i.e. individual natural persons authorized to conduct surveys and sign reports on behalf of a licensed surveyor. Critically, Section 112(3)(a) restricts the insurance surveyor license exclusively to a company; natural persons and firms are not eligible. Licenses are issued for one year and are renewable on application.

Classes of Insurance Surveying Business

3.3 Under Rule 41 of the Rules, four main classes of insurance surveying business are prescribed. A surveyor may hold licenses for one or more classes simultaneously:

- Fire and property damage business
- Marine, aviation, and transport business
- Motor business (including own damage and third-party liability)
- Miscellaneous business, comprising seven sub-classes: liability; workers’ compensation; credit and suretyship; accident and health; agriculture/crop insurance; engineering/machinery breakdown; and others

Eligibility and Licensing Conditions for Insurance Surveyors

3.4 The conditions for licensing under Rule 42 of the Rules include:

	Paid-up Capital	Minimum Rs. 1 million, to be maintained at all times.
	Indemnity Insurance	Minimum Rs. 1 million per event, covering the company and all directors or officers acting as ASOs.
	ASO Requirement	At least one officer or director must be individually registered as an ASO for the relevant class(es).
	Professional Association	There must be an approved professional association as determined by the Commission [Rule 42(e)].
	Fit & Proper	Requirement to fulfill the prescribed fit and proper criteria.
	Renewal	A licence granted may be renewed for a term of not more than twelve months on application made by the holder prior to expiry of the licence.

Eligibility and Registration of Authorized Surveying Officers

3.5 Under Rules 44–45 of the Rules, an ASO must be a natural person satisfying the following requirements:

	Education	Bachelor's degree in any discipline from a recognized university.
	Experience	Minimum 3 years of practical experience in the relevant class, gained either (i) under a licensed insurance surveyor, or (ii) as an employee of an insurance company.
	Qualification test	First time applicants must pass an approved professional institute examination. The test may be waived for holders of a master's degree with 3 years' financial sector experience, or for the Associates of Chartered Insurance Institute with 10 years' senior management experience in non-life insurance claims/underwriting.
	CPD – fresh applicants	Directors and CEO of the applicant company must submit a CPD certificate evidencing 4 days of training in the preceding 3 years from an approved institute.
	CPD – renewal (ASOs)	Evidence of 4 hours of CPD in the preceding year from an approved professional institute.
	Restrictions	ASOs must not be employees or appointed insurance agents of an insurer operating in Pakistan.

Survey Conduct and Reporting Requirements

3.6 Survey conduct and report requirements are governed by Rule 47 of the Rules. Key requirements are:

	Report content	Reports must include: description of property surveyed; terms of reference; procedures followed; cause and extent of loss; surveyor's opinion; and a declaration of impartiality (confirming no direct or indirect interest in the subject matter).
	Responsibility	The ASO and the insurance surveyor are jointly and severally responsible for the survey report.
	Professional standards	Every survey and report must comply with the professional standards of any body of which the surveyor is a member.
	90 day deadline	Reports must be finalized within 90 days. For high value claims (motor/marine/miscellaneous exceeding Rs. 1 million; fire/engineering exceeding Rs. 10 million) where the final report is delayed, a preliminary report must be submitted to the Commission before expiry of 90 days, with status reports every 90 days thereafter.
	Independent survey	The Commission may direct an independent survey where it has reason to believe that a survey performed has not been performed with due diligence or skill, or in good faith. The cost is borne by the insurer in such a scenario.

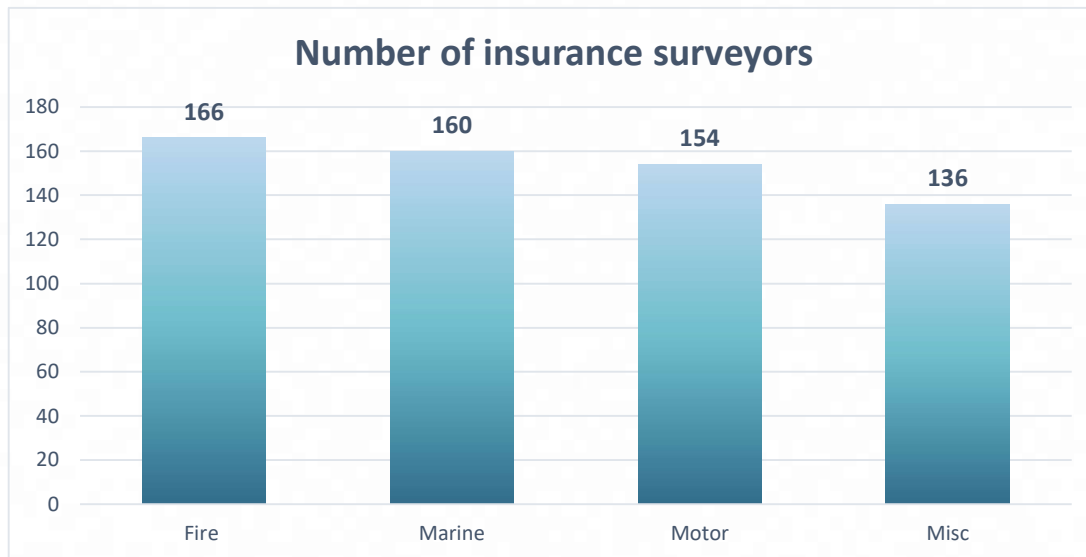
4. MARKET OVERVIEW OF INSURANCE SURVEYING BUSINESS – PAKISTAN

4.1 As of 31 December 2025, 246 insurance surveying companies and 382 Authorized Surveying Officers (ASOs) are licensed with SECP.



4.2 The graph below shows the number of licensed surveying companies in various classes. It is important to note that one insurance surveyor can have license of one or more classes of surveying license.

Graph 1 – Class wise number of insurance surveyors - 2025



- 4.3 The total number of insurance surveyors in Pakistan is significantly larger compared to neighbouring countries, despite the fact that the insurance premiums for the non-life sector in these countries are multiple times higher than in Pakistan. This discrepancy can be attributed to a variety of underlying factors including the easy licensing requirements pertaining to qualification and experience.

NUMBER OF LICENSED INSURANCE SURVEYORS BY JURISDICTION

	India	224
	Indonesia	28
	Philippines	35
	Saudi Arabia	13
	United Arab Emirates	146

- 4.4 Out of the 246 licensed surveying companies, only 79 (approximately 32%) have two or more registered ASOs, while the remaining 167 companies (approximately 68%) operate with a single ASO.

Table 2 – Number of ASOs of insurance surveyors in Pakistan - 2025

Count of surveyors	Number of Companies	Total surveyors
1	167	167
2	49	92
3	17	51
4	6	24
5	2	10
6	2	12
10	1	10
11	1	11
	246	383

- 4.5. During the last year, insurance companies conducted approximately 235,000 surveys in relation to claims amounting to around PKR 50 billion. Of these, about 13% were conducted in-house, while the remaining 87% were assigned to licensed insurance surveyors. The total fees paid to insurance surveyors amounted to approximately PKR 1.8 billion, representing a surveying cost of around 3.6% of the underlying claim amount.

4.6 In 2024, approximately 228,000 surveys were conducted against underlying claims of PKR 33 billion. Around 16% of these surveys were carried out in-house. While the proportion of surveys conducted in-house decreased from 16% to 13% in the subsequent year, in-house surveys still accounted for approximately 31,000 survey assignments, representing a substantial volume of claims assessments undertaken directly by insurers.

Table 3 – Key statistics of the insurance surveying business in Pakistan - 2025

Year	Number of surveys assigned			% of inhouse surveyor in terms of number	% of inhouse surveyor in terms of underlying claims value	Amount of underlying claims PKR (Millions) Initial amounts reported	Amount of Fee PKR (Millions)
	Total	In house surveys	Ooutsourced Insurance surveyor				
2024	228,110	37,089	191,021	16.2%	3.5%	33,228	1,600
2025	235,854	31,325	204,529	13.3%	3%	49,647	1,800

4.7 An analysis of in-house survey assignments by class of business shows that such surveys are predominantly concentrated in the motor segment. Of the approximately 27,000 surveys conducted in-house during the year, around 24,000 related to motor insurance claims, highlighting the significant reliance on internal surveying capacity within this class of business. This concentration is broadly consistent with the overall survey portfolio, as motor surveys account for approximately 87% of all surveys conducted across the industry. Beyond motor insurance, the most notable use of in-house surveying is observed in the marine and miscellaneous classes of business, where insurers also undertake a relatively higher proportion of surveys internally compared to other business segments. A detailed breakdown of in-house surveys by business class is presented in the tables below.

Table 4 - Business Class Wise Analysis of Insurance Surveys Conducted – In House Vs. Independent - 2025

Class of Business	2025					
	Details of outsourced Surveys		Details of in-house surveys		% Number of inhouse survey in a class	% claim value of inhouse survey in a class
	No. of claims assigned	Amount of claim PKR (millions) Initial amounts reported	No. of claims assessed	Amount of claims PKR (millions) Initial amounts reported		
Fire and property damage	8,310	21,223	350	47	4.0%	0.2%
Motor	179,524	14,965	27,889	872	13.4%	5.5%
Marine, aviation and transport	7,753	6,942	1,283	243	14.2%	3.4%
Credit and suretyship	6	68	-	-	0.0%	0.0%
Agriculture insurance	634	248	-	-	0.0%	0.0%
Other Miscellaneous	8,302	4,712	1,803	329	17.8%	6.5%
Total	204,529	48,157	31,325	1,490	13.3%	3.0%

Table 5 -Business Class Wise Analysis of Insurance Surveys Assigned – In House Vs. Independent - 2024

Class of Business	2024					
	Details of outsourced Surveys		Details of in-house surveys		% Number of inhouse survey in a class	% claim value of inhouse survey in a class
	No. of claims assigned	Amount of claim PKR (millions) Initial amounts reported	No. of claims assessed	Amount of claims PKR (millions) Initial amounts reported		
Fire and property damage	7,360	11,626	320	9	4.2%	0.1%
Motor	168,234	11,041	34,171	962	20.3%	8.0%
Marine, aviation and transport	6,368	4,282	581	109	8.7%	2.5%
Credit and suretyship	3	0.5	-	-	0.0%	0.0%
Agriculture insurance	848	239	6	0.5	0.5%	0.0%
Other Miscellaneous	8,208	4,883	2,011	76	23.6%	1.5%
Total	191,021	32,072	37,089	1,156	16.2	3.5%

4.8. The distribution of surveyor fees remains highly skewed. In 2025, approximately 25% of licensed surveyors earned less than PKR 0.5 million in fees, while around 38% earned in the range of 0.5 million to PKR 1 million, indicating that a significant proportion of surveyors operate at a relatively small scale.

4.9 At the other end of the spectrum, only nine surveyors (approximately 4% of the market) generated fee income exceeding PKR 50 million in 2025. This suggests that a small number of

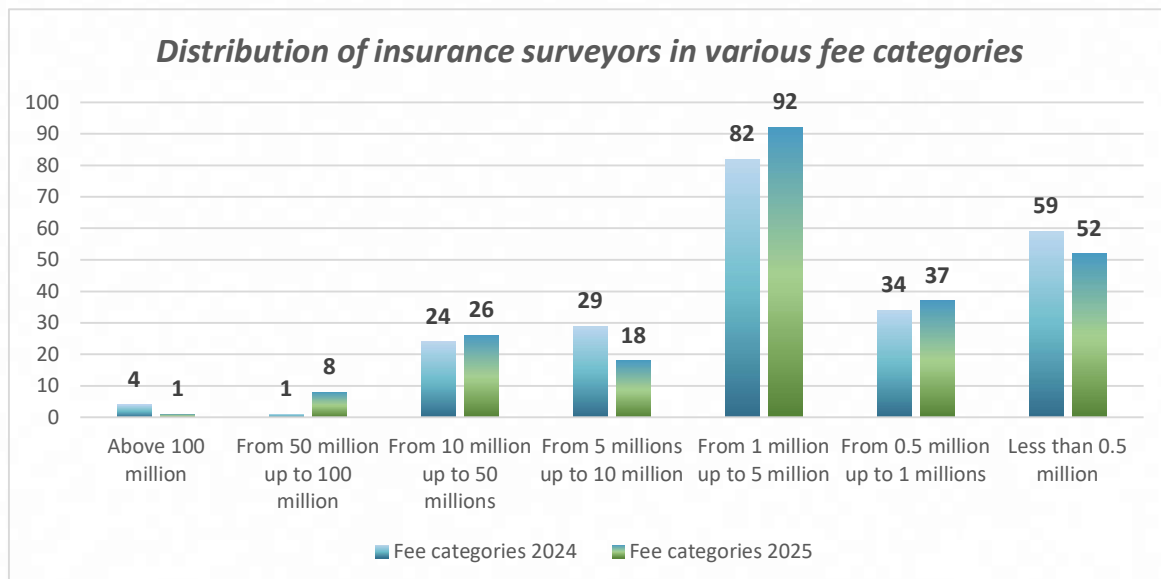
large players continue to account for a substantial share of survey assignments and fee income.

4.10 The middle segment of the market, with the number of surveyors earning between PKR 1 million and PKR 50 million increasing remaining almost stagnant with number of surveyors in this bracket 135 in 2024 and 136 in 2025, indicating the market activity remains concentrated among a limited number of major firms.

Table 6 - Distribution Of Insurance Surveyors In Various Fee Categories

Fee categories	2024		2025	
	No. of insurance surveyors	%	No. of insurance surveyors	%
Above 100 million	4	1.7%	1	0.4%
From 50 million up to 100 million	1	0.4%	8	3%
From 10 million up to 50 million	24	10.3%	26	11%
From 5 million up to 10 million	29	12.4%	18	8%
From 1 million up to 5 million	82	35.2%	96	39%
From 0.5 million up to 1 million	34	14.6%	37	16%
Less than 0.5 million	67	27.3%	60	25%
	233		246	

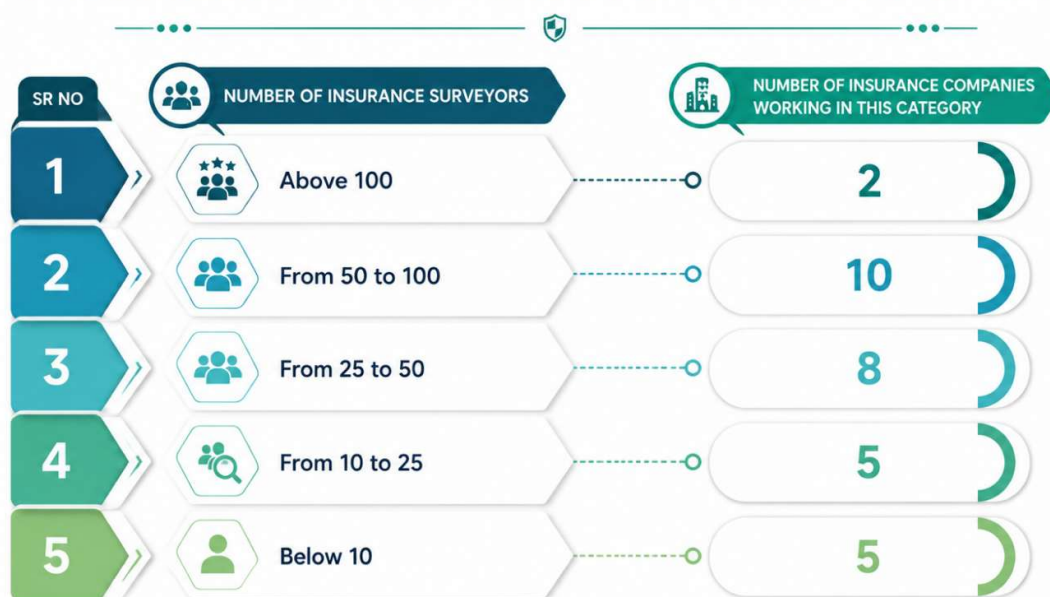
Graph 2 - Distribution Of Insurance Surveyors In Various Fee Categories



4.11 In terms of Number of surveyors, there are 12 insurance companies working with over 50 insurance Surveyors with 2 insurance companies have more than 100 insurance surveyors. Further, details are provided in the table below:

Table 7 - Distribution of insurance companies based on number of Insurance Surveyors - 2025

INSURANCE SURVEYORS AND INSURANCE COMPANIES BY CATEGORY



5. REVIEW OF INTERNATIONAL JURISDICTIONS

- 5.1 To benchmark Pakistan's framework, a comparative review of regulatory frameworks governing insurance surveyors and loss adjusters in India, Malaysia, the UAE, and Saudi Arabia was conducted which highlights several areas where Pakistan's existing framework may be strengthened to align with international best practices. The review focused on professional conduct requirements, qualification standards, appointment mechanisms, reporting obligations, licensing procedures, oversight arrangements, and renewal requirements.

United Kingdom

- 5.2 In the UK, both firms and individual licensed surveyors (loss adjusters) can provide insurance surveying and loss adjusting services. The Financial Conduct Authority (FCA) typically authorizes all insurance loss adjusters to do business, otherwise, insurance companies may not work with them. To become an insurance loss adjuster, individuals must first meet educational requirements, which typically include obtaining A levels or completing a Level 3 diploma. Next, they determine their desired role, such as staff, independent, or public adjuster, to guide their career path. Registration with the Chartered Institute of Loss Adjusters (CILA) is essential; aspiring adjusters can apply for membership and take examinations once they secure employment. There are flexible experience requirements for the advanced level of qualifications. All members holding the CILA qualifications must complete a minimum of 35 hours of CPD learning every 12 months. Of these 35 hours, 21 hours must be structured learning. Finally, maintaining licensure through the FCA is crucial, as this ensures compliance with regulatory standards and validates their ability to manage insurance claims. While appointing a loss adjuster is not required by law, it is a standard practice for larger or more complex claims to ensure an unbiased evaluation. Policyholders in the UK have the right to hire a public loss adjuster/ independent adjuster at their own expense if they want an independent assessment, particularly if they disagree with the insurer's findings or settlement offer.

Canada

- 5.3 To become a licensed loss adjuster in Canada which is provided by the Financial Service Regulatory Authority of the relevant province, candidates generally need to meet several requirements which vary among the provinces. In Ontario, candidates must complete an approved insurance-related education program that covers key topics like insurance principles, regulatory practices, claims management, and ethics. After meeting these prerequisites, candidates must pass a licensing exam that assesses their knowledge of insurance laws, loss adjusting practices, and professional ethics taken by the Canadian Independent Adjusters' Association (CIAA). Candidates must be sponsored by an adjusting firm at all times. The adjusting firm is responsible for confirming you meet all licensing requirements, and for managing the application process for the license. In Ontario, insurance adjusters must complete eight (8) hours of continuing education annually to maintain their licenses. The required hours focus on key areas including ethics, regulatory updates, technical skills related to claims management, and loss adjustment. In Saskatchewan, licensed adjusters must complete at least eight hours of accredited CPD annually, directly related to claims handling or general insurance. While appointing a loss adjuster is not mandatory for every

claim, insurers often engage licensed loss adjustors for complex or high-value claims to comply with regulatory expectations for fair and efficient claims handling. Public adjusters in Canada are licensed separately from insurance adjusters who work for insurance companies. The role of a public adjuster is specifically focused on representing policyholders, while insurance adjusters are employed by insurers.

USA

- 5.4 The National Association of Insurance Commissioners in the U.S. is the standard setting and regulatory support organization. Licensing requirements for Insurance adjusters, examiners, and investigators vary by state. Some states have few requirements, and others require either completing pre-licensing education, a satisfactory score on a licensing exam, or both. In some states, claims adjusters employed by insurance companies can work under the company license and need not become licensed themselves. Regulations vary by state, but complex or catastrophe-related claims often mandate using licensed or certified loss adjustors. While entry-level adjustors may begin handling simple claims, more complex or specialized claims (like business interruption, catastrophic loss, or commercial property) typically require 2-5 years of field experience. This experience is often gained through on-the-job training with an employer or mentorship under a senior adjustor. To maintain licensure, most states require adjustors to complete continuing education (CE) hours every 1-2 years, ranging from 10 to 24 hours depending on the state. In the U.S., some states have specific guidelines or requirements for when an insurance adjuster must be appointed, especially in cases involving large claims or specific types of coverage. Florida has specific regulations around appointing adjusters for hurricane or disaster-related claims. For example, after a declared disaster, insurers are often required to appoint licensed adjusters promptly to assess claims within a specified timeframe due to the high volume of claims and urgency.

India

- 5.5 Both individual and corporate licenses are issued in India, insurance surveyor qualifications depend on the area of expertise. For Fire and Engineering Insurance, a degree or diploma in engineering or equivalent certifications is required. Marine Cargo and Marine Hull require marine engineering, naval architecture, or relevant certifications, while Motor Insurance candidates need mechanical or automobile engineering related credentials. For Miscellaneous Insurance, engineering, CA, or insurance qualifications etc. are required. Loss of Profits (LOP) requires CA or engineering qualifications, and Crop Insurance requires a degree in agriculture or horticulture etc. Candidates must pass an examination to demonstrate their knowledge and competency in their chosen specialization. This exam is mainly administered by the Insurance Institute of India and tests applicants on both general insurance principles and the technical knowledge required for specific areas, such as motor, fire, marine, or engineering. Under India's amended insurance surveyor regulations, candidates must undergo practical training for a comprehensive understanding of industry standards before obtaining a license. Candidates can either complete a structured two-month program at the Insurance Institute of India or other approved institutions or fulfill a six-month internship with a licensed, experienced surveyor in the relevant area.

Comparison Of Regulatory Framework Of Insurance Surveyors In Various International Jurisdiction

Description	UK	Canada	USA	India
 Regulatory authorities	- Financial Conduct Authority (FCA) for licensing; - Chartered Institute of Loss Adjusters (CILA) for professional standards	- Financial Services Regulatory Authority of each province; - Canadian Independent Adjusters' Association (CIAA) for industry standards	National Association of Insurance Commissioners (NAIC) oversees standards, with each state having its own licensing requirements	- Insurance Regulatory and Development Authority of India (IRDAI); - Insurance Institute of India (III) for exams and standards
 Educational Requirements	Minimum of A levels or Level 3 diploma; must choose a role (staff, independent, public adjuster)	Approved insurance-related education covering principles, regulatory practices, claims management, and ethics	Varies by state; some states require pre-licensing education or a satisfactory score on a licensing exam, or both	Degree or diploma based on specialization (e.g., engineering, CA); different qualifications based on area, such as motor, marine, fire, and engineering
 Membership Requirements	Registration with CILA is essential for loss adjusters; must pass CILA exams to obtain qualifications; membership levels range from Certificate to Fellowship	CIAA membership not mandatory but provides access to professional resources, training, and industry standards	Membership with NAIC is not applicable as it is a regulatory body; states may require adjusters to be affiliated with a licensed adjusting firm or insurance company	Membership of Insurance Institute of India (III) is recommended for access to resources and networking
 Licensing Exams	No separate licensing exam by FCA; however, CILA offers exams for membership levels including Certificate, Diploma, and Advanced Diploma, testing technical knowledge and practical skills for claims handling	Provincial licensing exams, often administered by the CIAA in some provinces that assess regulatory knowledge, claims management, ethics, and law	State-based licensing exams; requirements differ, with some states requiring exams for initial licensing and others waiving it for insurance company employees	Required exams administered by III or other recognized bodies in relevant areas (motor, fire, marine, etc.); exams include general principles and specialization knowledge
 Training/ Experience Requirements	Practical experience is crucial; CILA qualifications require specific experience levels for advanced qualifications (typically 2+ years)	Must be sponsored by an adjusting firm in Ontario; initial on-the-job training with oversight required	Experience often required, especially for handling complex claims; most adjusters gain experience through on-the-job training, and certain complex claims require up to 2-5 years of field experience	Practical training required either through a structured two-month program at III or six-month internship with a licensed surveyor; field experience varies by specialization area (e.g., agriculture for crop insurance adjusters)
 Appointment of surveyors and inhouse surveyors	There are no mandatory requirements for the appointment of Surveyors but are generally appointed in case of complex and specialized claims.	There are no mandatory requirements for the appointment of Surveyors but are generally appointed in case of complex and specialized claims.	Many states require licensed adjusters for catastrophic claims; complex claims (e.g., business interruption) often handled by senior adjusters with specialized experience	Mandatory appointment of insurance surveyors is required for general insurance claims exceeding Rs. 50,000 in motor insurance and Rs. 100,000 in non-motor insurance. Claims below these thresholds are assessed directly by insurers.
 Right to appoint loss adjusters/ public adjustors	Both insurer and insured may appoint the surveyors	Both insurer and insured may appoint the surveyors	Both insurer and insured may appoint the surveyors	Both insurer and insured may appoint the surveyors
 CPD requirements	Minimum of 35 hours of CPD learning every 12 months	Minimum of eight 8 hours of continuing education annually	Minimum of 10-24 hours per annum	Surveyors are required to participate in regular CPD programs, but specific hour-based requirements for CPD have not been explicitly defined.

6. CONDUCT OF INSURANCE SURVEYORS' GUIDELINES FROM KEY PROFESSIONAL BODIES

- 6.1 In most jurisdictions, the professional conduct and ethical standards of insurance surveyors/loss adjusters are governed through membership-based professional bodies, with adherence to their codes of conduct being a prerequisite for obtaining and maintaining professional designation. Examples include the Institute of International Loss Adjusters (IILA), the Chartered Institute of Loss Adjusters (CILA), and professional standards established by organizations such as the National Association of Insurance Commissioners in the United States. In jurisdiction where there are no prescribed surveyors' qualification of a professional institute is not mandatory, the code of conduct is generally prescribed directly by the regulator or licensing authority. For example, in India, the conduct of insurance surveyors and loss assessors is governed through regulations issued by the Insurance Regulatory and Development Authority of India, which establish professional and ethical standards as part of the licensing framework.
- 6.2 The Code establishes a framework for Insurance surveyors and loss adjusters to gauge their conduct within specific scenarios, delineating a minimum standards of conduct. The degree to which each insurance surveyors surpasses this standard remains a matter of personal discretion. Nonetheless, dedication to upholding the utmost standards of ethical conduct fosters trust among stakeholders. Surveyors bear a responsibility to aid in the regulatory process, serving as guardians for the industry by fostering adherence to the principles embodied in this Code.
- 6.3 The guidelines pertaining to the conduct of adjusters, available from the websites of The Chartered Institute of Loss Adjusters (CILA), National Association of Insurance Commissioners (NAIC) and International Institute of loss Adjusters (IILA) have been summarized below:

Code of Conduct		
Chartered Institute of Loss Adjusters (CILA) ²	International Institute of Loss Adjusters (IILA) ³	National Association of Insurance Commissioners (NAIC)
<u>Ethics and Core Principles:</u> Members must act ethically, prioritize high standards of conduct, and uphold trust in client relationships. Fair and prompt policy delivery is crucial. Courtesy, non-discrimination, and clear communication are essential. Conflicts of interest, including gifts,	An insurance loss adjuster must uphold professional status and obligations to: • The profession. • The insurance industry. • The insuring public.	<u>Public Adjuster:</u>⁴ As per Public Adjuster Licensing Model Act, • Serve the client's interest with objectivity and complete loyalty. • Avoid soliciting insured during ongoing loss.

² [Guide to Professional Conduct - CILA | Chartered](#)

³ [Rules and Regulations – International Institute of Loss Adjusters \(iila.com\)](#)

⁴ [MDL-228 \(naic.org\)](#)

must be avoided. Compliance with laws is mandatory, and breaches must be reported.

Conflict of Interest:

Members must identify, disclose, and manage any conflicts of interest to maintain ethical conduct and client trust. They should obtain informed consent before continuing representation, avoid financial interests in claim outcomes, and transparently disclose any benefits received from claim-related parties..

Confidentiality:

Members must protect confidential information and use it only for legitimate professional purposes. This obligation continues after the client relationship ends, and disclosure should only occur when legally required or after obtaining appropriate advice.

Technical Expertise:

Members should only undertake claims work within their professional competence. They must maintain up-to-date knowledge, comply with Continuing Professional Development requirements, and follow relevant professional guidance.

Complaints-Member Responsibilities:

Members must report suspected breaches of professional guidance, cooperate with investigations, provide required information, and inform their firms when subject to complaints. The Institute handles complaints objectively and communicates outcomes to relevant parties.

- Fellow adjusters and colleagues.

An Insurance Loss Adjuster must uphold high ethical and professional standards. They must avoid financial interests with entities involved in insurance processes, such as brokers, agents, attorneys, or salvors. Likewise, these entities should not have financial interests in the adjuster's business. The adjuster must not use their position for personal financial gain in unrelated businesses. Handling salvage proceeds for personal gain is prohibited, and any irregular salvage sales require explicit authorization. Employment offers to staff from other adjusting firms require consent from their current employer. Improper solicitation of business is prohibited.

- Ensure licensed personnel conduct required business.
- Disclose any financial interest in the claim.
- Obtain written permission for salvage interest.
- Disclose any financial interest in referrals or services.
- Disclose any compensation related to the claim.
- Adhere to ethical requirements: competency, truthfulness, conflict of interest avoidance, written contracts, and client consent for settlements.

Independent Adjuster:⁵

- Communicate honestly and fairly.
- Provide prompt, knowledgeable, and courteous service.
- Avoid giving legal advice without consent.
- Comply with privacy and information security laws.
- Identify as an independent adjuster and, if applicable, disclose employer.
- Obtain written authority for any financial interest in adjustments or salvage.

⁵ [GDL1224\(naic.org\)](http://GDL1224(naic.org))

7. CHALLENGES IN THE EXISTING FRAMEWORK

- 7.1 A comprehensive review of Pakistan's insurance surveying framework, including consultations with licensed surveyors, insurers, the Pakistan Insurance Institute, and representations received from the Professional Association of Insurance Surveyors of Pakistan (PAISP) and individual surveying firms, has identified several regulatory, operational, and market conduct deficiencies in the existing regime. A comparative review of international practices also highlighted significant gaps in Pakistan's framework relating to licensing standards, professional conduct, policyholder protection, and supervision mechanisms. The key challenges identified are discussed below:

Absence of a Comprehensive Code of Conduct and Defined Responsibilities

- 7.2 Currently, there is no formally established professional institute for insurance surveyors whose qualifications and membership are mandatory for practice, and which could provide standardized professional guidance, continuing professional development, and enforceable ethical requirements, as is the case in several other jurisdictions. Such institutions typically play an important role in promoting professional competence, consistency in practice, accountability, and adherence to ethical standards across the profession.
- 7.3 Discussions with surveyors indicate that, in the absence of such a professional body, many surveying firms have independently developed their own internal codes of conduct, operational procedures, and professional guidelines. While these initiatives help address firm-level governance needs, they have resulted in a fragmented framework with varying standards and practices across the industry.
- 7.4 The existing regulatory framework also does not prescribe a distinct Code of Conduct or clearly define the duties, responsibilities, professional standards, and ethical obligations of insurance surveyors and Authorized Surveying Officers (ASOs). Given the critical role surveyors play in claim assessment, loss evaluation, and supporting fair and timely claims settlement, clearly articulated responsibilities and conduct requirements are essential to ensuring consistency, professionalism, transparency, and policyholder confidence in the insurance sector.
- 7.5 In the absence of a professional institute with mandatory standards and oversight mechanisms, there is a need for the regulatory framework to comprehensively address these areas by establishing minimum professional, operational, and ethical requirements applicable to all surveyors and ASOs, thereby promoting a more harmonized and accountable surveying function across the industry.

No mandatory appointment of Licensed Insurance Surveyors and in-house surveying practice

- 7.6 According to Section 111 of the Insurance Ordinance, 2000, every surveyor, loss adjuster, and loss assessor other than an adjuster of aviation or maritime losses is required to obtain a license under Section 112 of the Insurance Ordinance, 2000. However, a provision to this section allows the performance in the course of his employment by an employee of an insurer, the activities of insurance surveying for that insurer. However, it is important to note that in

the proposed amendment to the Ordinance, 2000, the said proviso has been deleted which will provide liberty to make amend the related rules accordingly.

- 7.7 As discussed in the section 4 that in-house surveying remains a predominant practice, particularly in the motor, marine, and miscellaneous classes of insurance. While insurers may have operational reasons for undertaking assessments internally, extensive reliance on in-house surveying may give rise to concerns regarding the perception of independence and transparency in the claim's assessment process. To enhance policyholder confidence and promote greater transparency and objectivity, consideration may be given to prescribing thresholds or criteria under which the appointment of an independent licensed surveyor would be mandatory.

Absence of Timelines for Appointment and Claims Processing

- 7.8. The existing framework does not prescribe timelines for the appointment of insurance surveyors following claim intimation, in cases where the insurer decides to appoint a surveyor, nor does it establish timelines for communicating document and information requirements to policyholders. Further, although survey reports are generally required to be submitted within ninety days, the current framework permits the submission of successive interim reports without prescribing a maximum outer limit for completion of the survey process. The absence of such timelines may contribute to delays in claim assessment and settlement, reduce transparency for policyholders, and create uncertainty regarding the progress and expected resolution of claims.

No Explicit Right of Policyholders to Appoint Surveyors

- 7.9 The current legal framework does not expressly recognize the right of policyholders to appoint their own insurance surveyors or loss adjusters. This limits the ability of policyholders to independently verify loss assessments and may create perceptions of imbalance in the claims settlement process where surveyors are appointed solely by insurers.

Delays Arising from Incomplete Documentation and Information Requests

- 7.10 A common cause of delays in the survey and claims settlement process relates to the incomplete or delayed submission of information and supporting documents by policyholders. While policyholders remain responsible for providing documents and information within their possession or control to substantiate their claims, insurers should play an active role in facilitating the process by clearly communicating documentation requirements, consolidating requests, and undertaking timely follow-up with claimants. Requiring surveyors to repeatedly pursue policyholders for information may contribute to delays and divert resources from their core function of claim assessment. Consideration may therefore be given to clarifying the respective responsibilities of insurers, policyholders, and surveyors in the claims process to improve efficiency, transparency, and accountability.

Dual licensing requirements

- 7.11 The current framework provides for separate licensing requirements for insurance surveyors and Authorized Surveying Officers (ASOs), resulting in dual licensing obligations at both the firm and individual levels. This approach can increase administrative and compliance burdens for surveying firms and professionals, create duplication in regulatory requirements, and lead to additional costs associated with licensing, renewals, and ongoing compliance.
- 7.12 It may be noted that under the proposed amendments to the Insurance Ordinance, which are currently under parliamentary consideration, the licensing requirement for individual insurance surveyors and ASOs has been proposed to be removed, with regulatory authorization being restricted to insurance surveying firms. The proposed approach would place primary responsibility and accountability on licensed surveying firms for the conduct, competence, and oversight of their personnel, while reducing regulatory duplication and simplifying compliance arrangements.

Minimum ASO Requirement and Large Number of Surveying Companies

- 7.13 Currently, a surveying company is required to have only one Authorized Surveying Officer for obtaining and maintaining a license. This low threshold may result in excessive workload concentration, compromise service quality, and weaken internal oversight within surveying companies. As discussed in section 4, currently there are 86 companies working with only one authorized insurance surveyor.
- 7.14 A significant number of licensed surveyors remain structurally dependent on a single individual for all survey activity, creating significant vulnerability to delays, quality compromise, particularly for firms handling multiple simultaneous claims across different classes of business. The persistence of this fragmented, single ASO dominated structure may warrant consideration of whether the existing minimum ASO threshold remains appropriate from an operational capacity and service quality perspective.

Weak Qualification Requirements

- 7.15 Currently, there exist nine distinct classes of insurance surveyors, each with unique roles and expertise. However, the qualification requirements specified in the Insurance Rules of 2017 is not only are minimal, requiring only a basic graduation but also uniform across all classes, despite the variations in their responsibilities. As discussed in the Each class requires a separate license. This falls short of international standards where countries like the USA, UK, and Canada mandate specialized certifications from institutes such as CILA (Chartered Institute of Loss Adjusters) and IILA (International Institute of Loss Adjusters). Moreover, in India, there are detailed pre-education and qualification requirements tailored to specific classes of insurance. The exemption criteria in Pakistan, which waive tests for individuals with a Master's degree and financial sector experience, do not align with the diverse expertise required for various insurance classes. Introducing structured qualification requirements, such as certifications in insurance surveying and maintaining membership of the approved institutes will improve the technical competence and credibility of surveyors, enabling them to provide accurate and efficient services.

Exemption from Qualification Examination

- 7.16 For registration as an ASO, an applicant is generally required to obtain passing marks in a prescribed test for any or all classes of insurance surveying business, conducted through a professional institute approved by the Commission. The purpose of the test is to assess the applicant's technical knowledge, professional competence, and understanding of insurance surveying practices relevant to the class of business for which registration is sought.
- 7.17 However, the framework also provides exemptions from the prescribed test requirement for individuals holding a Master's degree in any discipline with at least three years of experience in the financial sector, or for Associates of the Chartered Insurance Institute having at least ten years of senior management experience in the claims or underwriting departments of a non-life insurer.
- 7.18 A Master's degree in any discipline and general financial sector experience do not necessarily demonstrate the technical knowledge and practical competencies required for insurance surveying activities. Similarly, experience in claims or underwriting functions, although relevant, may not fully substitute for an assessment specifically designed to evaluate surveying-related expertise. The exemption may therefore could undermine the objective of ensuring that all individuals undertaking surveying functions possess a minimum and demonstrable level of technical proficiency.

Inadequate Experience and Training Framework

- 7.19 To ensure the competence and professionalism of insurance surveyors, it is essential to establish a comprehensive framework governing experience, training, and continuing professional development requirements. Currently, the framework permits the acquisition of practical experience under any insurance company or surveyor without prescribing minimum eligibility criteria, qualifications, or competency standards for the organizations providing such training.
- 7.20 Consideration may therefore be given to defining minimum requirements for approved training providers, including the qualifications, professional experience, technical expertise, and resources necessary to effectively train prospective surveyors. Such requirements would help ensure that practical training is delivered under appropriate supervision and in a structured manner.
- 7.21 Further, the current CPD requirement of four hours per annum appears limited in comparison with the requirements applicable in many other jurisdictions and professions. Given the evolving nature of insurance risks, claims management practices and technological developments, an enhancement in the CPD is required to ensure that surveyors maintain and improve their professional knowledge and skills throughout their careers.
- 7.22 In this regard, approved professional institutions, such as the Pakistan Insurance Institute (PII), the Institute of Financial Markets of Pakistan (IFMP), or other institutions recognized by the Commission, may be encouraged to develop comprehensive CPD programs for insurance surveyors to support ongoing professional competence and industry-relevant skill development.

Absence of Professional Association of Insurance Surveyors

- 7.23 Currently, Pakistan lacks a dedicated effective professional association representing all insurance surveyors. The absence of such a body limits collective representation, self-regulation within the profession, and the development and enforcement of professional standards and ethical practices. It also restricts access to structured training, certification, networking, and continuing professional development opportunities, while reducing the profession's capacity to advocate for policy reforms, facilitate knowledge sharing, and address emerging industry challenges. Consequently, this institutional gap may hinder the consistency, credibility, professional recognition, and long-term development of the insurance surveying profession in Pakistan.
- 7.24 A formal professional association of insurance surveyors should be established to provide institutional leadership and represent the interests of all insurance surveyors. Such an initiative would strengthen governance within the profession, improve service quality, and foster its sustainable growth and recognition in Pakistan.

Delayed or Non-Payment of Surveyor Fees

- 7.25 On important challenge highlighted by the insurance surveyors is the insufficient fees and delays in payment of fees to insurance surveyors pose a significant risk to their independence and objectivity. Financial dependency caused by non-payment or delayed payment can pressure surveyors to compromise their professional standards, leading to biased assessments that favor insurers. This undermines the credibility and impartiality of the claims process, eroding trust in the insurance system. To address this issue, clear contractual payment terms must be established, and insurers should be required to adhere to these timelines.

Conflict of Interest and Multiple Engagements

- 7.25 Insurance surveyors in Pakistan are frequently engaged in ancillary activities, including asset valuation, risk inspection, loss prevention advisory, and consultancy services. While such services may complement surveying activities, they can also give rise to actual, potential, or perceived conflicts of interest that may compromise the independence and objectivity of surveyors in the claim's assessment process. The existing framework does not contain comprehensive conflict-of-interest requirements, disclosure obligations, or restrictions on engagements that may impair professional judgment.
- 7.26 The current framework does not prohibit the same individual from acting as a director, officer, shareholder, or Authorized Surveying Officer (ASO) in multiple surveying companies simultaneously. Such arrangements may create governance concerns, dilute accountability, increase the risk of conflicts of interest

Low Professional Indemnity Insurance Requirement

- 7.27 The current professional indemnity insurance requirement of Rs. 1 million per event applies uniformly to all surveying companies irrespective of their size or scale of operations. This flat

requirement may not provide adequate financial protection in cases involving negligence, errors, or omissions by larger surveying firms handling high value claims.

Absence of Reporting Requirements and Proactive Supervision

- 7.28 A critical oversight in the current regulatory framework is the absence of mandatory reporting requirements for insurance surveyors. Without regular reporting, SECP lacks comprehensive visibility into the operations, conduct, and performance of surveyors during claims settlement or other contracted services. Introducing reporting obligations for surveyors to the SECP will facilitate ongoing review and monitoring of their activities.
- 7.29 The supervision of insurance surveyors is currently reactive, primarily triggered by complaints or disputes. This approach limits the regulator's ability to proactively address systemic issues and ensure consistent performance across the industry.

Absence of Surveyor appointment policy for Insurers

- 7.30 The existing legal framework in Pakistan does not explicitly grant policyholders the right to appoint their own loss adjusters. This limitation prevents policyholders from actively engaging in the claims settlement process and restricts their ability to ensure fair representation of their interests. Globally, jurisdictions like the UK, USA, and India recognize this right, providing policyholders with the opportunity to secure unbiased and objective assessments of their losses.

Need for a Fair Allocation Mechanism for Surveyor Appointments

- 7.31 Concerns were raised regarding the absence of a transparent mechanism governing the allocation of survey assignments by insurers. In the absence of clear principles or procedures for appointment, survey work may become concentrated among a limited number of surveyors or surveying firms, potentially affecting competition, independence, and equal opportunities within the profession. Consideration may therefore be given to establishing principles for the fair, objective, and transparent allocation of survey assignments, considering factors such as expertise, capacity, geographic presence, and past performance.

Absence of Intermediate Penalty Provisions

- 7.32 The current regulatory framework does not provide specific penalty provisions for non-compliance by insurance surveyors and intermediaries other than cancellation of licenses. The absence of intermediate enforcement measures limits regulatory flexibility in addressing varying levels of non-compliance or misconduct.

8. PROPOSED CHANGES TO THE REGULATORY REGIME

8.1 The following recommendations and potential areas for amendments in the Insurance Rules, 2017 are being presented through this Concept Paper for initial stakeholder feedback and consultation. After completion of the consultation process, detailed draft amendments to the Insurance Rules, 2017, may subsequently be developed and issued for public consultation, where considered appropriate.

Comprehensive Code of Conduct

8.2 It is proposed to introduce a comprehensive Code of Conduct for insurance surveyors and Authorized Surveying Officers (ASOs). The areas to be covered may include the following:

The Code of Conduct: - Every insurance surveyor and the authorized surveying officer shall:

- conduct themselves ethically and maintain integrity, honesty, and professionalism;
- render decisions objectively, fairly, impartially, solely based on factual findings and free from personal interest or bias;
- avoid situations where personal or financial interests, including those in other business advisory or consultancy services, could reasonably be perceived to impair their professional judgment. If a potential conflict of interest arises, the surveyor shall disclose it to the insurer promptly. The insurer shall assess the situation and determine appropriate actions, which may include continued engagement, reassignment, or additional oversight, based on the nature and materiality of the conflict;
- only accept engagements in the class of business for which they hold a valid license;
- conduct all assignments with due diligence, care, and skill, adhering to the standards expected in the profession, and stay updated on relevant professional developments;
- protect all confidential information acquired in the course of their professional work. Disclosure of such information is permitted only with the express consent of the insurer or when legally mandated;
- maintain a comprehensive and accurate record of all work conducted, including findings, photographic evidence, client information, policy details, and assessment reports. Such records shall be retained for a minimum period of five (5) years and shall be made available to the Commission, if required;
- fully document all fees or other forms of compensation with receipts issued for all payments received in connection with survey work;
- undertake survey jobs solely as an employee or agent of a single insurance surveyor, and shall not engage in such roles with multiple insurance surveyors simultaneously;
- not be involved in the payment/ settlement of claims and salvage; and
- promptly report any observed or suspected unethical, dishonest, or unlawful conduct, whether committed by themselves, colleagues, or any other regulated entity, to the Commission.

The Duties and Responsibilities: - The duties and responsibilities of an insurance surveyor and authorized surveying officer are proposed to include the following:

- conduct detailed surveys to assess the cause, extent, location, and amount of any loss incurred or claimed to be incurred under the insurance policy;

- determine asset values at the time of loss, considering factors such as depreciation and salvage value etc.;
- collect and document evidence, including photographs, video, and expert opinions, to support claim assessments;
- validate repair estimates and cost calculations provided by claimants or vendors;
- conduct thorough investigations for complex claims, including fire, machinery breakdowns, and liability disputes, etc;
- comment on the admissibility of the claim and assess the liability of the insurer as per the policy terms and conditions;
- prepare clear and comprehensive survey reports detailing findings, claimable amounts, and settlement recommendations;
- ensure timely completion of survey reports as per the agreed timelines, subject to the provision of these rules, and submit a progress report where required;
- employ the necessary tools and technologies to enhance the accuracy and efficiency of claim assessments;
- establish procedures for internal review of quality control, including devising a policy for appointment of a quality review surveyor for high-value and complex claims. The quality control reviewer must be an authorized surveying officer with experience in the relevant class of insurance and independent of the actual claim assessment;
- exercise reasonable and prudent oversight of all actions of the employees of the Company; and
- communicate effectively with insurers, policyholders, and other parties as required.

Mandatory Appointment of licensed insurance surveyors

8.3 Requiring insurers to appoint licensed insurance surveyors for all general insurance claims above specified thresholds, such as:

- claims exceeding Rs. 50,000 in case of motor insurance; and
- claims exceeding Rs. 100,000 in case of non-motor insurance.

8.4 Additionally, the proposed framework recognizes the use of technology partners for assessment of technology-based insurance products, subject to appropriate safeguards.

Defined timelines for appointment and information requirements

8.5 To improve efficiency and reduce delays in claims handling, amendments have been proposed to:

- require appointment of surveyors within seventy-two (72) hours of claim intimation;
- require insurers to provide written intimation to policyholders regarding appointment of surveyors and their role and responsibilities;
- provide policyholders the right to object to the appointment of a surveyor on valid grounds such as conflict of interest or prior disputes;
- require surveyors or insurers to communicate document requirements within seven (7) days of claim intimation; and
- place responsibility on insurers to obtain and provide all necessary claim documentation and information to surveyors.

Timelines for submission of survey reports

8.6 Revising the existing timelines for submission of survey reports as follows:

- submission within fifteen (15) days in case of motor claims; and
- submission within thirty (30) days in case of non-motor claims.

8.7 Further, following requirements have also been included:

- extensions are allowed only in exceptional circumstances depending on the nature and complexity of claims;
- an aggregate cap of six (6) months on extensions, while limiting extensions for individual motor claims to a maximum of thirty (30) days;
- insurance surveyors to seek extension before expiry of the prescribed timeline and provide reasons for delay;
- submission of interim progress reports to insurers every thirty (30) days after the due date until submission of the final survey report; and
- insurance surveyors to finalize reports based on available documents where insured persons fail to provide the required information despite at least two written reminders issued with a minimum gap of five (5) days.

Policyholders' right to appoint an insurance surveyor

8.8 Granting the right to the policy holder to appoint a licensed insurance surveyor at their own expense, where provided in the policy document, subject to the following conditions: -

- such appointment is required to be intimated to the insurer within seventy-two (72) hours of claim intimation;
- the appointed surveyor is required to submit the survey report within the timelines prescribed under the Rules; and
- Insurers are also required to consider the findings of policyholder appointed surveyors during claim assessment and settlement, subject to prescribed conditions.

Enhanced qualification requirements for surveying officers

8.9 Strengthening the qualification requirements for specialized classes of insurance surveying by requiring:

- a bachelor's degree in engineering for engineering surveying license; and
- a bachelor's degree in agriculture for agriculture surveying license.

8.10 A transition period of six (6) months has also be provided from the date of implementation of these enhanced qualification requirements.

Strengthened Experience and Training Requirements

8.11 To improve professional competency and quality of training, it is proposed to strengthen the practical experience requirements for registration of ASOs. This includes:

- requiring practical experience to be obtained under the supervision of licensed surveyors having at least two ASOs with more than five years of experience in the relevant class of business; and
- recognizing relevant senior management experience in claims or underwriting functions of non-life insurers for fulfillment of practical experience requirements.
- A transition period of six (6) months may also be provided from the date of implementation of these requirements.

Increased Continuing Professional Development (CPD) Requirements

8.12 It is proposed to increase the annual CPD hours requirements for directors, chief executive officers, and ASOs in line with the International practices by requiring them to complete at least twenty-four (24) hours of CPD training during the immediately preceding year from institutions approved by the Commission. Further, focus areas for CPD has also been specified including legal and regulatory developments, ethical standards, advanced claims assessment techniques, emerging risks, fraud investigation, risk management, and use of technology and digital tools etc.

Tiered Professional Indemnity Insurance

8.13 Introducing a tiered professional indemnity insurance requirement linked to the scale of operations and annual revenue of insurance surveyors. Under the proposed approach:

- insurance surveyors with annual revenue up to Rs. 10 million are required to maintain minimum professional indemnity insurance of Rs. 1 million per event; and
- insurance surveyors with annual revenue exceeding Rs. 10 million are required to maintain minimum professional indemnity insurance of Rs. 3 million per event.

Minimum Number of Authorized Surveying Officers

- 8.14 It is proposed to increase the minimum number of ASOs required for licensing of a corporate insurance surveyor from one to two ASOs. Further, transitional arrangements are provided for existing surveyors to comply with the revised requirement within a specified period. Insurance surveyors will also be required to undertake only a reasonable number of assignments commensurate with their available resources and number of ASOs.

Restrictions on multiple engagements and conflict of interest

- 8.15 To strengthen independence and avoid conflicts of interest, following provision have been proposed:
- Requirement for insurance surveyors and ASOs to consider the impact of undertaking advisory or consultancy activities that may impair independence or create perceived conflicts of interest; and
 - prohibiting directors, officers, or employees of one insurance surveying firm from simultaneously serving another insurance surveying firm;
 - requiring ASOs to undertake survey assignments solely as employees or agents of a single insurance surveyor; and
 - introduction of conflict of interest disclosure obligation.

Mandatory annual reporting

- 8.16 To facilitate proactive supervision and improve regulatory oversight it is proposed to introduce periodic reporting requirements for insurance surveyors, including submission of annual returns within four months of the close of the financial year containing information relating to:
- surveys conducted;
 - fees charged;
 - delayed survey reports; and
 - overdue payments from insurers.

Timely payment of surveyor Fees

- 8.17 In the proposed amendments provision are included for requiring insurers to ensure timely payment of fees to insurance surveyors in accordance with agreed terms. Insurance surveyors are also required to maintain proper records of fees, receipts, and overdue payments to strengthen transparency and independence.

Penalty provisions for non-compliance

- 8.18 Introducing a specific penalty provision for non-compliance by insurance surveyors and ASOs to strengthen enforcement and regulatory effectiveness. Under the proposed framework, any intermediary covered under Part XIII of the Insurance Ordinance, 2000, who fails to comply with or contravenes the Rules will be subject to:
- a monetary penalty up to Rs. 1 million; and

- an additional penalty up to Rs. 10,000 per day in case of continuing default.

Surveyors' management Policy by non-life insurers

- 8.19 Introducing a requirement for non-life insurers to implement a Board approved Surveyors' Management Policy. Such policy will cover:
- procedures for enlistment and de-listing of surveyors;
 - transparent allocation of survey assignments based on objective criteria;
 - mechanisms for monitoring the conduct, timeliness, and quality of survey work; and
 - periodic performance evaluation of insurance surveyors.
- 8.20 This will help promote fair allocation practices, strengthen oversight of surveyors, and improve the quality and consistency of claims assessments.

Removal of exemption from one time qualification examination

- 8.21 Withdrawal of the existing exemption from the qualification examination currently available to individuals holding a master's degree or insurance related qualifications, including Associate of the Chartered Insurance Institute (ACII), along with prescribed experience requirements. Under the proposed approach, all first-time applicants for registration as an Authorized Surveying Officer is be required to pass the prescribed qualification examination to ensure uniform competency standards, merit based licensing, and adequate technical knowledge relevant to insurance surveying.

9. FEEDBACK AND PUBLIC CONSULTATION

- 9.1 The SECP invites all interested stakeholders, including insurance surveyors, surveying companies, insurers, industry associations, professional bodies, policyholders, and members of the public, to review this Concept Paper and accompanying draft amendments to the Insurance Rules, 2017 and provide written comments and recommendations on the issues and potential reform areas identified herein.
- 9.2 Stakeholders are particularly encouraged to provide practical, evidence-based views on the identified challenges, proposed policy directions, implementation considerations, and any alternative regulatory approaches that may better address the issues highlighted. Comparative insights and international experiences relevant to the Pakistani market context are also welcomed.
- 9.3 The feedback received will inform the Commission's further assessment of the proposed policy directions and assist in determining the most appropriate regulatory approach. Following this initial consultation and internal review process, the Commission will finalize the amendments to the Insurance Rules, 2017 in this regard.

**CONSULTATION PERIOD**
30 days from the date of publication of this Concept Paper

**SUBMISSION FORMAT**
Written comments submitted by email or post

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- 9.4 The SECP is committed to an open, transparent, and consultative regulatory process. All stakeholder feedback will be carefully reviewed and considered in shaping the future regulatory framework for insurance surveyors in Pakistan.