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PART I

**Acts, Ordinances, President's Orders and Regulations**

**NATIONAL ASSEMBLY SECRETARIAT**

*Islamabad, the 26th July, 1975*

The following Acts of Parliament received the assent of the President on the 21st July, 1975, and are hereby published for general information:—

ACT NO. LIV OF 1975

*An Act further to amend the Insurance Act, 1938*

WHEREAS it is expedient further to amend the Insurance Act, 1938 (IV of 1938), for the purposes hereinafter appearing :

It is hereby enacted as follows :—

**1. Short title and commencement.**—(1) This Act may be called the Insurance (Amendment) Act, 1975.

(2) It shall come into force at once.

**2. General amendment, Act IV of 1938.**—In the Insurance Act, 1938 (IV of 1938), hereinafter referred to as the said Act, for the words “Central Government”, wherever occurring, the words “Federal Government” shall be substituted.

**3. Amendment of section 29, Act IV of 1938.**—In the said Act, in section 29, in sub-section (8),—

(a) in clause (c),—

(i) for sub-clause (iii) the following shall be substituted, namely :—

“(iii) the loan does not exceed such amount as may be prescribed and is subject to such conditions, including conditions as to interest and the time allowed for its payment, as may be prescribed;”; and

(ii) after sub-clause (iii) substituted as aforesaid, the following new sub-clause shall be added, namely :—

“(iv) the aggregate of such loans in respect of the life insurance business of the insurer does not exceed such amount as may be prescribed;”; and

(b) in clause (d),—

(i) in the proviso, after the word “insurer”, the words “other than the State Life Insurance Corporation of Pakistan” shall be inserted and for the full stop at the end a colon shall be substituted; and

(ii) after the proviso amended as aforesaid, the following further proviso shall be added, namely :—

“Provided further that, in respect of the life insurance business of an insurer, the total amount outstanding in respect of temporary advances made on or after the 1st January, 1975, shall not exceed at any time one-tenth of one per cent of the life insurance fund in the case of employees on the one hand and one-tenth of one per cent of the life insurance fund in the case of insurance agents and employers of agents on the other.”.

**4. Amendment of section 40A, Act IV of 1938.**—In the said Act, in section 40A,—

(a) in sub-section (1), in the proviso,—

(i) in clause (c), after the semi-colon at the end, the word “and” shall be added;

(ii) for clauses (d), (e) and (f) the following shall be substituted, namely :—

“(d) the proportion of business not lapsing out of the business procured by the agent to the business so procured.”; and

- (b) in sub-section (3A), in the proviso, for clauses (d), (e), (f), (g) and (h) the following shall be substituted, namely :—

“(d) the proportion of business not lapsing out of the business procured by the employer of agents to the business so procured ; and

(e) the number of employers of agents intervening between the insurer and the insurance agents.”.

**5. Amendment of section 42A, Act IV of 1938.**—In the said Act, in section 42A, in sub-section (5), in clause (iv), after the brackets and figure “(iv)”, the words and comma “except in such circumstances as may be prescribed,” shall be inserted.

**6. Amendment of section 114, Act IV of 1938.**—In the said Act, in section 114, after sub-section (1), the following new sub-section shall be inserted, namely :—

“(1A) Such rules made within three months of the commencement of the Insurance (Amendment) Act, 1975, to prescribe the matters to be prescribed for the purposes of section 40A may be made so as to have effect from any day not earlier than the first day of December, 1974.”.

**7. Amendment of section 120B, Act IV of 1938.**—In the said Act, in section 120B, for the words “East Pakistan and in any other” the word “any” shall be substituted.

**8. Repeal.**—The Insurance (Amendment) Ordinance, 1975 (VI of 1975) is hereby repealed.

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