

**THE BANGLADESH INSURANCE
(NATIONALISATION) ORDER, 1972**

PRESIDENT'S ORDER NO. 95 OF 1972

[8th August, 1972]

WHEREAS it is expedient to provide for the nationalisation of insurance business in Bangladesh by transferring all such business to certain corporations established for the purpose and to provide for the regulation and control of the business of the corporations and for matters connected therewith or incidental thereto;

NOW, THEREFORE, in pursuance of the Proclamation of Independence of Bangladesh, read with the Provisional Constitution of Bangladesh Order, 1972, and in exercise of all powers enabling him in that behalf, the President is pleased to make the following Order :-

1. (1) This Order may be called the Bangladesh Insurance (Nationalisation) Order, 1972.

(2) It extends to the whole of Bangladesh.

(3) It shall come into force at once.

2. (1) In this Order, unless there is anything repugnant in the subject or context,-

- (a) "Board" means the Board of Directors of a Corporation;
- (b) "Chairman" means the Chairman of a Corporation;
- (c) "controlling Corporation" means the Bangladesh Jatiya Bima Corporation established by Article 4;
- (d) "Corporation" means the controlling Corporation or a subsidiary Corporation;
- (e) "Director" means a Director of a Corporation;
- (f) "general subsidiary Corporation" means the Karnaphuli Bima Corporation or the Teesta Bima Corporation ;

- (g) "Government" means the Government of the People's Republic of Bangladesh;
- (h) "insurer" means an insurer as defined in the Insurance Act, 1938 (Act IV of 1938), who carries on insurance business in Bangladesh and includes a provident society as defined in section 65 of that Act ;
- (i) "life subsidiary Corporation" means the Surma Jiban Bima Corporation or the Rupsa Jiban Bima Corporation;
- (j) "prescribed" means prescribed by rules made under this Order;
- (k) "Schedule" means the Schedule to this Order;
- (l) "subsidiary Corporation" means the Karnaphuli Bima Corporation, the Teesta Bima Corporation, the Surma Jiban Bima Corporation or the Rupsa Jiban Bima Corporation established by Article 4.

(2) All other words and expressions used in this Order but not defined and defined in the Insurance Act, 1938 (Act IV of 1938), shall have the meanings respectively assigned to them in that Act.

3. The provisions of this Order and any rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

4. (1) On the commencement of this Order, there shall be established five Corporations to be called the Bangladesh Jatiya Bima Corporation, the Karnaphuli Bima Corporation, the Teesta Bima Corporation, the Surma Jiban Bima Corporation and the Rupsa Jiban Bima Corporation.

(2) Every Corporation shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Order, to acquire, hold and dispose of property, both movable and immovable, and shall by its name sue and be sued.

5. (1) The authorised capital of the controlling Corporation shall be ten crore taka to be subscribed by the Government from time to time according to the requirements of the Corporation and in such form and manner as may be prescribed.

(2) The authorised capital of each subsidiary Corporation shall be two crore taka to be subscribed by the controlling Corporation from time to time according to the requirements of such Corporation and in such form and manner as may be prescribed.

6. (1) Subject to rules made under this Order, the general direction and administration of the affairs and business of every Corporation shall vest in a Board of Directors which may exercise all powers and do all acts and things which may be exercised or done by the Corporation.

(2) Every Board in discharging its functions shall act on commercial consideration having due regard to public interest generally.

(3) The Board of the controlling Corporation shall be guided on questions of policy by such general or special instructions as may be given to it by the Government from time to time and, if any question arises as to whether any question is a question of policy or not, the decision of the Government shall be final.

(4) The Board of a subsidiary Corporation shall be guided by such general or special instructions as may be given to it by the controlling Corporation from time to time.

7. (1) The Board of the controlling Corporation shall consist of four whole-time directors to be appointed by the Government and not more than five other Directors to be appointed by the Government in such manner as may be prescribed.

(2) The Government shall appoint one of the whole-time Directors of the controlling Corporation to be the Chairman of its Board.

(3) The Chairman and other Directors of the controlling Corporation shall hold office for such period and on such terms and conditions as the Government may determine.

(4) The Government may at any time terminate the appointment of the Chairman or any other Director of the controlling Corporation without assigning any reason.

(5) The Chairman or any other Director of the controlling Corporation may at any time resign his office by notice in writing addressed to the Government:

Provided that no resignation shall take effect until it has been accepted by the Government.

8. (1) The Board of a subsidiary Corporation shall consist of five whole-time Directors to be appointed by the controlling Corporation with the prior approval of the Government.

(2) The controlling Corporation shall appoint one of the Directors of a subsidiary Corporation to be the Chairman of the Board of that Corporation.

(3) The Chairman and other Directors of a subsidiary Corporation shall hold office for such period and on such terms and conditions as the controlling Corporation may, with the approval of the Government, determine.

(4) The controlling Corporation may, at any time, with the prior approval of the Government, terminate the appointment of the Chairman or any other Director of a subsidiary Corporation without assigning any reason.

(5) The Chairman or any other Director of a subsidiary Corporation may, at any time, resign his office by notice in writing addressed to the controlling Corporation:

Provided that no resignation shall take effect until it has been accepted by the controlling Corporation.

9. No act or proceeding of a Board shall be invalid merely on the ground of existence of any vacancy in, or any defect in the constitution of, the Board.

10. (1) The Chairman of a Corporation shall be the chief executive officer of the Corporation.

(2) The Chairman and other Directors of a Corporation shall exercise such powers, perform such functions and discharge such duties as may be prescribed or assigned to them by the Board.

(3) The Chairman and other Directors of a Corporation shall divest themselves of any directorship held by them in any other Corporation or in any company otherwise than on behalf of the Corporation.

11. No person shall be or shall continue to be a Director of a Corporation who-

- (a) is or at any time has been adjudicated insolvent;
- (b) is found to be a lunatic or of unsound mind;
- (c) is or at any time has been convicted of an offence which, in the opinion of the Government, is an offence involving moral turpitude;
- (d) is a minor; or
- (e) absents himself from three consecutive meetings of the Board without leave of absence granted by the Chairman or, in the case of the Chairman, by the Government or the controlling Corporation as the case may be.

12. (1) The meetings of a Board shall be held at such times and place as may be prescribed:

Provided that a meeting may also be otherwise convened by the Chairman when he so thinks fit.

(2) To constitute a quorum at a meeting of the Board of the controlling Corporation not less than five, including at least two whole-time Directors, and at a meeting of the Board of a subsidiary Corporation not less than three Directors, including the Chairman, shall be present.

(3) At a meeting of a Board each Director shall have one vote, and in the event of equality of votes the Chairman shall have a second or casting vote.

(4) No Director shall vote on any matter in which he is directly or indirectly interested.

(5) If for any reason the Chairman of a Board is unable to be present at a meeting, a Director elected by the Directors present shall preside over the meeting.

13. Every Board may appoint such committee or committees as it thinks fit to assist it in the efficient discharge of its functions.

14. (1) Subject to rules made under this Order, it shall be the function of the controlling Corporation to supervise, control, regulate, co-ordinate and guide the activities, business and affairs of the subsidiary Corporations.

(2) Without prejudice to the generality of the foregoing provisions, the controlling Corporation shall, in particular, have power—

- (a) to prepare periodical reports on the activities of subsidiary Corporations;
- (b) to make comparative evaluation of performance of the subsidiary Corporations;
- (c) to conduct expense analysis for the purpose of ascertaining cost ratios of subsidiary Corporations and causes of difference, if any, of costs between different subsidiary Corporations and of variations thereof;
- (d) to conduct mortality analysis for the purpose of ascertaining deviation of experienced mortality rates from the assumed mortality rates and causes thereof;
- (e) to guide and assist the subsidiary Corporations in adopting modern techniques and practices in different fields relating to their functions;
- (f) to conduct research on insurance subjects and on different types of insurance schemes;

- (g) to undertake publicity for popularising insurance;
- (h) to formulate policy on underwriting;
- (i) to arrange training facilities for administrative staff and sales personnel;
- (j) to assist the subsidiary Corporations in the matter of rendering efficient service to policy holders;
- (k) to do all other things connected with or ancillary to any of the matters referred to in sub-clauses (a) to (j).

15. (1) Subject to the provisions of Article 15 and rules made under this Order, it shall be the function of-

- ¹[(a) a general subsidiary Corporation to carry on all kinds of general insurance and re-insurance business, whether in or outside Bangladesh; and
- (b) a life subsidiary Corporation to carry on all kinds of life insurance and re-insurance business, whether in or outside Bangladesh.]

(2) Without prejudice to the generality of the foregoing provisions, every subsidiary Corporation shall, in particular, have power-

- (a) to acquire, hold and dispose of any property for the purpose of its business;
- (b) to transfer the whole or any part of its insurance business carried on outside Bangladesh to any other person or persons, if in the interest of the Corporation it is expedient so to do;
- (c) to carry on any other business which may seem to the Corporation to be capable of being conveniently carried on in connection with its business and calculated directly or indirectly to render profitable the business of the Corporation;
- (d) to do all such things as may be incidental or conducive to the proper exercise of any of the powers of the Corporation.

¹ Sub-clauses (a) and (b) were substituted by section 2 of the Bangladesh Insurance (Nationalisation) (Amendment) Order, 1972 (President's Order No. 133 of 1972).

16. (1) The head office of the controlling Corporation shall be at Dhaka and the head office of every subsidiary Corporation shall be at such place as the Government may, by notification in the *official Gazette*, specify.

(2) Every Corporation may establish as many other offices in Bangladesh and abroad as its Board thinks fit.

17. (1) On the commencement of this Order, there shall be transferred to and vested in-

- (a) the Karnaphuli Bima Corporation the entire undertaking appertaining to the general insurance business of every insurer specified in Part A of the Schedule;
- (b) the Teesta Bima Corporation the entire undertaking appertaining to the general insurance business of every insurer specified in Part B of the Schedule ;
- (c) the Surma Jiban Bima Corporation the entire undertaking appertaining to the life insurance business of every insurer specified in Part C of the Schedule ; and
- (d) the Rupsa Jiban Bima Corporation the entire undertaking appertaining to the life insurance business of every insurer specified in Part D of the Schedule.

¹[(1A) The Government may, by notification in the *official Gazette*, make any addition to or omission from the list of insurer in any Part in the Schedule.]

(2) Notwithstanding anything contained in this Order, a general subsidiary Corporation or a life subsidiary Corporation may, until the 31st day of December, 1972, use the name and seal of the insurer whose undertaking has been transferred to and vested in it under clause (1).

18. (1) The undertaking appertaining to the general insurance business or the life insurance business of an insurer which is transferred to and vests in a subsidiary Corporation

¹ Clause (1A) was inserted by Article 2 of the Bangladesh Insurance (Nationalisation) (Amendment) Order, 1972 (President's Order No. 133 of 1972).

under clause (1) of Article 17 shall, subject to the provisions of this Order, be deemed to include all assets, rights, powers, authorities and privileges and all property, movable or immovable, cash balances, reserve funds, investments, deposits and all other rights and interests in, or arising out of, such property as were immediately before the commencement of this Order in the ownership, possession, power or control of the insurer in relation to the undertaking within the territory of Bangladesh or in relation to the business of such undertaking outside Bangladesh, and all books of account, registers, records and all other documents of whatever nature relating thereto, and shall, subject to the provisions of this Order and unless the Government otherwise directs be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the insurer in relation to such undertaking :

Provided that the liabilities and obligations of the insurer in relation to such undertaking shall, unless the Government otherwise directs, not include any liability or obligation under any policy issued by him to a person who is not a citizen of Bangladesh.

(2) Where any assets or other properties vesting in a subsidiary Corporation under clause (1) of Article 17 are subject to any trust, the assets or other properties shall be deemed to have vested in the subsidiary Corporation free from any such trust.

(3) If, according to the laws of any country outside Bangladesh, the provisions of the Order by themselves are not effective to transfer or vest any asset situated in that country which forms part of the undertaking of an insurer to, or in, the subsidiary Corporation concerned, the affairs of the insurer in relation to such asset shall, on and from the commencement of this Order, stand entrusted to the chief executive officer for the time being of the subsidiary Corporation concerned, and the chief executive officer may exercise all such powers and do all such acts and things as may be exercised or done by the insurer for the purpose of effectively transferring such asset.

(4) The chief executive officer of the subsidiary Corporation concerned shall, in exercise of the power conferred

on him by clause (3), take all such steps as may be required by the laws of any such country outside Bangladesh for the purpose of effecting such transfer or vesting, and may either himself or through any person authorised by him in this behalf realise any asset of the insurer.

(5) Unless otherwise expressly provided by or under this Order and unless the Government otherwise directs, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the commencement of this Order and to which an insurer whose undertaking has been transferred to and vested in a subsisting Corporation under clause (1) of Article 17 is a party or which are in favour of such insurer shall, in so far as they relate to such undertaking of the insurer, be of as full force and effect against or in favour of the subsidiary Corporation, and may be enforced or acted upon as fully and effectually as if in the place of the insurer the subsidiary Corporation had been a party thereto or as if they had been entered into or issued in favour of the subsidiary Corporation.

(6) Subject to the other provisions of this Order and unless the Government otherwise directs, any suit, appeal or other proceeding of whatever nature pending on the date of the commencement of this Order by or against an insurer in relation to any of his undertakings shall be deemed to be suit, appeal or other proceeding pending by or against the subsidiary Corporation in which the undertaking has vested under clause (1) of Article 17, and may be continued or prosecuted and enforced by or against that Corporation.

(7) If any question arises as to whether any undertaking appertains to the general insurance business or the life insurance business of an insurer, or whether any asset, right, power, authority or privilege or any property, cash balance, reserve fund, investment or deposit is in the ownership, possession, power or control of an insurer in relation to any of his undertakings transferred to a subsidiary Corporation, or whether any borrowing, liability or obligation of insurer relates to any of his undertakings transferred to a subsidiary Corporation, or whether any contract deed, bond, agreement,

power of attorney, grant of legal representation or other instrument related to any of the undertakings of an insurer transferred to a subsidiary Corporation or whether any suit, appeal or other proceeding is pending by or against an insurer in relation to any of his undertakings transferred to a subsidiary Corporation, the question shall be referred to the Government whose decision shall be final.

(8) Where any undertaking of an insurer does not relate exclusively to his general insurance business or life insurance business or where such undertaking relates to both general insurance business and life insurance business of the insurer, such undertaking shall be transferred to such subsidiary Corporation, in such manner and to such extent as the Government may, by order, direct.

(9) The Government may, for the purpose of removing any difficulty arising out of, or in connection with, the transfer of any undertaking of an insurer to a subsidiary Corporation or any matter supplemental or incidental to, or consequential upon, such transfer or any other matter specified in this Article, make such order as it considers expedient and any such order shall be deemed to be, and given effect to, as part of the provisions of this Order.

19. (1) Every Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions on such terms and conditions as it may determine.

(2) A Corporation may employ such officers and other employees of an insurer whose undertaking has been transferred to a subsidiary Corporation under clause (1) of Article 17 as the controlling Corporation may specify, and the officers and other employees so employed shall hold their office or service in the Corporation which employs them on such terms and conditions as that Corporation may determine:

Provided that an officer or other employee may, within such time, as may be specified by the Corporation which employs him, exercise his option not to continue in the service of that Corporation:

Provided further that the controlling Corporation may, within one year from the Commencement of this Order, transfer an Officer or other employee from one Corporation to another.

(3) If any question arises out of the transfer of an officer or other employee of an insurer under clause (2), the question shall be referred to the Government whose decision shall be final.

(4) The transfer of service of any officer or other employee from an insurer to the controlling Corporation or to a subsidiary Corporation shall not entitle any such officer or other employee to any compensation and no such claim shall be entertained by any court, tribunal or other authority.

(5) Notwithstanding anything contained in any rules, regulations, contract or agreement relating to the terms and conditions of service made or entered into by an insurer or in the Articles of Association of any such insurer, no person shall be entitled to any compensation against the insurer or against any Corporation for the loss of his office or service or for the premature termination of any contract or agreement of management entered into by him with the insurer.

(6) Notwithstanding anything contained in this Order, the controlling Corporation shall determine the pay scales of the different classes of officers and other employees of a subsidiary Corporation.

(7) Where all the officers and other employees of an insurer have been employed by one or more Corporations under clause (2), the money and other assets belonging to any provident, superannuation, or any other fund established by the insurer for the benefit of such officers and other employees and in respect of which a trust has been constituted by him shall be transferred to, and vest in, such Corporation or Corporations, free from any such trust, in such manner as the Government may, by order, specify, and the trustees of such trust shall, as from the date of such transfer, stand discharged from the trust, except as respects things done or omitted to be done before such date.

(8) Where all the officers and other employees of an insurer have not been employed by the Corporations under clause (2), the moneys and other assets belonging to any such fund as is referred to in clause (7) shall be apportioned between the trustees of the fund and the Corporations which have employed some of the officers and other employees of the - insurer in such manner as the Government may, by order, specify.

20. (1) Where any undertaking has vested in a subsidiary Corporation under clause (1) of Article 17,-

- (a) every person, in whose possession or custody or under whose control any property appertaining to the undertaking may be, shall deliver the property to the subsidiary Corporation forthwith;
- (b) any person who on the commencement of this Order has in his possession or custody or under his control any books, documents or other papers relating to the undertaking shall deliver them to the subsidiary Corporation or to such person as the subsidiary Corporation may direct.

(2) Without prejudice to the provisions of clause (1), it shall be lawful for a subsidiary Corporation to take all necessary steps for securing possession of all properties which have vested in the subsidiary Corporation under clause (1) of Article 17.

21. (1) Where an insurer whose undertaking has been transferred to a subsidiary Corporation under clause (1) of Article 17 has, at any time after the 25th day of March, 1971, or where a Custodian appointed under the Bangladesh Insurance (Emergency Provisions) Order, 1972 (P.O. No. 30 of 1972), in respect of such undertaking has-

- (a) wilfully caused loss or damage to any property appertaining to the undertaking ; or
- (b) misused any such property ; or
- (c) sold or disposed of any such property without consideration or for an inadequate consideration or made

any payment to any person without consideration and the sale, disposal or payment was not reasonably necessary for the purpose of the insurance business of the insurer,

the subsidiary Corporation may lodge a complaint with the Government in respect of such loss, damage, misuse, sale, disposal or payment, against those who were responsible for such loss, damage, misuse, sale, disposal or payment.

(2) The Government may make such order against the parties complained against as it thinks just having regard to the extent to which those parties were respectively responsible for the loss, damage, misuse, sale, disposal or payment or benefited therefrom.

(3) Where an application made to the Government under this Article is determined in favour of the subsidiary Corporation, the Government shall take such measures as may be necessary to enforce its order and any amount payable to the Corporation under the order may be recovered as arrear of land revenue.

22. The Government shall give compensation to an insurer for such of his undertaking transferred to a subsidiary Corporation under clause (1) of Article 17 as has not already vested in the Government by or under any law, and such compensation shall be determined and distributed among the shareholders of the insurer in such manner as may be prescribed:

Provided that the total compensation payable to an insurer under this Article shall not exceed the total paid up value of the shares held by the shareholders among whom such compensation is to be distributed.

23. (1) The controlling Corporation shall, by such date in each year as may be prescribed, submit to the Government for approval a statement, to be called the annual budget statement, in the prescribed form for every financial year showing the estimated receipts and expenditure during that financial year.

(2) Every subsidiary Corporation shall, by such date in each year as may be prescribed, submit to the controlling

Corporation for approval a statement, to be called the annual budget statement, in the prescribed form for every financial year showing the estimated receipts and expenditure during that financial year.

24. Subject to the provisions of the Insurance Act, 1938 (Act IV of 1938), every subsidiary Corporation may invest its funds in such manner as may be approved by the controlling Corporation.

25. Every Corporation may, with the prior approval of the Government borrow such sums, with or without security, as may be required by it to discharge its functions under this Order.

26. (1) Every Corporation shall maintain proper accounts and prepare annual statements of accounts, including the profit and loss account and balance sheet, and shall comply in respect of such accounts with such general directions as may be issued by the Government from time to time.

(2) The accounts of every Corporation shall be audited by not less than two auditors being chartered accountants within the meaning of the Chartered Accountants Ordinance, 1961 (Ord. X of 1961), who shall be appointed by the Government in the case of the controlling Corporation and by the controlling Corporation in the case of a subsidiary Corporation.

(3) Every auditor appointed under clause (2) shall be given a copy of the annual balance-sheet and other accounts of the Corporation and shall examine it together with the account books and vouchers relating thereto; and shall have a list delivered to him of all books kept by the Corporation, and shall at all reasonable times have access to the books of accounts and other documents of the Corporation, and may in relation to such accounts examine any Director or officer of the Corporation.

(4) The auditors shall report to the Government and, in the case of audit of accounts of a subsidiary Corporation, also to the controlling Corporation upon the annual balance-sheet and accounts, and in their report they shall state whether in their opinion the balance-sheet contains all necessary particulars and is properly drawn up so as to exhibit a true and correct view of the state of affairs of the Corporation and, if they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(5) The Government, in the case of the controlling Corporation, or the controlling Corporation, in the case of a subsidiary Corporation, may, at any time, issue directions to the auditors requiring them to report to it upon the adequacy of measures taken by the Corporation concerned for the protection of the interest of the Government, or, as the case may be, of the controlling Corporation and of the creditors of the Corporation concerned or upon the sufficiency of the procedure in auditing the affairs of the Corporation concerned, and may, at any time, enlarge or extend the scope of the audit or direct that different procedure in audit shall be adopted or that any other examination shall be made by the auditors or any other person or persons if, in its opinion, the interest of the Government or, as the case may be, of the controlling Corporation so requires.

27. Each life subsidiary Corporation shall, once at least in every two years, cause an investigation to be made by actuaries into the financial condition of its business, including a valuation of its liabilities in respect thereto, and submit the report of the actuaries to the controlling Corporation and also to the Government.

28. (1) Every Corporation shall furnish to the Government and every subsidiary Corporation shall also furnish to the controlling Corporation such returns, reports and statements as the Government or, as the case may be, the controlling Corporation may from time to time require.

(2) As soon as possible after the end of every financial year, every Corporation shall furnish to the Government and every subsidiary Corporation shall also furnish to the controlling Corporation a statement of accounts audited by the auditors under Article 26 together with an annual report in the prescribed form on the conduct of its affairs for that year.

(3) The copies of the audited accounts and annual report received by the Government under clause (2) shall be published in the *official Gazette* and shall be laid before the Legislature.

29. Every subsidiary Corporation shall pay, each year to the controlling Corporation such sum as may be required by the controlling Corporation for the performance of its functions under this Order:

Provided that such sum shall not exceed one *per cent* of the gross premium received by a general subsidiary Corporation and three *per cent* of the gross premium received by a life subsidiary Corporation.

30. (1) After making provision for bad and doubtful debts, depreciation of assets and any other matter determined by the Board, the controlling Corporation of a general subsidiary Corporation may, out of its net annual profits, establish a reserve fund and any surplus remaining thereafter shall be paid-

- (a) in the case of the controlling Corporation, to the Government or, if the Government so directs, be utilised for such purposes and in such manner as the Government may determine;
- (b) in the case of a general subsidiary Corporation, to the controlling Corporation.

(2) If as a result of any investigation undertaken by a life subsidiary Corporation under Article 27 any surplus emerges, ninety-five *per cent* of such surplus or such higher percentage thereof as the Government may approve shall be allocated to or reserved for the life insurance policy-holders of the Corporation and the remainder shall be paid to the controlling Corporation.

31. Except to the extent otherwise expressly provided in this Order, on and from the commencement of this Order the general subsidiary Corporations shall have the exclusive privilege of carrying on general insurance business and the life subsidiary Corporation shall have the exclusive privilege of carrying on life insurance business in Bangladesh; and on and from such commencement any certificate of registration under the Insurance Act, 1938 (Act IV of 1938), held by any insurer immediately before such commencement shall cease to have effect in so far as it authorises him to carry on any insurance business.

32. Where any property or right appertaining to the undertaking of an insurer is transferred to and vested in a subsidiary Corporation under clause (1) of Article 17 or would be so transferred and vested but for the fact that such transfer and vesting are governed otherwise than by the law of Bangladesh, the insurer shall comply with such directions as

may be given to him by the subsidiary Corporation for the purpose of securing that the ownership of the property, or as the case may be, that the rights is effectively transferred to the Corporation.

33. The sums assured by all policies issued by the subsidiary Corporations including any bonuses declared in respect thereof and the sums assured by all policies issued to citizens of Bangladesh by any insurer the liabilities under which have vested in a subsidiary Corporation under this Order, and all bonuses declared in respect thereof, whether before or after the commencement of this Order, shall be guaranteed as to payment in cash by the Government.

34. No provision of law relating to the winding up of companies shall apply to a Corporation and a Corporation shall not be wound up save by order of the Government and in such manner as it may direct.

35. An insurer, being a company the undertaking of which has vested in a subsidiary Corporation under clause (1) of Article 17, shall stand dissolved in Bangladesh on such date as the Government may, by notification in the *official Gazette*, appoint.

36. If any person wilfully withholds or fails to deliver to a subsidiary Corporation, as required by Article 20, any property or any book, document or other paper which may be in his possession or unlawfully retains in his possession any property of an insurer which has vested in a subsidiary Corporation under clause (1) of Article 17 or wilfully applies any such property to purposes other than those expressed in or authorised by this Order or fails to comply with any order of the Government made under clause (2) of Article 21, he shall, on the complaint of the subsidiary Corporation, be punishable with imprisonment for a term which may extend to one year or with fine which may extend to one thousand taka or with both.

37. Nothing in this Order shall apply in relation to—

- (a) any insurer whose business is being voluntarily wound up or is being wound up under the orders of the court;

- (b) any insurer to whom the Insurance Act, 1938 (Act IV of 1938), does not apply by reason of the provisions contained in section 2B thereof;
- (c) postal life insurance business;
- (d) any insurer, being a company incorporated under the law of any foreign country other than Pakistan carrying on life insurance business.

38. No suit, prosecution or other legal proceeding shall lie against any Director, officer or employee of a Corporation for anything which is in good faith done or intended to be done under this Order.

39. Any dispute between the controlling Corporation and a subsidiary Corporation, or between two subsidiary Corporations, may be referred by any of the Corporations involved in the dispute to the Government whose decision shall be final.

40. The Government may, by general or special order in writing, direct that any power which by or under any of the provisions of this Order is conferred on it shall, subject to such conditions, if any, as may be specified in the Order, be exercisable also by the controlling Corporation.

41. The provisions of the Insurance Act, 1938 (Act IV of 1938) shall, as far as may be, apply to a Corporation as they apply to any other insurer.

42. If any difficulty arises in giving effect to the provisions of this Order, the Government may make such Order, not inconsistent with the provisions of this Order, as may appear to it to be necessary for the purpose of removing difficulty.

43. (1) The Government may, by notification in the *official Gazette*, make rules for carrying out the purposes of this Order.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for-

- (a) the form and manner in which capital of a Corporation may be subscribed;

- (b) the manner of appointment of a part-time Director of the controlling Corporation;
- (c) the terms and conditions of service of the Chairman and other Directors of the controlling Corporation;
- (d) the powers, functions and duties of the Chairman and other Directors of a Corporation;
- (e) the time and place at which meetings of a Board may be held;
- (f) the manner in which compensation shall be determined and distributed;
- (g) the form in which the annual report of a Corporation shall be prepared;
- (h) any other matter which has to be or may be prescribed.

44. (1) Every Corporation may, with the previous approval of the Government, make regulations, not inconsistent with the provisions of this Order and the rules, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Order:

Provided that regulations made by a subsidiary Corporation shall be forwarded to the Government, through the controlling Corporation, for approval and shall not also be inconsistent with the provisions of the regulations made by the controlling Corporation.

(2) All regulations made under this Article shall be published in the *official Gazette* and shall come into force on such publication.

THE SCHEDULE
(See Article 17)

PART A

Serial No.	Name of Insurer.
1.	Alpha Insurance Co., Ltd.
2.	American International underwriters, Ltd.
3.	Central Insurance Co., Ltd.
4.	Commercial Union Assurance Co., Ltd.
5.	Co-operative Insurance Society of Bangladesh Ltd.
6.	Bengal Life and General Insurance Co., Ltd.
7.	Eastern General Insurance Co., Ltd.
8.	Eastern Insurance Co., Ltd.
9.	East Pakistan Co-operative Insurance Society Ltd.
10.	Eastern Federal Union Insurance Co., Ltd.
11.	Homeland Insurance Co., Ltd.
12.	International General Insurance Co., Ltd.
13.	Indus Assurance Co., Ltd.
14.	Pakistan General Insurance Co., Ltd.
15.	Pakistan Mutual Insurance Co., Ltd.
16.	Pioneer Insurance Co., Ltd.
17.	Premier Insurance Co., Ltd.
18.	Queensland Insurance Co., Ltd.
19.	Sterling Insurance Co., Ltd.
20.	United Insurance Co., Ltd.
21.	Universal Life and General Insurance Co., Ltd.

PART B

Serial No.	Name of Insurer.
1.	Adamjee Insurance Co., Ltd.
2.	Crescent Star Insurance Co., Ltd.
3.	Eagle Star Insurance Co., Ltd.
4.	Eastern Mercantile Insurance Co., Ltd.
5.	Federal Life and General Insurance Co., Ltd.
6.	Great Eastern Insurance Co., Ltd.

Serial No.	Name of Insurer.
7.	Habib Insurance Co., Ltd.
8.	Janata Insurance Co., Ltd.
9.	Khyber Insurance Co., Ltd.
10.	Mercantile Fire and General Insurance Co., Ltd.
11.	Muslim Insurance Co., Ltd.
12.	National Insurance Co., Ltd.
13.	National Security Insurance Co., Ltd.
14.	New Jubilee Insurance Co., Ltd.
15.	Norwich Union Fire Insurance Society Ltd.
16.	Pakistan Guarantee Insurance Co., Ltd.
17.	Popular Insurance Co., Ltd.
18.	Royal Exchange Assurance.
19.	Royal Insurance Co., Ltd.
20.	Standard Insurance Co., Ltd.
21.	Union Insurance Co., Ltd.

PART C

1.	Asian Mutual Insurance Co., Ltd.
2.	Central Life Insurance Co., Ltd.
3.	Co-operative Insurance Society of Bangladesh Ltd.
4.	Eastern Federal Union Insurance Co., Ltd.
5.	Eastern Life Insurance Co., Ltd.
6.	Eastern Mercantile Insurance Co., Ltd.
7.	Federal Life and General Insurance Co., Ltd.
8.	Janata Insurance Co., Ltd.
9.	National Security Insurance Co., Ltd.
10.	Oriental Mutual Insurance Co., Ltd.
11.	Pakistan Guarantee Insurance Co., Ltd.
12.	Pakistan General Insurance Co., Ltd.
13.	Pioneer Insurance Co., Ltd.
14.	Union Insurance Co., Ltd.
15.	Standard Insurance Co., Ltd.
16.	Universal Life and General Insurance Co., Ltd.

PART D

Serial No.	Name of Insurer.
1.	Adamjee Insurance Co., Ltd.
2.	East Bengal Mutual Insurance Co., Ltd,
3.	East Pakistan Co-operative Insurance Society Ltd.
4.	Great Eastern Insurance Co., Ltd.
5.	Habib Insurance Co., Ltd.
6.	Homeland Insurance Co., Ltd.
7.	International General Insurance Co., Ltd.
8.	Ideal Life Assurance Co., Ltd.
9.	Khyber Insurance Co., Ltd.
10.	Mercantile Mutual Insurance Co., Ltd.
11.	Muslim Insurance Co., Ltd.
12.	National Insurance Co., Ltd.
13.	New Jubilee Insurance Co., Ltd.
14.	Pakistan Mutual Insurance Co., Ltd.
15.	Popular Insurance Co., Ltd.
16.	Premier Insurance Co., Ltd.
17.	United Insurance Co., Ltd.
