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further to amend the Life Insurance (Nationalisation) Order, 1972

WHEREAS it is expedient further to amend the Life Insurance (Nationalisation) Order, 1972 (President's Order No.10 of 1972), for the purposes hereinafter appearing;

It is hereby enacted as follows: -

1. **Short title and commencement.** - (1) This Act shall be called the Life Insurance (Nationalisation) (Amendment) Act, 2026.

(2) It shall come into force at once.

2. **Amendment of Article 2, President's Order No. 10 of 1972.-** In the Life Insurance (Nationalisation) Order, 1972 (President's Order No.10 of 1972), hereinafter referred to as "the said Order", in Article 2,-

(a) for paragraph (b), the following shall be substituted, namely:-

"(b) "assets" includes all investments, properties, rights and entitlements of every description and nature whatsoever, whether present or future, actual or contingent and tangible or intangible, in Pakistan or elsewhere and includes but not limited to property held in trust, both moveable and immovable, benefits, claims, receivables, cash balances, documents, reserve funds, privileges and powers and all other interests and rights in or arising out of any such property and the books of account and documents;";

(b) after paragraph (b), amended as aforesaid, the following new paragraph (ba), shall be inserted, namely:-

"(ba) "Company" means the State Life Insurance Company Limited established and incorporated under the Companies Act, 2017 (XIX of 2017), in accordance with clause (3) of Article 11;";

(c) after paragraph (c), the following new paragraph (ca), shall be inserted, namely: -

"(ca) "contracts" means all contracts, agreements, bonds, guarantees, indemnities, representations, obligations, undertakings and other legal documents and instruments of every description executed by or on behalf of the Corporation including employment, investment, sales and financial contracts with whomsoever;";

(d) for paragraph (d), the following shall be substituted, namely:-

"(d) "Corporation" means the State Life Insurance Corporation constituted under clause (1) of Article 11;";

(e) after paragraph (e), the following new paragraphs (ca) and (cb), shall be inserted, namely:-

"(ea) "effective date" means the date on which all assets, property, rights and liabilities of the Corporation shall be vested in the Company;

(eb) "liabilities" means all liabilities lawfully incurred by the Corporation and includes duties and obligations of every kind imposed thereon;";

(f) after paragraph (f), the following new paragraphs (fa) to (fd), shall be inserted, namely:-

"(fa) "policies" means contracts of insurance issued by the Corporation with the guarantees of Government of Pakistan and the policies issued by the Company under the terms and conditions of the policies;

(fb) "proceedings" include any suit, arbitration or other legal, administrative or regulatory proceedings, applications, appeals, awards, reviews or revisions filed or pending;

(fc) "rules" means the rules made under this Order;

(fd) "SOE Act" means the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023)";

(g) after paragraph (g), the following new paragraph (ga), shall be inserted, namely:-

"(ga) "transfer" includes the transfer of assets, contracts, policies issued with the guarantees of Government of Pakistan, arrangements, liabilities, proceedings and undertakings of the Corporation, as the case may be, to the Company;": and

(h) in paragraph (i), the word "and", occurring at the end, shall be omitted and thereafter the following new paragraphs (ia) and (ib), shall be inserted, namely:-

"(ia) "undertakings" includes all projects, ventures and any other operations undertaken by the Corporation individually or collectively in collaboration with some

other person and party; and

(ib) "vesting order" means an order made by the Federal Government under Article 15.

3. **Amendment of Article 11, President's Order No.10 of 1972.-** In the said Order, in Article 11, after clause (2), the following new clauses (3) to (7), shall be added, namely:-

"(3) The Federal Government shall establish a Company to be known as State Life Insurance Company, limited by shares and cause it to be incorporated under the Companies Act, 2017 (XIX of 2017), which shall operate under the Insurance Ordinance, 2000 (XXXIX of 2000) and the rules and regulations made thereunder with the principal object of taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities etc., of the Corporation.

(4) Notwithstanding anything contained in this Order, the SOE Act shall apply to the provisions of this Act and in case of any inconsistency between the provisions of this Order and the SOE Act, the provisions of the SOE Act shall prevail.

(5) On the effective date, the Certificate of Registration issued to the Corporation under the Insurance Ordinance, 2000 (XXXIX of 2000) shall stand transferred to in the name of the Company.

(6) No stamp duty or any other charges shall be payable by the Company under any law for the time being in force or in relation to the transfer or vesting of the assets, contracts, policies, liabilities, proceedings or undertakings of the Corporation to the Company or any shares or securities or certificates or scripts issued in favour of the shareholders or financiers or the Corporation by the Company.

(7) No regulatory fee under any law for the time being in force for incorporation or registration shall be payable by the Company or its sponsors:

Provided that after the incorporation of the Company from the effective date, the Company shall be liable to pay all the applicable regulatory fees.".

4. **Amendment of Article 12, President's Order No.10 of 1972.** - In the said Order, in Article 12, after clause (3,) the following new clause (4), shall be added, namely: -

"(4) The appointment of the Chief Executive Officer and the board of directors of the Company shall be made in accordance with the SOE Act and the Companies Act, 2017 (XIX of 2017).".

5. **Amendment of Article 14, President's Order No.10 of 1972.-** In the said Order, in Article 14, in clause (2), for paragraph (d) the following shall be substituted, namely: -

"(d) t o divest and transfer the whole or any part of the life insurance business and other business carried on inside or outside Pakistan, all the assets, contracts, liabilities, proceedings and undertakings of the Corporation, with the prior approval of the Federal Government, to any person or persons, if in the interest of the Corporation it is expedient so to do;".

6. **Amendment of Article 15, President's Order No.10 of 1972.-** In the said Order, in Article 15, after clause (2), the following new clauses (3) to (6), shall be added, namely: -

"(3) After the incorporation of the Company under the Companies Act, 2017 (XIX of 2017), the Federal Government shall, by a vesting order publish in the official gazette, direct that all the assets, liabilities, contracts, policies, proceedings and undertakings of the Corporation stand transferred to and vest in the Company on the date specified therein, on such terms and conditions as may be determined by the Federal Government in this behalf and the Corporation shall stand dissolved on the effective date.

(4) The vesting order issued under clause (3) shall, *inter alia*, provide for,-

(a) transfer of all the assets, contracts, liabilities, policies, proceedings and undertakings of the Corporation to the Company;

(b) allotment of shares or debentures of the Company to the shareholders, debenture-holders or bond-holders of the Corporation in proportion to their shares, debentures, bonds or other securities in the Corporation, as the case may be, after determining the net asset value of the Corporation on the effective date;

(c) conversion of the Corporation from the effective date;

(d) the transfer of policies issued to the policy holders of the Corporation to the Company;

(e) responsibility of retirement benefits including but not limited to pension, post-retirement medical benefit, provident fund, gratuity etc., as applicable to retired employees and officers of the Corporation and the employees and officers whose employment is transferred to the Company and such benefits shall not be varied without the consent of the employees concerned; and

(f) such incidental, consequential and supplemental matters as are necessary to secure and transfer of assets, contracts, policies, liabilities, proceedings and undertakings under this Order.

(5) The value ascribed to the assets and liabilities transferred to and vested in the Company by the Federal Government, under the vesting order, shall represent the fair net value of the assets for taxation, depreciation or any other purpose; and

(6) Notwithstanding anything contained in any other law for the time being in force the Company shall, upon transfer through the vesting order, continue all business and undertakings of the Corporation as were being carried on immediately prior to the effective date by the Corporation.".

7. **Amendment of Article 19, President's Order No.10 of 1972.-** In the said Order, for Article 19, the following shall be substituted, namely: -

"19. **Continuation of service in the Company:-** (1) All employees and officers of the Corporation who were continuously in the service of the Corporation for a period of one year or more excluding those on project contracts immediately before the effective date shall stand transferred to and become the employees and officers, as the case may be, of the Company as on the effective date on the same terms and conditions of service, rights and privileges including but not limited to the provisions applicable to their pension, post-retirement medical benefits, provident fund, gratuity, as the case may be, before the conversion.

(2) The terms and conditions, rights and privileges including but not limited to the provisions applicable to the pension, post-retirement medical benefits, provident fund and gratuity, as the case may be and other matters as were applicable to the retired employees and officers of the Corporation shall continue to apply to such retired employees or officers after conversion.

(3) Notwithstanding anything contained in any law, contract, agreement or conditions of service, no person transferred to the Company pursuant to clause (1) shall be entitled to any compensation as a consequence of transfer to the Company.

(4) Under the order vesting the property and liabilities of the Corporation in the Company, the Federal Government shall require the Company to assume the full responsibility of terms and conditions of service rights and the privileges including but not limited to the provisions applicable to pension, post-retirement medical benefits, provident fund, gratuity benefits etc., as the case may be, of relevant employees and officers and the Company shall not adversely vary such benefits without the consent of the employees or officers concerned.

(5) The terms and conditions, including but not limited to the provisions applicable to the rights and privileges, as the case may be, and other matters as were applicable to the marketing agents shall continue to apply to such marketing agents after conversion, as the case may be, and

the company shall assume the full responsibility thereof.

(6) Subject to the provision of clause (8), all contracts subsisting or having effect, immediately before the effective date to which the Corporation may have been a party or beneficiary, shall be deemed to have been made by the Company and shall remain in force for all intents and purposes.

(7) All proceedings by or against or relating to the Corporation pending on the effective date before any court, tribunal, arbitrator or any other authority shall be continued, prosecuted, defended, enforced and executed by or against the Company in the same manner and to the same extent as might have been continued, prosecuted, defended, enforced and executed by or against the Corporation.

(8) Any surplus, which emerges as a result of any investigation undertaken in accordance with the Insurance Ordinance, 2000 (XXXIX of 2000) by the Company in respect of policies, shall continue to be allocated or reserved as provided in the Insurance Ordinance, 2000 (XXXIX of 2000) and as per the terms and conditions of the policies, contracts, etc., as the case may be:

> "Provided that, until the ownership of the Company, together with management control thereof, is transferred by the Federal Government to private parties, any surplus arising from an investigation conducted by the Company in respect of policies in accordance with the Insurance Ordinance, 2000 (XXXIX of 2000), shall continue to be allocated or reserved in accordance with Article 31 and the terms and conditions of the relevant policies, contracts or other instruments, as the case may be.".

(9) Anything done, actions taken, order passed, instruments made, notification issued, agreements made, policies issued, proceedings initiated, processes or communication issued, power conferred, assumed or exercised, by the Corporation or, as the case may be, the Federal Government and their officers before the effective date and the actions of the Federal Government and its officers till the issuance of the vesting order shall be deemed to have been validly done, taken, passed, made, issued, initiated, conferred, assumed and exercised and provisions of this Order shall have and shall be deemed always to have the effect accordingly.

(10) All contracts, agreement, power of attorneys and all other instruments executed by the Corporation before the effective date shall be deemed to have been issued, executed or entered into by the Company.

(11) On and after the effective date, any reference to the Corporation in any other law or notification, except where the context otherwise requires, be construed as reference to the Company.

8. Amendment of Article 35, President's Order No.10 of 1972.- In the said Order, Article 35 shall be omitted from the effective date.

9. Amendment of Article 48, President's Order No.10 of 1972.- In the said Order, in Article 48, in clause (2), paragraphs (i) and (n) shall be omitted from the effective date.

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STATEMENT OF OBJECTS AND REASONS

(Amendments in Life Insurance (Nationalization) Order - 1972)

The Life Insurance (Nationalization) Order, 1972 (LINO) was promulgated to provide for the nationalization of the life insurance business in Pakistan and for the establishment of the State Life Insurance Corporation of Pakistan as a statutory body to carry on such business in the public interest.

2. Over time, developments in the financial sector, the evolution of corporate governance standards, and the introduction of modern regulatory frameworks have necessitated a review of the existing statutory structure governing the State Life Insurance Corporation of Pakistan. The continued operation of the Corporation under a purely statutory regime has resulted in structural and operational constraints, limiting its ability to efficiently respond to market dynamics and contemporary regulatory requirements.

3. It has, therefore, become expedient to restructure the State Life Insurance Corporation of Pakistan through corporatization, by enabling its incorporation as a company under the Companies Act, 2017, with a view to improving governance, enhancing operational efficiency, ensuring regulatory alignment, and promoting transparency and accountability in its management and operations.

4. The proposed amendments further seek to align the legal framework governing the Corporation with the State-Owned Enterprises Act, 2023, and other applicable laws, particularly in relation to ownership, management, board composition, and oversight arrangements, so as to ensure consistency across state-owned commercial entities.

5. The Bill also seeks to provide a clear and enabling legal framework for future strategic options, including divestment or privatization, subject to the approval and decision of the Federal Government in accordance with law. The proposed amendments do not, of themselves, effect any divestment or privatization, but are intended to remove legal impediments and provide clarity for any such action, should it be undertaken at a later stage.

6. In order to ensure a smooth and orderly transition, the amendments provide for the automatic transfer of assets, liabilities, rights, obligations, contracts, policies and undertakings of the existing Corporation to the successor company, while safeguarding the interests of policyholders and protecting the terms and conditions of service, including pensionary and post-retirement benefits, of the employees.

7. The Bill further seeks to omit obsolete provisions, redefine certain expressions, and introduce transitional and consequential measures, including exemptions from stamp duty and registration fees, as may be necessary to give full effect to the process of corporatization and to remove legal and procedural ambiguities.

8. The proposed amendments have been formulated after consultation with the relevant stakeholders and have been vetted by the Law and Justice Division. The vetted draft has been approved by CCLC in its meeting held on 24th December 2025 and ratified by the Cabinet on 26th December 2025.

(AMIR KAMAL KHAN)