

**PRESIDENT'S SECRETARIAT (PUBLIC)
AIWAN-E-SADR, ISLAMABAD**

(CORRIGENDUM)

IGI Life Insurance Limited

Versus

Mr. Athar Ali Khan

REPRESENTATION PREFERRED BY IGI LIFE INSURANCE LIMITED AGAINST FINDINGS / RECOMMENDATIONS PASSED BY THE FEDERAL INSURANCE OMBUDSMAN IN COMPLAINT NO. 74/2015 & REVIEW APPLICATION 17/16.

I am directed to refer to your Representation No. 74/2015 & Review Application 17/16 dated 19th September 2016 on the above subject and to say that the President has been pleased to pass the following orders:

1. The IGI life Insurance Limited, Karachi (hereinafter referred to as the Agency), has filed this representation against the order dated 12.05.2016 of the Federal Insurance Ombudsman (FIO) whereby complaint lodged by Mr. Athar Ali Khan (hereinafter referred to as the complainant) with regard to arbitrary reduction in the maturity claim of his life insurance policy, was accepted.
2. Brief facts of the case are that the complainant had obtained a life insurance policy with an investment protection plan in February, 1999 for a sum assured of Rs.360,000/-. The policy contained an elective maturity option after 10-years of its commencement. He kept paying premium upto 2005 but faulted from the year 2006-2009 which difference was made up in 2010 and 2011. After a period of 10-years, the complainant approached the Agency for optional maturity benefits/ claim and was shocked to learn that an amount of Rs.30,325/- was payable as against the total paid-up premium of Rs.117,213/-. He, therefore, approached the FIO for intervention/ relief. The Agency through written reply and during the proceedings before the FIO informed that the maturity date of the policy was 06.02.2029 and that the request for early surrender of the policy by the complainant had been considered and after calculating the cash value of the policy minus costs, the amount payable came to Rs.30,325/- as on 31.05.2015. To a specific question of the FIO, the representative of the Agency had confirmed that notices of default in payment of premium had been issued to the complainant under Section 93 of Insurance Ordinance, 2000. The complainant vehemently denied receipt of any such notices. After hearing the parties and perusal of record, the Ombudsman *vide* order dated 12.05.2016 noted that the Agency had failed to produce copies of notices issued to the complainant in terms of Section 93 of the Ordinance *ibid*. Therefore, change of policy into Investment Protection Account, after default in payment of premiums by the complainant in 2006-2007 was arbitrary and against the provision of law. Accordingly, the Agency was directed to refund the amount paid towards premiums under the income growth plan after necessary calculation fairly and duly within a period of 30-days, failing which it shall also be liable for liquidated damages under Section 118 of the Insurance Ordinance, 2000. The Agency sought review of the said decision, which was rejected by the learned Insurance Ombudsman *vide* order dated 03.08.2016 as being devoid of any merit.

3. Notably, the Agency has not challenged the review order dated 03.08.2016 of the Insurance Ombudsman but has assailed the original order dated 12.05.2016 through instant representation filed on 16.09.2016. Without prejudice to the merits of the case, the instant representation is visibly time barred under Section 14 of the Federal Ombudsmen Institutional Reforms Act, 2013. Reliance, in this regard, is also placed on the Supreme Court's judgment cited as 2007 SCMR 866 wherein it has been laid down that availing of remedy of review will not be a ground of condonation of limitation period provided for filing of an appeal against an order. In absence of any justification/ application for condonation of delay, the instant representation fails on the ground of limitation. The impugned order of the learned Insurance Ombudsman has already attained finality and needs to be implemented in letter and spirit.

4. The Honourable President of Pakistan has been pleased to reject the representation of the Agency for the aforesaid reasons. Compliance now to be reported to Insurance Ombudsman's Secretariat.

5. Earlier order of even number dated 05.01.2017 of this Secretariat stands replaced with the instant Order.

(Arshad Farid Khan)
Director (Legal)