



## **FIRE CLAIM**



## History of the case

Complainant AQQ, Proprietor of M/s .....Gasoline Station, lodged a Complaint against M/s Pakistan General Insurance Company Ltd. Lahore (hereinafter referred to as the Respondent Co.). According to the Complainant, a Fire Insurance Policy No.44/FP/83625/2007 dated 15.03.2007 was obtained from the Respondent Co. through Bank, for the safety and risk coverage of "On Stock of Machinery of CNG Petrol Pump & Unit installed therein in 2007". CNG Pump Station was Insured with the Respondent Co., for Rs.10,000,000/- (Rupees, Ten Million) for a period from 15.03.2007 to 15.03.2008 (12 Months), against the Premium of Rs.85,682/- duly paid to the Respondent Co.

It was further submitted that on 27.12.2007 at about 07.30 pm a mob of unidentified persons armed with weapons and iron rods attacked the said premises of Petrol Pump as widespread riots broke out after assassination of Shaheed Mohtarma Benazir Bhutto, in which the Complainant suffered major damage / loss and the Claim of said loss was duly submitted to the Respondent Co., on their Claim Form 7, alongwith relevant documents including a copy of FIR No.12/2008. Since the Policy was obtained through M/s Bank, a letter was also submitted to them. The Respondent Co., asked for submission of certain additional documents, which were provided to them as well as to their Surveyor for payment of Claim of Rs.39,89,000/- (Thirty Nine Lac eighty Nine Thousand only). Details of damage was shown in the Schedule attached with Claim Form. However, the Claim had not yet been paid by the said Insurance Company and no proper response was given by the Insurance Co. as well as by M/s Bank.

The Complaint was forwarded to the Respondent Co. for their comments / reply, who stated in the Comments dated 12.12.2014 that M/s .... Gasoline Station, Sukkur, was Insured under Policy No.83625/2007, for a period of one year ending on 15.03.2008, covering "Stock of Machinery of CNG Petrol Pump & Unit" only. After receiving the information of damage to the CNG Station due to riots on 27.12.2007, Surveyor M/s Muhammad Siddique Associates (Pvt) Ltd., was appointed to conduct the Survey. They assessed the loss / damage as Rs.215,200/- on 20.12.2008, almost one year after the Claim. It was further stated by the Respondent Co. that the Insured mentioned the name of Bank as mortgagee but the said Bank did not advance any loan to M/s ..... Gasoline Station, thus the Complainant was misrepresenting the facts, which needed to be investigated.

It was further stated by the Respondent Co. that they repudiated the Claim on 31.03.2008, on the ground of non-provision of the requisite information / documents by the Insured. In spite of repeated reminders by the Surveyor, the Insured did not provide the required documents for more than one year. So the Surveyor issued their Report on their own independent findings. The Respondent Co. further added that the Claim was false and there was no mal-administration on the part of the Respondent Co.

In the end, they requested to dismiss the Claim on the ground of falsehood and exaggeration.

In response to Comments filed by the Respondent Co., the Complainant submitted his Rejoinder dated 01.01.2015 stating that the observation of the Respondent Co., on the ground / basis of the assessment Report furnished by the Surveyor, was totally baseless and the Respondent Co. managed to deny the actual losses / damages sustained by the Complainant, as Survey Report was made by the Surveyor after lapse of one (1) year long period though the incident took place on 27.12.2007. It was further stated by the Complainant that in order to run the business M/s ..... Gasoline Station, the Complainant availed credit facilities from Askari Bank Limited, vide their letter dated 28.09.2007, subject to mortgage of various valuable properties owned by the Complainant as prescribed in this Sanction letter / proforma of the Askari Bank.

It was added by the Complainant that while making Claim of losses / damages, all requisite information / documents were provided. The allegation raised by the Surveyor for non-provision of required documents, is a ploy to conceal the facts in support of the Respondent Co. The allegation of the Respondent Co. was baseless in order to justify denial of the Claim and damage reputation of the Complainant with malafide intent.

In the light of above facts, it was prayed to consider Claim of damages / losses in the light of facts discussed in the Complaint and the Respondent Co., be directed to make payment of legal Claim.

Hearing notices were issued to the parties for appearance on 17.02.2015 at Karachi. The Complainant himself appeared and on behalf of the Respondent Company, Mr. ....attended the hearing.

The Complainant while repeating the whole episode after the assassination of Mohtarma Benazir Bhutto, stated that he had obtained loan from Bank of about Rs.86 Lacs and spent Rs.15 Million from his own pocket for establishing CNG Station which was inaugurated on 21.09.2007. After the fire incident no one helped him in any manner. He ran around to all the govt. offices in Sukkur as well as Bank and the Insurance Company regarding appointment of Surveyor. The Complainant stated that it was not in his knowledge if any person on behalf of Surveyor even visited his CNG Pump. He had been following-up with the Bank as well as the Insurance Company but no satisfactory reply was ever given.

The Representative of the Respondent Co. acknowledged that the risk was covered under a valid Policy. However, he vehemently contested the details of items given in the Claim Form and stated that the Company was willing to compensate only for the genuine loss of the Complainant for the items covered under the Policy. He also stated that Surveyor was promptly appointed who visited the site and took photographs, which were shown during hearing. The Representative of the Respondent Co. further stated that the Surveyor had written several letters for further documents / information but the Complainant did not cooperate to provide the requisite documents.

Representative of the Respondent Co. stated that in view of the tense situation in the area after assassination of Mohtarma Benazir Bhutto, the Surveyor visited the site after 6/7 days of the incident. In reply to a question that why Claim was repudiated as a whole, the Representative of the Respondent Co. told that as per photographs shown, much lesser loss had occurred and no authentic documentation was produced by the Complainant to justify genuine repairs / replacement, despite 7/8 reminders.

The Representative of the Respondent Co., however, again offered to settle the Claim regarding genuine loss of the items covered under the Policy and read-out the inadmissible portions / items included by the Complainant in the Claim Form. An objective scrutiny and evaluation of the contentions of the Complainant as well as the Respondent Co. leads to an understanding that there is no denial about the existence of a valid Insurance Policy at the time of incident and that the type of damage that occurred to the insured property was duly covered. The contention of the Complainant that no body on behalf of the Insurance Company ever visited the site after the incident, and that all the documents required by the Respondent Co. / Surveyor were produced, is convincingly rebutted by the Representative of the Respondent Co. It was pointed out during the course of hearing that the Respondent Co. was liable to indemnify the loss occurred only to the extent that was covered specifically by Insurance Policy and nothing beyond. It was the responsibility of the Complainant to establish and prove the quantum of loss that was covered by the Policy.

Looking to the positive approach of the Representative of the Respondent Co. to settle the Claim, the Complainant was advised to have a meeting with the Representative of the Respondent Co. to resolve

the issue regarding extent of coverage and production of the required documents to establish the quantum of loss. On agreement by both the parties a meeting was held in the Committee Room of this Secretariat between the Complainant and Respondent Co. in the presence of two officers of this Secretariat. Finally, a mutually acceptable amicable settlement of the Claim was arrived at Rs.500,000/- and both the parties signed an agreement for full and final settlement of the Claim.

## **Decision**

No mal-administration is observed on the part of the Respondent Co. and the positive attitude of the Representative of the Respondent Co. in settling the Claim in an amicable manner is appreciated. Payment of the settlement amount is to be made within thirty (30) days of the receipt of this order under intimation to this office by both the parties.

## Launching Newsletter-FPO



*Mr. Abdur Rauf Chaudhry, President Forum of Pakistan Ombudsmen (FPO) presenting shield to Senator Parvaiz Rasheed, Minister of Information during the launching ceremony of FPO Newsletter.*



*Participants attending the Launching Ceremony of Forum of Pakistan (FPO) Newsletter at Islamabad*