

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

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**Rep. No. 10/FIO/2022**  
**Dated of Decision: 24.01.2023**

M/s Adamjee Life Assurance Company Limited

Vs

Dr. Sadia Nazeem

**SUB: REPRESENTATION FILED BY M/S ADAMJEE LIFE ASSURANCE COMPANY LIMITED AGAINST ORDER OF THE FEDERAL INSURANCE OMBUDSMAN DATED 22.09.2022 IN COMPLAINT NO. 619/2022**

Kindly refer to your representation addressed to the President in the background mentioned below: -

2. This representation has been filed by M/s Adamjee Life Assurance Company Limited (the petitioner company) assailing the order dated 22.09.2022 of the Federal Insurance Ombudsman whereby it has been held as under:-

*“The facts of the case have been therefore, viewed on its merits. The contention of the Respondent Company denying death claim due to non-disclosure of the ailment is considered biased as medical research shows that diabetes is a controllable disease requiring medication and a healthy life style. In the light of above, this forum is of considered opinion that the decision of the Respondent Company to repudiate the death claim filed by the complainant was arbitrary, biased and unreasonable, thereby falling in the ambit of maladministration as defined under Section 127(2) of the Insurance Ordinance, 2000.*

*It is concluded that maladministration was involved on the part of the Respondent Company in this case. The Respondent Company is therefore directed, in terms of Section 130 of the Ordinance to reimburse full death claim of Rs. 1,483,875/- to the Complainant within a period of 30 days. Failure of Respondent Company to pay the aforesaid amount within the prescribed period of 30 days would entitle the complainant to liquidated damages under Section 118 of the Ordinance from the date when the complainant requested for his death claim. With these directions, the complaint is closed and case file consigned to the record.”*

3. The deceased Nazeem Gul Afridi had obtained a life insurance policy from the petitioner company on 30.09.2019 for sum assured of Rs. 1,500,000/- and annual premium of Rs. 296,775/-. He died on 29.08.2021. His wife Dr. Sadia Nazeem (the complainant) filed the death insurance claim to the petitioner company which was repudiated on the ground that the deceased policy holder had pre insurance ailment and was suffering from diabetes mellitus.

4. Feeling aggrieved, the complainant approached the learned Ombudsman who passed the impugned order, hence the instant representation.

5. The hearing of the case has been held on 18.01.2023. Barrister Mian Khashan Attaullah on behalf of the petitioner company has attended the hearing while no one appear on behalf of the complainant despite notice.

6. The learned counsel for the petitioner company has contended that the impugned order is not sustainable as the learned Ombudsman has failed to appreciate the factum of concealment of facts by the deceased policy holder at the time of issuance of the policy; that the deceased policy holder was chronic patient of diabetes mellitus but this fact was not disclosed by him to the petitioner company; that had the deceased policy holder disclosed the material facts pertaining to his health at the time of obtaining the policy, he could not have been issued the same. He has finally prayed to set aside the impugned order by accepting the instant representation.

7. The stance of the complainant is that the instant representation is devoid of merit and the deceased policy holder had not died because of diabetes mellitus but due to cardio pulmonary arrest, thus the repudiation of death insurance claim by the petitioner company is unjust.

8. The perusal of the record shows that the death insurance claim had been repudiated by the petitioner company on pretext of pre insurance ailment as the deceased policy holder was allegedly patient of diabetes mellitus. Hon'able Lahore High Court, Lahore in *State Life Insurance Corporation of Pakistan Vs Razi –ur-Rehman (2009 CLD 1666 Lah)* has held that:-

*“Plea of Company that as per medical certificate produced by plaintiff insured was patient of hypertension, diabetes and mellitus...Such ailment of insured could not be called as exceptional reasons --- Majority of people having such ailments by remaining more careful in their life time lived either for decades or longer than people not having such diseases---Concealment of such diseases could not be termed as done fraudulently”.*

9. The repudiation of death insurance claim on such flimsy grounds by the petitioner company is without substance. The learned Ombudsman in the impugned order has rightly observed that repudiation of the death insurance claim is arbitrary, biased and unreasonable constituting maladministration.

10. In view of the above, no interference is warranted in the impugned order which deserves to be upheld. Accordingly, the Hon'able President has been pleased to reject the instant representation directing the petitioner company to pay the death insurance claim to the complainant within 30 days.

Sd/-

**(Muhammad Saleem)**  
**Director (Legal-I)**

- 1) The Managing Director/Chief Executive,  
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3<sup>rd</sup> Floor, Adamjee House,  
I.I. Chandigarh Road, **Karachi**
- 2) Dr. Saadia Nazeem  
Wd/o Nazeem Gul Afridi,  
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Sector G-2, Phase 2, Hayatabad,  
**Peshawar**

**Copy to:-**

The Insurance Ombudsman, Insurance Ombudsman's Secretariat, PRCS Annexe Building, Plot No. 197/5, 2<sup>nd</sup> Floor Dr. Daud Pota Road, Near Cantt. Station, **Karachi.**