

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

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**Rep. No. 14/FIO/2022**  
**Dated of Decision: 27.01.2023**

Muhammad Sohail Tahir Vs M/s Jubilee Life Insurance Company Ltd.

SUB: **REPRESENTATION FILED BY MUHAMMAD SOHAIL TAHIR AGAINST ORDER OF THE FEDERAL INSURANCE OMBUDSMAN DATED 15.11.2022 IN COMPLAINT NO. 2521 & 2522/2020**

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

2. This representation has been filed by Muhammad Sohail Tahir (the Complainant) assailing the order dated 15.11.2022 of the Federal Insurance Ombudsman whereby it has been held as under:-

*“Considering the evidence produced by the respondent company the cash value given was accepted by the complainant. Hence, the complaint is devoid of merits and not well-founded or lawful and the reimbursement made in this case is found in order. With this observation, the complaint is closed and case filed consigned to the record.”*

3. The complainant had alleged that he had purchased two life insurance policies from M/s Jubilee Life Insurance Company (the respondent company) on 30.04.2018 and 31.07.2018 with annual premium of Rs. 1,000,000/- and 500,000/- respectively. He had paid an amount of Rs. 6,000,000/- as premiums and on 15.05.2019, he had made a partial withdrawal of an amount of Rs. 1,000,000/-. He later on surrendered both the policies and the respondent company had refunded him an amount of Rs. 3,842,461/- as cash value. He requested the respondent company to reimburse the full amount of paid premiums but to no avail.

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. No one appeared on behalf of the complainant despite notice while Muhammad Junaid Ahmed, Departmental Head (Complaints and Compliance), Zahir Shah (Manager Legal and Compliance) along with Muhammad Faisal Malik advocate have attended the hearing on behalf of the respondent company.

6. The stance of the complainant is that he had obtained two life insurance policies from the respondent company in the year 2018 with annual premium of Rs. 500,000/- and 1,000,000/- and had deposited an amount of Rs. 5,000,000/-. According to him, he was told by a representative of the respondent company that after expiry of three years, an amount equal to three times of the deposited premium would be returned to him but surprisingly when he approached the respondent company after three years, it was told that the cash value of the policies had been reduced from Rs. 5,000,000/- to Rs. 3,842,461/- he has prayed that for return of his principal amount deposited by him.

7. Conversely, the learned counsel for the respondent company has contended that the prevailing cash value of the policies had been paid to the complainant in accordance with the terms and conditions and had duly been accepted by him; that he has no locus standi to file the instant representation which is devoid of merit and deserves to be rejected.

8. There is no denial of the fact that an amount of Rs. 5,000,000/- had been received by the respondent company. The respondent company having invested the money of the complainant in business must have earned considerable profit. The equitable principle of unjust enrichment envisages that one should not unjustly and unduly enrich himself at the expense of others. Any civilized system of law is bound to provide remedies against unjust enrichment. This doctrine rests upon the principle of economic and distributive justice enshrined in the preamble of the Constitution of the Islamic Republic of Pakistan, 1973 which attaches significance to the unethical consequences and the fiscal and financial chaos which would flow if it is not rationalized. Moreover, Section 72 of the Contract Act, 1872 contains inter alia the equitable principle and consideration for this doctrine of unjust enrichment. It would be unjust to deprive the complainant of his contribution in respect of which the respondent company would have earned considerable profit.

9. It escaped the notice of the learned Federal Insurance Ombudsman that the amount refunded to the complainant under the garb of prevailing cash value is not even the actual amount deposited by the complainant. The preamble of the Insurance Ordinance, 2000 states that:-

*“An Ordinance to regulate the business of the insurance industry to ensure the protection of the interests of insurance policy holders.”* Article 3 of the Constitution of the Islamic Republic of Pakistan, 1973 envisages that *“The State shall ensure the elimination of all forms of exploitation.”*

The spirit of this Article is that it is incumbent upon the State to ensure that people are not exploited because of their wants, needs and economic compulsions. The respondent company in the garb of prevailing cash value is exploiting the complainant who had accepted the prevailing cash value of the policy under compulsion due to economic constraints.

10. In view of the above, the impugned order is not sustainable and deserves to be set aside directing the respondent company to reimburse an amount of Rs. 657,539/- to the complainant.

11. Accordingly, the Hon'able President of Pakistan has been pleased to dispose of the instant representation directing the respondent company to pay an amount of Rs. 657,539/- to the complainant within 30 days of the receipt of this order.

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

- 1) The Managing Director/Chief Executive,  
M/s Jubilee Life Insurance Company Limited,  
Head Office: 74/1-A, Lalazar,  
M.T. Khan Road, **Karachi**
- 2) Mr. Muhammad Sohail Tahir  
R/o H. No. 115-A, Near SLS School,  
Main Road Pakistan Town, Phase II (PWD)  
**Islamabad**

**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**.