

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

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**Rep. No. 20/FIO/2022**  
**Dated of Decision: 27.01.2023**

Muhammad Sadiq Vs M/s Jubilee Life Insurance Company Ltd.

SUB: **REPRESENTATION FILED BY MUHAMMAD SADIQ AGAINST ORDER OF THE FEDERAL INSURANCE OMBUDSMAN DATED 30.11.2022 IN COMPLAINT NO. 806/2021**

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

2. This representation has been filed by Muhammad Sadiq (the complainant) assailing the order dated 30.11.2022 of the Federal Insurance Ombudsman whereby it has been held as under:-

*“The matter has been considered in the light of the policy documents and verbal arguments of both sides. This forum is of the considered view that no act of maladministration can be attributed to the respondent company in the instant case. Accordingly, the respondent company is hereby advised to pay to the complainant the cash value of the policy at Rs. 1,723,652/- and intimate this forum accordingly.*

*In view of the request of complainant, the case is closed as dismissed and the file is consigned to record.”*

3. The complainant had alleged the he had purchased a life insurance policy from M/s Jubilee Life Insurance Company Limited (the respondent company) on 15.12.2015 for annual premium of Rs. 500,000/- and sum assured of Rs. 2,500,000/- for a period of ten years. According to him, he was told by a representative of the respondent company that after expiry of five years, he would be paid the double amount of paid premiums. He had regularly been paying an amount of Rs. 500,000/- annually and after expiry of five years, he requested the respondent company to pay him an amount of Rs. 5,000,000/- against his deposited premiums amount of Rs. 2,500,000/-. Due to inaction of the respondent company, the complainant approached the learned Ombudsman who passed the impugned order, hence the instant representation.

4. The hearing of the case has been held on 18.01.2023. The complainant Muhammad Sadiq has attended the hearing while Muhammad Junaid Ahmed, Departmental Head (Complaints and Compliance), Zahir Shah (Manager Legal and Compliance) along with Muhammad Faisal Malik advocate have appeared on behalf of the respondent company.

5. The complainant has contended that he is an illiterate person and had obtained an insurance policy from the respondent company on 17.12.2015 and was told by a representative of the respondent company that in case of deposit of Rs. 500,000/- as annual premium for a period of 5 years, he would get the double amount after expiry of 5 years. He has further contended that after deposit of Rs. 2,500,000/- for a period of 5 years, he approached the respondent company for refund of premiums along with the profit as shown but the respondent company had informed him that an amount of Rs. 1,723,652/- is payable on the pretext of the prevailing cash value which is unjustified, thus he is entitled to refund of premium amount with profit.

6. Conversely, the learned counsel for the respondent company has contended that the complainant had obtained the insurance policy for a period of 10 years; that he had paid the annual premiums for 5 years and thereafter he defaulted by not depositing the premiums; that by surrendering the policy before its maturity, he is entitled to prevailing cash value of policy and the respondent company is ready to comply with the impugned order by paying an amount of Rs. 1,723,652/-.

7. The respective contentions of the parties have been considered in the light of the material on record.

8. There is no denial of the fact that an amount of Rs. 2,500,000/- 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 as the complainant had admittedly deposited an amount of Rs. 2,500,000/- as annual premiums but the learned Ombudsman has directed to reimburse him an amount of Rs. 1,723,652/- which is short of Rs. 776,348/- against his deposited premiums. The respondent company is liable to reimburse an amount of Rs. 776,348/- to the complainant.

11. Accordingly, the Hon'able President has been pleased to accept the instant representation by setting aside the impugned order directing the respondent company to pay an amount of Rs. 776,348/- 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 Sadiq S/o Kareem Bakhsh  
R/o Chah Guddu Wala, Basti Sultan,  
P.O. Sardar Jhandier, Tehsil Mailsi  
District **Vehari**.  
(Mob. No. 0300-7366554)

**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**.