

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

Rep. No. 454/WM/2022
Date of Decision: - 09.01.2023

SLICP Vs Muhammad Younas

SUB: REPRESENTATION FILED BY STATE LIFE INSURANCE CORPORATION OF PAKISTAN AGAINST THE FINDINGS OF THE WAFAQI MOHTASIB DATED 02.08.2022 IN COMPLAINT NO. WMS-GRW/00402/22

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

2. This representation has been filed by State Life Insurance Corporation of Pakistan (the Agency) assailing the order dated 02.08.2022 of the Wafaqi Mohtasib whereby it has been held as under: -

“The process of repudiation is found arbitrary, illegal and unjust; so amounts to maladministration as defined under Article 2(2) of P.O. 1 of 1983. Consequently, the complaint under Regulation 23(4) of the Wafaqi Mohtasib (Investigation & Disposal of Complaints) Regulation, 2013 is accepted.

Following the above, the Agency is advised to settle the matter and provide appropriate relief to the complainant in accordance with its policy, procedure, rules and regulations within thirty (30) days or reasons for not doing so may be intimated in terms of Article 11(2) P.O 1 of 1983.”

3. The deceased Majeeda Asghar had obtained a life insurance policy from the Agency on 31.12.2016 for sum assured of Rs. 1,000,000/-. She died on 01.04.2017. Her husband Muhammad Younas (the complainant) filed the death insurance claim to the Agency which was repudiated on the ground that the deceased policy holder had pre insurance ailment and was patient of Diabetic Melitus. The brief background of the matter as per policy particulars is as under: -

Date of Commencement	31.12.2016
Sum Assured	Rs. 1,000,000/-
Medical or Non-Medical	Medical
Age of the assured	65
Maturity Period	20 years
Date of Death	01.04.2017

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

5. The hearing of the case has been held on 04.01.2023. Raja Abdul Waheed, Deputy General Manager on behalf of the Agency has attended the hearing while no one appeared on behalf of the complainant despite notice.

6. The representative of the Agency has contended that the insurance claim had rightly been repudiated as the deceased policy holder willfully did not disclose his pre-insurance ailment and the insured cannot be absolved of his duty of disclosure as previous medical history showed that he was patient of Diabetic Melitus; that had the deceased disclosed the material facts pertaining to his health at the time of obtaining the policy, he could not have been issued the same. The representative of the agency has prayed for setting aside of the impugned order of the learned Wafaqi Mohtasib.

7. It is an admitted fact that the policy had been issued subject to medical examination of the deceased policy holder conducted by the authorized medical officer of the Agency whereby the insured had been declared in good health and medically fit. The pre-insurance ailment could easily be diagnosed and detected by the aforesaid authorized medical officer as the services of the medical officer are arranged to examine the policy holders prior to issuance of the policy. Section 19 with exceptions of the Contract Act, 1872 shows that where the consent is caused by misrepresentation or fraudulent means, the contract is not voidable if the party whose consent was so caused had the means of discovering the truth with ordinary diligence. The Agency had all the means of discovering the alleged ailment of the insured by exercising due diligence through its authorized medical officer which is now estopped to take such a plea of pre-insurance ailment.

8. The contention of the Agency that the deceased policy holder was chronic patient of diabetes mellitus which existed during the pre-insurance period is without substance as 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”.
The Agency was thus not justified to repudiate the insurance claim filed by the complainant on such a flimsy ground.

9. The onus to prove the pre-insurance ailment rests upon the Agency and the repudiation of the death insurance claim requires unimpeachable evidence regarding existence of the alleged pre-insurance ailment and its knowledge by the policy holder. The Agency in its support has produced a copy of Gujrat Hospital's Certificate, Gujrat which was issued on 03.12.2020 while the policy had been issued on 31.12.2016. This document is not worth consideration as it pertains to post insurance period. The repudiation of death insurance claim on such a flimsy ground is thus without substance.

10. In view of the above, maladministration stood established on the part of the Agency warranting the impugned order of the learned Mohtasib to be upheld.

11. Accordingly, the Hon'able President has been pleased to reject the representation. Compliance to be reported to the learned Ombudsman within thirty days.

Sd/-
(Muhammad Saleem)
Director (Legal)

- 1) The Chairman
State Life Insurance Corporation of Pakistan
Principal Office: State Life Building No. 9
Dr. Ziauddin Ahmed Road, **Karachi.**
- 2) Muhammad Younas, S/o Rehmat Khan
R/o Cast Gujjar, Ditwal,
Tehsil & District **Gujrat.**
(Mob. No. 0340-4880185)

Copy to:

The Secretary, Wafaqi Mohtasib's Secretariat, **Islamabad.**