



AOA Fact Sheet *Federal Insurance ombudsman*

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INSTITUTIONAL OVERVIEW NUMBER 1

Legal Framework

ORDINANCE No.XXXIX OF 2000 AN ORDINANCE to regulate the business of the insurance industry to ensure the protection of the interests of the insurance policy holders and to promote sound development of the insurance industry and for matters connected therewith and incident thereto,

Now, therefore in pursuance of the proclamation of the emergency of the fourteen day of October,1999 and provisional constitution order no 1 of 1999,as well as order no 9 of 1999 and in exercise of all powers enabling him on that behalf ,the president of the Islamic republic of Pakistan is pleased to make and promulgate the following ordinance :

PERT1

PRELIMINARY

Short title, extent and commencement. this ordinance may be called the insurance ordinance 2000

2)It extends to whole of Pakistan

3) it should come in to force at once.....

Hence consequent upon the promulgation of the insurance ordinance 2000,the federal insurance ombudsman secretariat came in to being on 15/5/2006 as provided there in u/s 125(1) : as soon as may be after the commencement of this ordinance ,the federal government shall appoint an insurance ombudsman:

Jurisdiction

The insurance ombudsman may on a complaint by an aggrieved person undertake any investigation in to any allegation of mal administration on the part of any insurance company. For detail please see the annexure.

Legal Powers

The insurance ombudsman shall have the power for purposes of disposing a case, to require an insurance company to disclose to him any information subject to the following conditions, namely.

- a) The insurance ombudsman shall make every endeavor to ensure that insurance confidentiality is maintained as required by insurance law and procedure and shall take no action which is violative thereof.
- b) The insurance ombudsman may call for any or all such documents which are relevant or pertinent for purpose of deciding a complaint;

Provided that he shall not be entitled to call for unrelated documents which may compromise the insurance company position in relation to other customers:

Provided further that in cases where the insurance ombudsman is investigating cases of corruption, he shall have a greater latitude in relation to the inspection of documents and

*Organization
Structure*

- c) In the event of an insurance company refusing to furnish information, or copies of relevant documents, the insurance ombudsman may draw an adverse inference and comment on the same in his findings.

<p><i>Implementation Arrangements</i></p>	<p>Under section 133 (3) any order passed by the insurance ombudsman which has not been appealed against, or any order passed by the commission in appeal, as the case may be, shall become final and operative and if not implemented shall render the insurance company concerned liable to such action including the imposition of a fine or penalty as the commission may deem fit, and in relation to the insurance company officer, to the appropriate disciplinary or other proceedings.</p>
<p><i>Research & Analysis Wing</i></p>	<p>Under section 127 (5) for carrying of the objectives of this ordinance and, in particular for ascertaining the root causes of corrupt practices and injustice, the insurance ombudsman may arrange for studies to be made or research to be conducted and may recommend appropriate steps for their eradication.</p>

Investigative Techniques

Under section 129(1) a complaint shall be made on solemn affirmation or oath in writing addressed to the insurance ombudsman. the complaint shall set out the full particulars of the transaction complained of and the name and address of the complainant.

2) prior to making a complaint the complainant shall intimate in writing to the concerned insurance company his intension of filing a complaint and if the insurance company either fails to responds, or makes a reply which is unsatisfactory to the complaint with in a period of one month, the complainant may file a complaint at any time therafter, with in a further period of three months.

Provided that the insurance ombudsman may , if satisfied that there were reasonable grounds for the delay in filing the complaint, Condon the delay and entertain the complaint.

3) The insurance ombudsman may adopt any procedure as he consider appropriate for investigating a complaint:

Provided that he shall not pass any order against a insurance company with out first giving it a notice and an opportunity to be heard.

4) Subject to section 128, the insurance ombudsman shall not have any power to issue an order in the nature of stay order or to entertain any complaint if the matter is pending before court, tribunal or other legal forum.

5) The insurance ombudsman may reject a complaint summarily or he may accept the same or pass any other order he deems fit:

Provided that in each case he shall pass a reasoned order for his decision.

6) The federal government may further prescribe rules for the conduct of proceedings in relation to complaints brought before the insurance ombudsman.

Public Awareness & Outreach

The federal insurance ombudsman has just published its first annual report (enclosed) which is being distributed to the stakeholders, besides this secretariat has held seminars and meetings in order to create awareness in the general public and to draw the attention of the insurers towards the fair treatment to the policyholders.

