



WAFAQI MOHTASIB (OMBUDSMAN)'S SECRETARIAT

FINDINGS

Complaint No : M/413/19

Date of Registration : 14.3.2019

Name & Address of the Complainant : Mst. Aneela Tabasum wd/o Shah Nawaz, Chah Samandari-wala, Muzaffarabad, P.O. Khas, Multan.

Name of the Agency Complained Against : State Life Insurance Corporation of Pakistan (SLICP)

Name of the Investigating Officer : **Muhammad Farhan Sikandar, Dy. Director (Incharge)**
R.O Multan

Subject of Complaint : DELAY IN PAYMENT OF GROUP INSURANCE CLAIM.

Date when Report called from Agency: : 14/3/2019

Date of Receipt of Complete Report: : 25/4/2019

Number & Dates of Hearing : 1. Number: 5
2. Dates: 26.3.19,02.4.19,10.4.19,16.4.19&25.4.2019

Date of Dispatch of Draft Findings: :

APPROVED ON

22 MAY 2019

Wafaqi Mohtasib (Ombudsman)

THE COMPLAINT

Mst. Anila Tabassum submitted this complaint against SLIC with the allegation of mal-administration by lamenting that she is widow of deceased Shah Nawaz, a school teacher. Reportedly, her husband died on 04.1.2015 but group insurance claim has not been paid to her despite lapse of four years. She submitted a cheque and stated that group insurance has been paid to another died school teacher but she has been still waiting; hence, this complaint.

RESPONSE OF THE AGENCY

2. The Agency (SLIC) vide letter Ref/f/GAB/ILYAS/legal/211770228 dated 20.3.2019 reported that Late Shah Nawaz Shaiq was an employee of Govt. M.C School, Multan in BS-12 and he died on 04.1.2015. SLIC has neither received the name of Shah Nawaz in the list of employees nor his premium from concerned city. Local Bodies have separate Group Insurance Policy with SLIC which differs from the Govt of Punjab Group Insurance Scheme. Copy of contract alongwith covering letter dated 12.3.2008 is enclosed. Clause (10) of the contract is as under:-

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"If any local government fails to obtain Group Insurance cover for its employees from SLIC then in the event of death of any employee the local government will pay death compensation to his/her family out of its own funds. Therefore, it will be obligatory on the part of Local Govt to obtain Group Insurance cover for its employees from SLIC"

As the local Govt failed to obtain Group Insurance coverage from SLIC due to non provision of premium alongwith list of employees, so the claim is not payable by SLIC.

Later on, the Agency took the following stance vide letter Ref/f/GAB/ILYAS/legal/211770228 dated 01.4.2019 reported that :-

Local Bodies have separate Group Insurance Policy with SLIC which differs from the Govt of Punjab Group Insurance Scheme. Instant complaint is pending for want of list of Employees and trail of premium sent to the SLIC.

Wafaqi Mohtasib is requested to direct to the concerned department to submit the required documents so that we may be able to proceed further.

COMPLAINANT'S REJOINDER

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3. The complainant did not file rejoinder.

POINTS AT ISSUE

Wafaqi Mohtasib (Ombudsman)

4. The point at issue is whether there is any maladministration on the part of the Agency in repudiation of death claim or otherwise?

HEARING PROCEEDING

5. Hearing (s) were fixed due to changes in stance of SLIC. Mr. Altaf Hussain, Sector Head, Group Insurance, SLIC, Multan has been representing SLIC personally. Mr. Safdar Ali, DGM (PHS/claims) SLIC, Lahore was joined telephonically. Mr. Muhammad Arshad, AAO, Accounts Office, Multan joined hearing alongwith record. Dr. Zahid Siddiqui, Deputy Accountant General, AGPR, Lahore was present and submitted report. Case was discussed with the parties at length. The complainant submitted copies of pay slips of the deceased employee which proves that deduction of group insurance was being made from the pay of the deceased employee regularly. Rana Muhammad Azhar, PTC teacher, representative of the complainant met Mr. Safdar Ali, DGM (PHS/claims) SLIC, Lahore at Lahore personally in connection with this case and informed that deduction of premium is being made by the District Accounts Office, Multan from salaries of the employees of M.C. schools regularly which ~~are~~ transferred the same to DAG, Lahore wherefrom it is forwarded to SLIC through cheques. Upon which the DGM asked to provide evidences of the above transactions. The complainant submitted copies of letter No. 21670174 dated 28.7.2016 and letter No. 21770450 dated 02.11.2017 issued from Manager Claims, SLIC to the Dy. Director, Govt MC Schools, Multan regarding settlement of claims in respect of death claims of late Allah Dad s/o Jan Muhammad and late Ijaz Hussain Khan s/o Rasheed Ahmed Khan. The text (s) of letters are as under:-

We are enclosing herewith cheque No. 3744896 (policy No. 246624097) dated 28.7.2016 for Rs. 140000/- drawn on UBL, WAPDA House Branch, Lahore being settlement of above claim. This may please be acknowledged.

Assuring you of our best services at all times.

We are enclosing herewith cheque No. 9112011 (policy No. 946624097) dated 8.11.2017 for Rs. 240000/- drawn on UBL, WAPDA House Branch, Lahore being settlement of above claim. This may please be acknowledged.

Assuring you of our best services at all times.

The above cases were referred to Mr. Safdar Ali, DGM, SLIC Lahore and he was requested to provide evidence/trail of money available in the files of referred above cheques to whom payments of group death insurance claims have been made, so that, the complainant may arrange the same evidence and provide the same to the Agency for settlement of death claim but nothing was provided by the Agency despite availing hearing(s) for the said purpose.

FINDINGS AND RECOMMENDATIONS

6. The instant complaint was investigated to determine the maladministration of the Agency in the prescribed procedure of dealing with group death claims, if any. The District Accounts Officer, Multan reported vide letter dated 30.4.2019 that as per record of system all the deducted premium amounts pertaining to Group Insurance of all the employees of Municipal Corporation Schools, Multan including Mr. Shah Nawaz Shaiq, P.T.C Teacher have been transferred by the (Accounts Office, Multan) to the Accountant General Punjab, Lahore on monthly basis regularly as per practice. System generated reports w.e.f 01.07.2009 to 31.3.2019 showing the deduction and transfer of amounts of group insurance was submitted alongwith report.

7. The Accountant General Punjab, Lahore vide letter No. F.Aid/Group Insurance/DAO MN/2018-19/CD-5025 dated 26.4.2019 reported that amount of deductions on account of group insurance made from the employees of District (including Municipal Corporation Employees vide District Accounts Office, Multan's letter dated 25.4.2019 & Provincial Govts (transferred by the DAO Multan and remaining 35 districts of Punjab) has already been paid to SLIC through consolidated cheques. Copy of list of month-wise deductions from 12/2010 to 06/2016 was attached with the report perusal of which shows amount of deductions received from the DAOs concerned and document and date and cheque numbers through which it was paid to the SLIC.

8. It is proved from the above and worth mentioning here that SLIC has been receiving payments in respect of group insurance deductions from the employees of M.C Schools without any gap/interval regularly having good faith and making payments of group insurance claims as discussed two cases in Para 5 above but in the instant case it made a departure from established practice and procedure.

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9. The deceased was responsible for making payment of premiums of group insurance which was deducted regularly from his salaries, however, in case of any doubt with respect to deduction of premiums and its onward submission to the Agency, SLIC may have obtained clarification/money trail from DAO/DAG offices directly itself. On the contrary, it circumvented and tried to shift the onus on the person who is no more alive. It is a group insurance policy which continued for many years and the Agency kept on receiving premiums without any objection. The Agency neither issued any notice to the deceased policyholder nor to the Govt departments for stoppage of deductions and payment of group insurance to SLIC. Now, at the time of making payment of group insurance, digging/tracing the documents to shift the onus of proof on the deceased policyholder altogether appears to be illogical, unjustified and an afterthought.

10. In the wake of above discussed chronology of events, by now, it is established that premiums were deducted not only in respect of deceased policy of this case but all the employees of M.C schools of Punjab by the offices of DAOs of respective districts which were forwarded to the DAG, Office, Lahore wherefrom these were transferred to SLIC through consolidated cheques. When the Agency has been receiving payments of group insurance premiums for many years without raising any objection, now at this belated stage, it cannot claim that it has no contract with the said department.

11. Money trail of deduction of group insurance premiums from the salaries of deceased policyholder by the office of DAO, Multan, its onward submission to DAG, Lahore and its payment to SLIC through consolidated cheques has been provided by the concerned departments. Thus, on all four corners, the Agency failed to prove its stance. Therefore, process of delay in making payment of group death claim is discriminatory, arbitrary, is a departure from established practice and procedure and unjust; so, amounts to mal-administration as defined under Article 2(2) of P.O. No.1 of 1983. Consequently, the complaint under Regulation 23(4) of the Wafaqi Mohtasib (Investigation and Disposal of Complaints) Regulations, 2013 is accepted.

12. 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 30 days of the receipt of these findings or reasons for not doing so may be intimated in terms of Article 11(2) of the P.O. No.1 of 1983.

SD/-

(SYED TAHIR SHAHBAZ)

WAFAQI MOHTASIB (OMBUDSMAN)

APPROVED ON

22 MAY 2019

Wafaqi Mohtasib (Ombudsman)