

Regulatory Procedure

HOW TO APPROACH THE FEDERAL INSURANCE OMBUDSMAN



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

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March 2023

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1 Introduction of SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME development strategy. Since its inception in October 1998, SMEDA has adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved overhauling of the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

After successfully qualifying in the first phase of sector development SMEDA reorganized its operations in January 2001 with the task of SME development at a broader scale and enhanced outreach in terms of SMEDA's areas of operation. Currently, SMEDA along with sectoral focus offers a range of services to SMEs including over the counter support systems, exclusive business development facilities, training and development and information dissemination through a wide range of publications. SMEDA's activities can now be classified into following broad areas:

***Creating a Conducive Environment;** includes collaboration with policymakers to devise facilitating mechanisms for SMEs by removing regulatory impediments across numerous policy areas*

***Cluster/Sector Development;** comprises formulation and implementation of projects for SME clusters/sectors in collaboration with industry/trade associations and chambers*

***Enhancing Access to Business Development Services** development and provision of services to meet business management, strategic and operational requirements of SMEs.*

SMEDA has so far successfully formulated strategies for sectors including fruits and vegetables, marble and granite, gems and jewelry, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy.

Along with the sectoral focus a broad spectrum of services are now being offered to the SMEs by SMEDA, which are driven by factors such as enhanced interaction amongst the stakeholders, need based sectoral research, over the counter support systems, exclusive business development facilities, training and development for SMEs and information dissemination through a wide range of publications.

2 Role of Legal Services Cell SMEDA

The Legal Services Cell (LSC) is a part of Business & Sector Development Services Division of SMEDA and plays a key role in providing an overall facilitation and support to SMEs. The LSC provides guidance based on field realities pertaining to SMEs in Pakistan.

LSC believes that information dissemination to SMEs on the existing regulatory environment is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate SMEs at the individual level LSC has developed user-friendly systems, which provide them with detailed description of laws and regulations including processes and steps required for compliance.

The purpose of this document is to provide SMEs, service providers, companies and firms with information pertaining to procedural requirements regarding filing a complaint with the Federal Insurance Ombudsman.

3 Disclaimer

Information in this document is provided only for general information purpose and on an "as is" basis without any warranties of any kind, as laws and ancillary rules and regulations are subject to change. SMEDA assumes no responsibility for the accuracy or completeness of this information and shall not be liable for any loss arising from its use.

4 Who is the Federal Insurance Ombudsman

The Insurance Ombudsman office has been established to regulate the business of the insurance industry and ensure the interests of the insurance policy holders. This is achieved by providing timely and free of cost justice to the aggrieved public against mal-administration of the insurance companies. For this purpose this institution has been given certain powers and responsibilities by virtue of applicable law.

5 Applicable Law

The Federal Insurance Ombudsman office is an independent institution established under Part XVI, Insurance Ordinance, 2000. The Federal Ombudsman Institutional Reforms Act, 2013 also sheds light on the subject.

6 Nature of Complaints to be made to the Federal Insurance Ombudsman

The Insurance Ombudsman has been empowered to entertain complaints lodged by an aggrieved person against the acts of maladministration by an insurance company. These include a decision, process, act of omission or commission which is:

- i. Contrary to laws, rules and regulations.
- ii. Against established practices or procedure unless it is for valid/bonafide reasons.
- iii. Perverse, arbitrary, unreasonable, unjust, biased, oppressive or discriminatory.
- iv. Based on irrelevant grounds, corrupt or improper motives such as bribery, favoritism or administrative excess.
- v. Neglect, inattention, in-ordinate delay, incompetence, inefficiency in the discharge of duties and responsibilities.

7 Advantages of Approaching the Insurance Ombudsman

Approaching the Insurance Ombudsman is advantageous for the following reasons:

- Accessible, friendly and flexible
- Unlike the courts, formal legal representation is not required
- Complainants retain the right to take the matter to court if not satisfied
- A cost free service for both complainants and insurance companies
- Hence cost effective

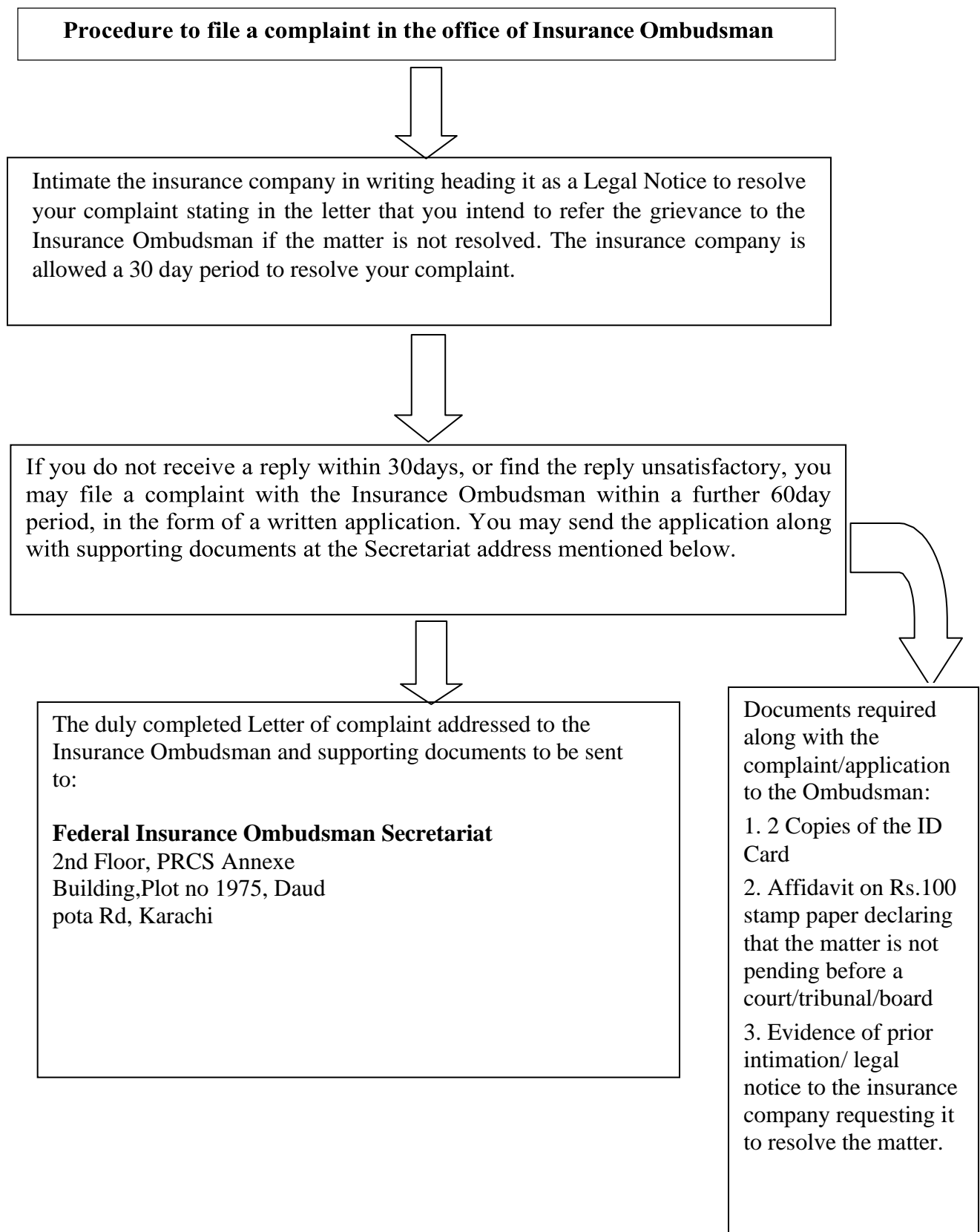
8 Matters outside the Scope of Jurisdiction of the Insurance Ombudsman

Following are areas wherein the Insurance Ombudsman cannot intervene;

- Matters that lie within the jurisdiction of the Office of the Federal Ombudsman (Wafaqi Mohtasib) under the Establishment of the Office of the Wafaqi Mohtasib (Ombudsman) Order, 1983 (PO 1 of 1983)
- Are pending before a court/tribunal/board in Pakistan on the date of receipt of the complaint.

9 How to file a Complaint

Filing complaints is easy. Following is the flow chart of the procedure for the filing of the complaints:

Flow Chart

10 Investigation on Complaints

Once the complaint is accepted and registered at the Ombudsman office the complainant is allotted a Complaint no. and the investigation process regarding the complaint begins.

The Insurance ombudsman may adopt any procedure, as he considers appropriate in investigating a complaint.

The office of the Insurance ombudsman may call for additional information from both the parties i.e. the complainant and the insurance company in order to acquire a better understanding of the issue at hand.

This process may lead to the following outcomes:

- a) Complaint may be found to be unjustified: In such a case, complainant is informed accordingly and the case is closed.
- b) Complaint may be found to be genuine: In such a case, the Mohtasib office will try to resolve the matter cordially between both the parties through mediation.

If the matter cannot be resolved amicably, the Insurance Ombudsman shall pass an order directing the insurance company to rectify the issue in accordance with his directions.

11 Directions by the Mohtasib

The Mohtasib's decision/order to an insurance company after reviewing and investigating a matter shall be in the form of the directions mentioned below. The Mohtasib may direct the insurance company to:

- a) Reconsider the matter
- b) Modify/cancel the earlier action/decision taken or not taken regarding the matter
- c) Pay compensation to the complainant
- d) Take requisite steps to improve the functioning of the insurance company
- e) Take any other steps as specified by the Insurance Ombudsman

12 How much time may a case take

The office of the Insurance ombudsman aims to resolve most complaints within 3 months. However, depending on complexity, some complaints could take longer to be resolved.

13 Appeal against the Insurance Ombudsman's Decision

The complainant/the insurance company/an official of the insurance company has the right of appeal against the decisions made by the Insurance Ombudsman to the Securities and Exchange Commission of Pakistan. The appeal must be made within 30 days of the order passed by the Insurance Ombudsman.

The Complainant also has the right to file a suit in a court of law incase his complaint is rejected by the Ombudsman.

14 Representation to the President

Alternatively to the appeal that lies to the Securities and Exchange Commission against the decision of the Insurance Ombudsman, a party aggrieved by the findings and recommendations of the Insurance Ombudsman, may file a representation directly to the President within 30 days of such findings/recommendations. Such a representation shall be decided within 90 days.

15 Online Complaint

Complainants also have the option to lodge their complaints via the online method. The online complaint form can be viewed and is available at the Insurance Ombudsman's website and can be accessed at : <https://fio.gov.pk/complaints/>

16 THREE SIMPLE STEPS FOR FILING A COMPLAINT

Step One

Approach the insurance company in writing to resolve your complaint stating in the notice that you intend to refer the grievance to the Insurance Ombudsman if the matter is not resolved to your satisfaction. The insurance company is allowed a maximum of 30 days to resolve your complaint.

Step Two

If you do not receive a reply from the insurance company within 30 days, or find the reply unsatisfactory, you may file a complaint with the Ombudsman via a simple application along with the required documents.

Step Three

The complaint application addressed to the Insurance Ombudsman should be sent to the:

Federal Insurance Ombudsman Secretariat
2nd Floor, PRCS Annexe Building, Plot no 1975, Daudpota Rd, Karachi

Please make sure that all related correspondence with the Insurance Company and copies of all relevant documents are also sent to the Insurance Ombudsman.

17 CONTACT INFORMATION

Federal Insurance Ombudsman Secretariat

2nd Floor, PRCS Annexe Building, Plot no 1975, Daud pota Rd, Karachi
Phone: 021-99207760

Contacts of Regional Offices:

Islamabad:

Federal Insurance Ombudsman Regional Office, Chamber No 225, 2nd Floor, Federal Judicial Complex, G-11/1, Islamabad
Phone: (+92-51) 9320258

Lahore:

Federal Insurance Ombudsman Regional Office, House No. 2/3, Shah Jamal Road, Near Ichra Police Station, Lahore.
Phone: (+92-42) 99332215

Peshawar:

Room No 6-E, 4th Floor, J. K. Plaza Near Arbab Road Bus Stop Main University Road, Peshawar.
Phone: (+92-91) 9330101

Quetta:

Federal Insurance Ombudsman Regional Office, 2nd floor PIA Building, PIA booking Office, Shara E Hali Road, Quetta.
Phone: (+92-81) 9202640

Multan:

Federal Insurance Ombudsman Regional Office, Multan Block T New Multan Mohtasib Punjab Building Qazzafi Chowk Multan.
Phone: (+92-61) 9220007

For further information on the subject please visit the Federal Insurance Ombudsman website:

<https://fio.gov.pk/>

or email at: infohq@fio.gov.pk