



Claims Management Framework:

**Guardrisk Life Limited and
Guardrisk Microinsurance Limited**

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1. Overview

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2. Definitions:

“AI” or “AIs”	means Accountable Institution/s in terms of FICA
AML /CFT	means Anti-money laundering and countering the financing of terrorism
Beneficiary	In respect of a – a. Licensed insurer means – i. a person nominated by the Policyholder as the person in respect of whom the insurer should meet policy benefits; or ii. in the case of a fund member policy, a fund policy or a group scheme, a person nominated by the fund, member of the fund or member of the group scheme, or person otherwise determined in accordance with the rules of that fund or group scheme as the person in respect of whom the insurer should meet policy benefits; b. Licensed insurer, has the meaning assigned to it in Schedule 2 of the Insurance Act; and for purposes of the Policyholder Protection Rules includes in the case of a fund policy, a person nominated by the fund, or person otherwise determined in accordance with the rules of that fund as the person in respect of whom the insurer should meet policy benefits.
Binder Agreement	In respect of a cell captive Insurer that is licensed to conduct: • life insurance business, has the meaning assigned to the term in Regulation 6.1 of the Long-Term Insurance Regulations.
Binder Holder	Means a person (entity) with whom the cell captive Insurer has concluded a Binder Agreement.
Business Day	Means any day excluding a Saturday, Sunday or recognised public holiday.
Cell Captive Insurer	Has the meaning assigned to it in the Insurance Act.
Cell Owner	Means a person referred to in the definition of Cell Structure.
Cell Structure	Has the meaning assigned to it in the Insurance Act.
Claim	Means, unless the context indicates otherwise, a demand for any policy benefits by a person in relation to a policy, irrespective of whether or not the person’s demand is valid.
Claims Handling	Means the ability to lodge a Claim reported by a Claimant, to request the required documentation, to assess the Claim, make a decision based on Fair Outcomes, to communicate with the Claimant, to finalise a Claim in the required time frame, to have effective Claims record keeping, monitoring and analysis of Claims and reporting capabilities.
Claim Outcome	Shall refer to the following: a. “Accepted” : shall mean that the claim has been finalised in such a manner that the Claimant has either explicitly accepted that the policy benefits have been fully paid or in such a manner that is reasonable for Guardrisk to assume that the Claimant has so accepted. A Claim should only be regarded as accepted once any and all undertakings made by Guardrisk to provide policy benefits wholly or in part have been met. b. “Repudiated” : shall mean that the Claim has been wholly or partly rejected (or repudiated) and Guardrisk regards the Claim as finalised after advising the Claimant

	(both verbally and in writing) that it does not intend to take any further action to pay the Claim. This can arise either where a Claim is rejected without offering to take steps to pay it because Guardrisk regards the Claim as invalid, or where the Claimant does not accept or respond to proposals to pay the Claim and Guardrisk then advises the Claimant that it does not intend to take any further action to attempt to pay the Claim. c. “Disputed” shall mean the Claim is neither accepted nor rejected, but Guardrisk disputes the Claim or the quantum of the Claim.
Claimant	Means a person who makes a claim by completing a claim form and submitting all required documentation to the Binder Holder
Claims Audit	Means the claims review performed by Guardrisk on all its binder holders or only new binder holders to assess the claims process (flow) of assessments, the application of sound and consistent decisions, the application of fairness, equitable and objective claims handling principles, the assessment of claims staff capabilities and the safe keeping and reporting of all claim’s documentation. For purposes of this definition, a claims audit will be performed on a risk-based approach every 2 (two) to 3 (three) years, or when deemed applicable and will be applied in addition to claims sampling on a binder holder to ensure fair, objective, equitable or consistent claims handling management processes.
Compensation Payment	Means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of an insurer to a complainant to compensate the complainant for a proven or estimated financial loss incurred or prejudice as a result of the insurer’s contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of the complaint, where the insurer accepts liability for having caused the loss concerned, but excludes any: a. Goodwill payment b. Payment contractually due to the complainant in terms of acclaim benefit; or c. refund of an amount paid by or on behalf of the complainant to the Insurer where such payment was not contractually due; and includes any interest on late payment of any amount referred to in a and b.
Credit Life Insurance	Has the meaning assigned to it in the National Credit Act
Customer Query	Means a request to Guardrisk by or on behalf of a policyholder/beneficiary for information regarding a Claim or a policy, including policy benefits, no-claim bonus, loyalty benefit, waiting period or related service in relation to such policy. This shall also include a progress update on a request previously made or a progress update on a Claim.
DPIP	Refers to Domestic Prominent Influential Person
Escalated Claim	Shall refer to the following: a. an extension of a Claim relating to the outcome of the initial Claim; b. the Claim is complex or unusual that it requires intervention by an impartial senior functionary appointed to deal with escalated claims; c. the referral of the Claim to the appointed Reinsurer for further review and feedback; d. the referral of the Claim to a Claims Committee mandated and authorised to review the Claim and provide an outcome; e. the resolution of the initial Claim is not to the Claimant’s satisfaction and is then treated as a complaint and dealt with in terms of the Guardrisk Complaints Management Framework.
Exclusion	Means a loss or risk event not covered under a policy and where a Claim arises from such an event the claim will be Repudiated

Fair Outcomes	Means the outcomes referred to in Rule 1 of the PPR's;
FAIS Act	Means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002);
FAIS General Code of Conduct	Means the General Code of Conduct for Authorised Financial Services Providers and Representatives published in board Notice No. 80 of 2003, and amended from time to time, under section 15 of the FAIS Act
FICA	Means refers to the Financial Intelligence Centre Amendment Act, 2017 (Act No. 1 of 2017).
FIC	Means the Financial Intelligence Centre, the government authority who ensures compliance with the Act and who MS reports to in terms of the Act.
FPPO	Refers to Foreign Prominent Public Officials.
Fund	Has the meaning assigned to it in Part 1 of the Regulations.
Fund member policy	Has the meaning assigned to it in Part 3A of the Regulations.
Goodwill Payment	Means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of an insurer to a claimant as an expression of goodwill aimed at resolving a claim, where the insurer does not accept liability for any financial loss to the claimant as a result of the claim having been repudiated.
Insurance Act	Means the Insurance Act, 2017 (Act No. 18 of 2017).
Insurer	Means a licensed life insurer, namely Guardrisk Life Limited (Registration No 1999/013922/06 and FSP No 76) and a licensed insurer, namely Guardrisk Microinsurance Limited (Registration No 1991/005238/06 and FSP No 51674).
Insurance Business	Has the meaning assigned to it in the Insurance Act.
Intermediary	Means an independent intermediary or representative, respectively.
Intermediary Service	Means, subject to subsection 3(b) of the FAIS Act, any act other than the furnishing of advice, performed by a person for or on behalf of a client or product supplier – a. the result of which is that a client may enter into, offers to enter into or enters into any transaction in respect of a financial product with a product supplier; or with a view to. b. buying, selling or otherwise dealing in (whether on a discretionary or non-discretionary basis), managing, administering, keeping in safe custody, maintaining or servicing a financial product purchased by a client from a product supplier or in which the client has invested; c. collecting or accounting for premiums or other moneys payable by the client to a product supplier in respect of a financial product; or d. receiving, submitting or processing the claims of a client against a product supplier.
Life Insurance Business	Has the meaning assigned to it in the Insurance Act.
Life Insurance Policy	Has the meaning assigned to it in the Insurance Act.
Long Term Insurance Act	Means the Long-Term Insurance Act, 1998 (Act No. 52 of 1998).
Mandatory Credit Life Insurance	Means any credit life insurance contemplated in section 106(1)(a) of the National Credit Act.
Member	Means a member of a fund or a member of a group scheme.
Microinsurer	Has the meaning assigned to it in the Insurance Act.
National Credit Act	Means the National Credit Act, 2005 (Act No. 34 of 2005).

New Policy	Means a policy entered into on or after the date on which the relevant rule takes effect.
Non-Mandated Intermediary	In respect of: Life Insurance Business has the meaning assigned to the term in Regulation 6.1 of the Long-Term Insurance Regulations.
Ombud	Has the meaning assigned to it in the: a. Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004) up until such time as such Act is repealed through Schedule 4 of the Financial Sector Regulation Act; and b. Financial Sector Regulation Act, from the date on which such Act repeals the Financial Services Ombud Schemes Act, 2004 (Act 37 of 2004) through Schedule 4 of such Act.
Optional Credit life Insurance	Means credit life insurance contemplated in section 106(3) of the National Credit Act
Outsourcing	Means an outsourcing arrangement as defined in section 1 of the Financial Sector Regulation Act and includes rendering services under a binder agreement, but excludes rendering services as intermediary, and “outsourced” has a corresponding meaning.
Outsourcing Agreement	Means any arrangement of any form between Guardrisk and another person, whether that person is regulated or supervised under any law or not, in terms of which that party performs a function that is integral to the nature of the Guardrisk business, which would otherwise be performed by Guardrisk in conducting insurance business, and includes rendering services under a binder agreement, but excludes rendering services as an intermediary (Outsourced Business Partner will have a corresponding meaning).
PEP	Refers to Politically Exposed Person.
PIP	Refers to a Prominent Influential Person.
Plain Language	Means communication that: a. is clear and easy to understand; b. avoids uncertainty or confusion; and c. is adequate and appropriate in the circumstances, taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted.
Policy	Means a Life Insurance Policy, a Non-Life Insurance Policy and a Microinsurance Policy
Policyholder	Has the meaning assigned to it in the Insurance Act.
PPR	Refers to the Policyholder Protection Rules made under section 62 of the Long-Term Insurance Act and the Policyholder Protection Rules made under section 55 of the Short-Term Insurance Act, as applicable.
Property	In terms of POCDATARA means money or any other movable, immovable, corporeal or incorporeal thing, and includes any rights, privileges, claims and securities and any interest therein and all proceeds thereof.
Proceeds of unlawful activities	Is defined as any property or any service, advantage, benefit or reward which was derived, received or retained, directly or indirectly, in the Republic or elsewhere, at any time before or after the commencement of POCA, in connection with or as a result of any unlawful activity carried on by any person, and includes any property representing property so derived.
Regulations	Means the Regulations made under the Long-term Insurance Act, 1998, promulgated by GN R.1492 of 27 November 1998 and amended from time to time.

Related Service	Means any service or benefit provided or made available by an insurer or any associate of that insurer, together with or in connection with any policy or policy benefit and includes a loyalty benefit and a no-claim bonus.
Representative	Has the meaning assigned to it in Part 3A of the Regulations.
Repudiate	In relation to a claim means any action by which an insurer rejects or refuses to pay a claim or any part of a claim, for any reason, and includes instances where a claimant lodges a claim – a. in respect of a loss event or risk not covered by a policy; and b. in respect of a loss event or risk covered by a policy, but the premium or premiums payable in respect of that policy was not paid; and “Repudiation” and “Repudiated” have a corresponding meaning where the context so allows.
Risk Policy	Means a policy that provides risk benefits only or that provides primarily risk benefits;
Sanction Screening	Refers to the process performed before any policy benefit(s) is/are paid to ensure no payment is made to a person on the TFS, or to identify instances where a Claimant or Beneficiary is DPIP, FPPO, PEP, PIP to ensure no Claim is paid that could be used as Proceeds of unlawful activities.
Service Provider	Means any person (whether or not that person is the agent of the insurer) with whom an insurer has an arrangement relating to the marketing, distribution, administration or provision of policies or related services.
TFS	Refers to the Targeted Financial Sanctions List pursuant to Section 26A of the FICA Act.
Unclaimed Benefit	Means a benefit in terms of an approved Claim where the benefit cannot be paid to the Nominated Beneficiary within 3 (three) years of the Claim having been approved because the Nominated Beneficiary is not contactable. In other words, the Nominated Beneficiary cannot be located, his/her emails are undelivered, his/her post is returned to the Binder Holder and/or his/her contact number is no longer in use. “Unclaimed Benefits” shall have a corresponding meaning where the context so allows.

3. Objectives:

- 3.1. The Claims Management Framework formalises the practices required for effective Claims Handling for all Claimants within Guardrisk Life Limited and Guardrisk Microinsurance Limited (“Guardrisk”). The objective is to ensure fair treatment and Fair Outcomes of Policyholders and Claimants that:
 - a. is proportionate to the nature, scale and complexity of the Insurer’s business and risks;
 - b. is appropriate for the business model, policies, services, and Policyholders and Beneficiaries of the Insurer;
 - c. enables Claims to be assessed after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of Claimants with Fair Outcomes;
 - d. does not impose unreasonable barriers to Claimants; and
 - e. address and provide for, at least, the matters provided for in this rule;
- 3.2. This framework provides general principles to guide the way Claims are managed within Guardrisk. Where an Outsourced Partner, Binder Holder or Intermediary has a Policy, process or procedures, guide or training manual relating to claims management, all such documents must comply with, and not contradict, this framework.
- 3.3. This framework sets out Guardrisk’s philosophy concerning the way Claims are handled, resolved and maximised (maximised refers to conducting analysis of Claims outcomes specifically relating to Repudiations for root cause analysis and Fair Outcomes to Claimant to ensure processes are improved to reduce complaints where necessary).

- 3.4. This framework will be reviewed by the Life Operations Executive at least annually (who has been delegated the authority to do so) and only in the event of material changes will then be presented to the Board of Directors for review and approval.

4. Scope

- 4.1. This framework applies to the following entities and any of their subsidiaries that are domiciled in South Africa

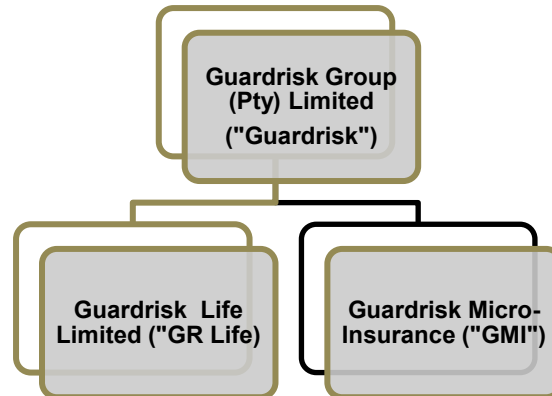


Figure 1 - Entity Structure

- 4.2. Where any business units within Guardrisk have agreements with Outsourced Business Partners, Binder Holders or Intermediaries that have any part to play in the claims handling or resolution or record keeping process, it is confirmed that those agreements state minimum standards necessary for claims management. Each Binder Holder will submit their Claims Management Framework to Guardrisk for review and approval to ensure alignment with this framework.
- 4.3. Each entity that has entered into a shareholder's agreement with Guardrisk must ensure that they and/or their Outsourced Business Partners have a claims management process that provides for:
- relevant objectives, key principles and the proper allocation of responsibilities for dealing with claims across the business of the Insurer;
 - appropriate performance standards and remuneration and reward strategies (internally and where any functions are outsourced) for claims management in general and specifically for claims assessment to –
 - prevent conflicts of interest and the incentivisation of behaviour which could threaten the fair treatment of Policyholders or Claimants; and
 - ensure objectivity and impartiality;
 - documented procedures for the appropriate management of the Claims process from the time the Claim is received until it is finalised, including the expected timeframes for each of the stages and the circumstances under which any of the timeframes may be extended;
 - documented procedures setting out the circumstances in which interest will be payable in the event of late payment of Claims, the process to be followed in such an instance and the rate of the interest payable;
 - documented procedures which clearly define the escalation and decision-making, monitoring and oversight and review processes within the claims management framework;
 - appropriate Claims record keeping, monitoring and analysis of Claims, and reporting (regular and ad hoc) to the executive management, the board of directors and any relevant committee of the board on –
 - identified risks, trends and actions taken in response thereto; and
 - the effectiveness and outcomes of the claims management framework;
 - appropriate communication with Claimants and their authorised representatives on the Claims processes and procedures;

- h. meeting requirements for reporting to the Authority and public reporting in accordance with this rule; and
- i. the establishment of a compliance programme for combating fraud and money laundering appropriate to the Insurer's exposures and vulnerabilities, which programme must be consistent with the relevant risk management policies of Guardrisk.

5. Legislative framework

This framework upholds the provisions of the FAIS Act, the Insurance Act as well as the Policyholder Protection Rules as amended.

6. Key Principles and standards for effective Claims Management

The following principles and standards shall apply to the claims management processes within Guardrisk:

Key Principle	Detail
Accessibility	Guardrisk makes claims reporting and requirements visible to customers on all key documents (such as policy documentation and claim forms) provided to them as well as on each Binder Holder's website.
Client-centricity	Claims Handling staff are expected to demonstrate the right attitude toward every client.
Quality of investigation	Guardrisk will take reasonable steps to gather and investigate all relevant information and circumstances when handling Claims; this is to ensure only valid Claims are paid and all invalid Claims are Repudiated, unless there are mitigating/extenuating circumstances resulting in the application of fairness and equity for consideration of a Goodwill payment.
Timely resolution	Guardrisk's quality standards recognise that all Claims must be resolved in a timely manner and in line with timelines set out in this framework which are clarified in Rule 17 of the Policyholder Protection Rules. Where a Claim cannot be resolved in a timely manner, there must be valid reasons for when a Claim will take longer than the norm to be finalised and these reasons are also set out in this framework and must be communicated with a Claimant
Consistent and objective decision-making	Guardrisk will ensure that Claims Handlers avoid bias when handling Claims so that principles of fairness, equity, objectivity and Fair Outcomes are upheld.
Responsibility in making decisions	Guardrisk will ensure that Claim Handlers responsible for making decisions or recommendations in respect of Claims generally or a specific Claim must – a) be adequately trained; b) be experienced in Claims handling and be appropriately qualified; c) not be subject to a conflict of interest; and d) be adequately empowered to make impartial decisions or recommendations: • A Claim received by an Intermediary, Binder Holder or Cell Owner that has been mandated by Guardrisk to manage Claims on its behalf, or a Claim received by a representative of Guardrisk, is deemed to have been received by Guardrisk itself; and • The outsourcing of the claims management process or any part thereof to an Intermediary, a Binder Holder or cell Owner, or any other involvement of an Intermediary, Binder Holder or Cell Owner, in the claims management process does not in any way diminish Guardrisk's responsibility in terms of this framework.

Independent review	Guardrisk will provide additional opportunities for an independent review of Claims in line with the escalation and review process contained in this framework. Where required, segregation of duties and escalation procedures will be utilised to maintain and safeguard independence of Claims Handlers
Confidentiality of client Information and data	As far as possible, Guardrisk will maintain the confidentiality of customers' personal information and comply with the relevant legislation to ensure that internal controls are in place for safeguarding of data.
Accuracy of record-keeping	Claims must be accurately, efficiently and securely recorded
Communication before, during and after a claim	Guardrisk will provide customers with clear upfront communication concerning how they can Claim, how to dispute a Repudiation or a Claim quantum and how to escalate such a complaint
Quality Assurance	Guardrisk will ensure that there is an appropriate level of quality assurance in place to monitor that the standards referred to in this framework are adhered to. This will take place via ad hoc monitoring by the Compliance department from time-to-time and with claims audits performed when required on all Binder Holders where the Claims function has been outsourced.
Meaningful Management Information and Analysis	Useful management information reports pertaining to claims will be developed and implemented, subject to regulatory requirements and business needs
Fraud Investigation and Management	Guardrisk will mitigate any risk in respect of fraudulent or suspicious claims by the creation of a full fraud referral process which will be reviewed and updated annually, or when deemed applicable when there is no reason to review annually and ensure all binder holders are updated and aware of the fraud referral process. Guardrisk shall ensure as much as possible that all investigations are concluded within 14 (fourteen) days and in instances where such investigation will take longer, that any Claimant is updated and informed accordingly.
Remuneration and Reward Strategies	Guardrisk mitigates any conflict of interest by ensuring that none of the Guardrisk Claim Handlers are remunerated or rewarded for reviewing or finalising any Claim. All decisions made by a Guardrisk Claims Handler on a Claim will be fair, and without conflict to be remunerated for finalising a Claim in favour of either a Claimant or Beneficiary or the Insurer. The Guardrisk Claims Handler will be paid a monthly salary for performing their usual job function in line with the Company's remuneration process in line with each Claims Handler contract of employment.

7. Allocation of Responsibilities

The table below outlines the roles and responsibilities of the stakeholders responsible for governance of the framework:

Responsibility	Structure	Interest, Duties and Responsibilities
Supervision	Board of Directors	The Board is ultimately responsible for the requirements of this framework but delegates some functions to board committees, management committees, other forums, managers and any other persons.
	Risk Committee	The Risk Committee must approve changes to this framework and monitor adherence to this framework.

		The Risk Committee is responsible for ensuring that all committees, forums and individuals who have responsibility under the Policy fulfil their responsibilities in a timely and diligent manner.
Operational Implementation	Audit Committee	The Audit Committee is responsible for the governance of the applicable assurance provider's assessment of compliance with a framework. It is responsible for assigning and monitoring remediation of any non-compliance or other findings by the assurance provider.
	Guardrisk Board	Approves and oversees the effectiveness of this framework. Is responsible for operational implementation of this framework but delegates administration of this framework to the Life Operations Executive and the Life Operational Claims Committee to address or monitor operational matters.
	Life Operational Claims Committee	Assists the Board by: • Implementing the requirements of this framework • Providing ongoing guidance to the business on matters relating to this framework • Monitoring ongoing operating effectiveness of the framework and Reporting to Exco, the business and other forums on the business performance and adherence in relation to requirements, procedures and standards set out in this framework
	Claims Handlers	Implement, communicate & ensure that all claims are managed in accordance with this framework
Consulted	Risk Management	Risk Management is responsible for reviewing adherence to the requirements outlined by this framework.
	Compliance	Compliance is responsible for: • Reviewing adherence to the requirements outlined by this framework. Ensuring that this framework remains in line with legislation.
Informed	Executive Committee	Are kept informed of claims received and whether or not there was compliance with this framework in the resolution thereof.
	Risk Committee	
	Combined Assurance Forum	

8. Claims Communication

- All communications with each Binder Holder (who in turn issue communication to each Claimant) must be in plain language.
- Guardrisk will ensure that regular monitoring is done on compliance with, as well as the effectiveness of this framework generally.

8.1 Process for Claims Processing and timelines:

- a. The claims channels will be monitored by the Claims handlers' staff daily;
- b. Annexure A depicts the claims process flow and captured details for the Guardrisk Life and Guardrisk Microinsurance licenses;
- c. Annexure B depicts the process flow for any Fraud Referrals;
- d. Annexure C depicts the process flow for any Goodwill Referrals;
- e. Guardrisk will analyse claims reports on a monthly basis. Findings on identified risks, trends and actions taken will be communicated to an affected Binder Holder (Gap identification) as part of the monthly data review and escalated to the responsible Portfolio Manager to submit to the applicable Binder Holder for resolution. This will be in addition to any prior escalation to the Binder Holder by the data management team upon receipt of data and failure of any validations performed before submission of the data to the Life Technical Team for review.
- f. Guardrisk approves all Repudiations within 24 (twenty-four) hours submitted by each Non-Mandated Intermediary and does not deal with any Policyholder directly, unless in the event of either –
 - Representation being made by a Claimant directly to Guardrisk after the initial Repudiation decision of a Claim or to challenge the quantum of a benefit paid; or
 - Where a complaint has been lodged directly with Guardrisk by a Claimant;
- g. As such, all regulatory reporting will form part of the CBR (Conduct of Business Reporting) and any other regulatory / legislated reporting with Claims data submitted by each Binder Holder, Intermediary or Cell Owner as part of the daily/monthly submissions, which data is stored in a Guardrisk warehouse for reporting purposes;

8.2 Late Interest Payment

- a. Guardrisk will ensure that any Claimants who are financially prejudiced as a result of our contravention, non-compliance, action, failure to act, or unfair treatment are fairly compensated with late interest;
- b. Claims received will be tracked based on the date received and the date finalised. Claims that fall outside the stipulated time frame will be assessed to determine if any contravention, non-compliance, action, failure to act or any unfair treatment towards a Claimant took place in order to determine when a late interest payment must take place;
- c. This interest will be added to any benefit payable and will be regarded as a Compensation Payment and not as an extension or increase of the actual benefit amount;
- d. Guardrisk has adopted a flat interest rate of 6% of the benefit amount to calculate the interest that falls due.

8.3 Process for claims relating to a Guardrisk product or related service offered in terms of an outsourced agreement:

- a. Guardrisk will ensure that each outsource agreement clearly states what our minimum requirements are for Claims handling and reporting;
- b. Guardrisk will ensure that each Binder Holder or Outsourced Business Partner has adequate claims management processes in place to ensure the accurate recording of all reportable Claims and the fair treatment of Claimants;
- c. Guardrisk will perform a Claims Sampling on its Binder Holders on a risk-based approach every month, or when deemed applicable;
- d. Guardrisk will on an on-going basis review claim forms and claims requirements used and applied by its Binder Holders to ensure the content and requirements remain relevant in line with legislation and expectations of any Claimant;
- e. Guardrisk will ensure that each Binder Holder has adequate systems in place for the reporting and management of claims handling;
- f. Each Outsource Agreement includes an obligation on the Outsourced Business Partner to submit **full** claims data to Guardrisk as prescribed and in the format required by Guardrisk that would allow Guardrisk to analyse and aggregate claims data and to make reporting submissions to the Authority and public reporting in accordance with Rule 17 of the PPR's;

- g. Guardrisk will aggregate and analyse claims reports received from Outsourced Business Partners on a regular basis. Findings on identified risks, trends and actions taken will be contained in operational reports that are presented to operational and executive forums and the Board.

8.4 Claims Escalation and Review Process

- a. Guardrisk has established and maintains an appropriate internal process in terms of which Claims decisions are escalated and/or reviewed and Claims related disputes can be resolved. Claims Handlers staff; Outsourced Business Partners and Claimants can refer complex or unresolved Claims to the relevant Guardrisk Executive for consideration.

The details are as follows:

Life/Microinsurance

Life Operations Executive

Email: krawitzr@guardrisk.co.za

Life/Microinsurance Escalation

Life Operations Head

leonie.debeer@guardrisk.co.za

Alternate Email: LifeClaims@guardrisk.co.za

- b. The escalation or review process:
- follows a balanced approach, bearing in mind the legitimate interests of all parties involved including the fair treatment of Claimants in order to achieve Fair Outcomes;
 - provides for internal escalation of complex or unusual Claims at the instance of the initial Claim Handler, Intermediary, Binder Holder or Cell Owner;
 - provides for Claimants to escalate Claims not resolved to their satisfaction (see Complaints Management Framework document);
 - allows for a Claim to be allocated to the claims committee for review and evaluation.
- c. The Claims Committee:
- has been created for a claims assessor to escalate a complex claim for a decision;
 - will assist, where necessary, to discuss a claim representation;
 - will assist, where necessary, to discuss and Goodwill decision;
 - will assist, where necessary, to discuss any Compensation Award;
 - will assist, where necessary, to discuss any late submission waiver;
 - will assist, where necessary, to discuss any late interest application outside the specified rate mentioned above; and
 - will assist, where necessary, to discuss any claims complaint requiring adjudication.

9. Decisions relating to claims and time limitation provisions for the institution of legal action

- 9.1 Guardrisk accepts, Repudiates or disputes a Claim or the quantum of a Claim for a benefit under a policy within **1 (one) - 3 (three) Business Day/s** of receiving a Claim.
- 9.2 Guardrisk approves all notice letters within **1 (one) – 3 (three) Business Day/s** so that each Intermediary, Binder Holder or Cell Owner can issue the notice letter ahead of the 10 (ten) Business Day period specified under Rule 17 of the PPR's to notify the Claimant of the decision taken on the Claim.
- 9.3 If Guardrisk Repudiates or disputes a Claim or the quantum of a Claim, the notice letter referred to in b must, in plain language, inform the Claimant –
- a. of the reasons for the decision, in sufficient detail to enable the Claimant to dispute such reasons if the Claimant so chooses;
 - b. that the Claimant may within a period of not less than 90 (ninety) days after the date of receipt of the notice make representations to Guardrisk in respect of the decision;
 - c. of the details of the internal claim escalation and review process required by 8.4 above;

- d. of the right to lodge a complaint to a relevant Ombud scheme (namely the National Financial Ombud Scheme (NFO) or the FAID Ombud) and the relevant contact details and time limitation and other relevant legislative provisions relating to the lodging of such a complaint;
 - e. in the event that the relevant policy contains a time limitation provision for the institution of legal action, of that provision and the implications of that provision for the Claimant; and
 - f. in the event that the relevant policy does not contain a time limitation provision for the institution of legal action, of the prescription period that will apply in terms of the Prescription Act, 1969 (Act No. 68 of 1969) and the implications of that Act for the Claimant.
- 9.4 If a Claim or quantum of a Claim is Repudiated or disputed as contemplated in 9.1 above, on behalf of Guardrisk by a person other than Guardrisk, such other person must provide the notice contemplated in 9.2 above and include in that notice, in addition to the information referred to in 9.3, the name and contact details of Guardrisk and a statement that any recourse or enquiries must be directed directly to Guardrisk.
- 9.5 If the Claimant makes representations to Guardrisk in accordance with the internal claim representation escalation and review process referred to in 8.4 above, Guardrisk will within 45 (forty-five) days of receipt of the representation, in writing, notify the Claimant of its decision to accept, Repudiate or dispute the Claim or the quantum of the Claim. This time frame does not impact the 15 (fifteen) Business Day time frame in place to handle a complaint as specified in the Complaints Management Framework as a representation may require additional assessment requiring an escalation to a medical specialist, or the claims committee or any other 3rd party person or entity.
- 9.6 If Guardrisk, despite the representations of the Claimant, confirms the decision to Repudiate or upholds the quantum of the Claim, the notice referred to in 9.5 must –
- a. Inform the Claimant of the reasons for the decision in sufficient detail to enable the Claimant to dispute such reasons if the Claimant so chooses;
 - b. Include the facts that informed the decision; and
 - c. Refer the Claimant to the relevant Ombud scheme; and
 - d. Include the information referred to in 9.3 (c) to (f) above.
- 9.7 Any time limitation provision for the institution of legal action that may be provided for in a policy entered into before 1 January 2011 may not include the period referred to in rule 9.3(b) in the calculation of the time limitation period.
- 9.8 Any time limitation provision for the institution of legal action that may be provided for in a policy entered into on or after 1 January 2011 –
- a. may not include the period referred to in rule 9.3(b) in the calculation of the time limitation period; and
 - b. must provide for a period of not less than 6 (six) months after the expiry of the period referred to in rule 9.3(b) for the institution of legal action.
- 9.9 Despite the expiry of the period allowed for the institution of legal action in a time limitation clause provided for in a policy entered into before or after 1 January 2011, a Claimant may request the court to condone non-compliance with the clause if the court is satisfied, among other things, that good cause exists for the failure to institute legal proceedings and that the clause is unfair to the Claimant.
- 9.10 For purposes of section 12(1) of the Prescription Act, 1969 (Act No. 68 of 1969) a debt is due after the expiry of the period referred to in rule 9.3(b).

10. Claims Management Process and Categorisation of Claims

- a. Guardrisk ensures accurate, efficient and secure recording of all Claims received, irrespective of whether the Claims are valid or not.
- b. The following is recorded in respect of each Claim received –
 - all relevant details of the policyholder and/or Claimant and the subject matter of the Claim;
 - copies of all relevant evidence, correspondence and decisions; and
 - progress and status of the Claim, including whether such progress is within or outside any set timelines.

- c. Guardrisk maintains the following Claims related data on an ongoing basis –
 - number and quantum of Claims received;
 - number and quantum of Claims paid;
 - number and quantum of Repudiated Claims and reasons for the repudiation;
 - number of Claims escalated by Claimants to the internal claims escalation and review process and their outcome, which data must also be included in the records and reports required by Rule 18 or the PPR's in relation to the category of complaints referred to in rule 18.5.1(h);
 - number of Claims referred to an Ombud and their outcome, which data must also be included in the records and reports required by Rule 18.8.3(e); and
 - total number of Claims outstanding.
- d. Claims information recorded in accordance with this rule will be scrutinised and analysed by the applicable claim's teams on an ongoing basis and utilised to manage conduct risks and effect improved outcomes and processes for its Policyholders, and to prevent recurrences of poor outcome and errors.
- e. Guardrisk has established and maintains appropriate processes for reporting, accepting valid Claims, approving Repudiations or disputing a Claim or the quantum of a Claim for a benefit under a Policy within a reasonable period after receipt of a Claim. This period will not exceed **3 (three) Business Days** at any given time.
- f. Guardrisk has established and maintains appropriate processes for approving any Goodwill requests, or Fraud Referrals (namely forensic investigations) to keep strict data for trend analysis and reporting. This period will not exceed 3 (three) Business Days at any given time.

11. Communication with Claimants

- 11.1. Guardrisk approves all policy wording to ensure that the Claims process is detailed, and the claims requirements are documented so that it is clear and transparent for any Policyholder and/or Claimant to determine what is required for a Claim to be submitted. Each Binder Holder is required to confirm the claims lodgement channel and both the contact number and email address for submission of a Claim. The Disclosure Notice attached to all policy documentation also confirms the applicable contact details for Guardrisk should a Claimant wish to lodge a Claim directly with the Insurer. The following information is detailed on all claim forms, and in all policy documentation:
 - a. the type of information required from the Claimant;
 - b. where, how and to whom a Claim and related information must be submitted;
 - c. any time limits on submitting Claims; and
 - d. any other relevant responsibilities of the Claimant.
- 11.2. A Claim is deemed to have been received on the day that Guardrisk's Binder Holder or its representatives, or an Intermediary or Cell Owner that has been mandated by Guardrisk to manage Claims on its behalf, receives notification thereof and Guardrisk or such Intermediary, Binder Holder or Cell Owner must within a reasonable time after receipt of a Claim acknowledge receipt thereof and inform a Claimant of the process to be followed in processing the Claim, including:
 - a. contact details of the person or department that will be processing the Claim;
 - b. indicative timelines for finalising the Claim; and
 - c. details of any outstanding requirements.

Guardrisk will only request information or documentation from a Claimant which is essential to the assessment of a Claim and will waive other requested information if such information or documentation is no longer required.

- 11.3. A Claimant, must at all times, be kept adequately informed of –
 - a. the progress of their Claim;
 - b. causes of any delay in the finalisation of a Claim and revised timelines; and
 - c. the Insurer's decision in response to the Claim.

11.4 Guardrisk will record a Claim no later than **1 (one) Business Day** after the date the initial Claim was received and may not delay recording the Claim until such time as all requirements relating to the Claim have been received.

11.5 When a final payment or offer of settlement is made to a Claimant, the Claimant must be explained what the payment or settlement is for, and the basis used for the payment or settlement.

12. Prohibited claims practices

12.1 An Insurer may not –

- a. dissuade a Claimant from obtaining the services of an attorney or adjustor;
- b. deny a Claim without performing a reasonable investigation; or
- c. deny a Claim based solely on the outcome of a polygraph, lie detector, truth verification or similar test or procedure referred to in PPR rule 7.1(a).

13. Claims received during periods of grace

If a Claimant submits a valid Claim in respect of an event that occurred during the period referred to in rule 15A.1, the value of the Claim may be reduced by the sum of the unpaid premium.

14. Unclaimed Benefits

If a benefit under a Policy is an Unclaimed Benefit, the Binder Holder must take action to determine if the Nominated Beneficiary is alive and/or aware of the benefit payable to him/her under the Policy. Specifically, in the 3 (three) year period after the Unclaimed Benefit arises, the Binder Holder must:

- attempt to contact the Nominated Beneficiary telephonically and electronically to advise them of the Unclaimed Benefit; or
- determine the last known contact information of the Nominated Beneficiary by comparing internal and external databases, including the use of internet search engines and/or social media; or
- appoint an external tracing company to locate the Nominated Beneficiary.

Before the end of the 3 (three) year period referred to above, the Binder Holder must confirm the Unclaimed Benefit and transfer the amount of the Unclaimed Benefit to an account in the name of the Insurer, and the Insurer will accept liability for the Unclaimed Benefit.

15. Establishment of a Fraud Referral Process

Guardrisk has developed a Forensics Referral process where any Intermediary, Binder Holder and Cell owner can refer any Claim to Guardrisk for forensics investigation. A formal Forensics Referral Form has been developed for any Intermediary, Binder Holder and Cell Owner to complete providing full details of the Claim, Claimant and reasons for the referral in order for Guardrisk to assess the merits in approving such a referral. Should Guardrisk be in agreement with the forensics referral, the Claim will be referred to:

- The Momentum Group Forensics Department; or
- To AGON; or
- To an external forensics investigator.

Fraud training has been created for Intermediaries, Binder Holders or Cell Owners and this training forms part of the Guardrisk oversight to train Claims Handlers how to identify fraud or possible fraud and what processes should be followed when fraud or possible fraud is identified.

The investigation will not exceed 14 (fourteen) Business Days and if any delays are encountered, the Claimant is to be duly notified with the reasons for the delay and the revised timelines.

Full reporting is in place to record each and every Fraud Referral and the outcome thereof.

The Claims Audits performed by Guardrisk provide Guardrisk with oversight and quality assurance that Intermediaries, Binder Holders and Cell Owners adhere to the legislative requirements laid down by the FIC Act.

16. Establishment of a Goodwill Referral Process

Guardrisk has developed a referral process for Goodwill Requests where any Intermediary, Binder Holder and Cell owner can refer any such request to Guardrisk Life/Microinsurance on email LifeGoodwill@guardrisk.co.za for review and approval/decline. A Goodwill Request form must be submitted by the Intermediary, Binder Holder or Cell Owner which provides full details of the policy and the request for Guardrisk Life/Microinsurance to review.

The Goodwill Request will take no longer than 2 (two) Business Days to be approved/declined. Full reporting is in place to record each and every request and the outcome thereof.

Each Goodwill Request will be assessed and reviewed on the following principles:

- fairness and equity
- merit
- failure in any sales process
- a breach of Rules 10, 11, 15A or 17 of the Policyholder Protection Rules

17. Establishment of a Compliance Program for money laundering

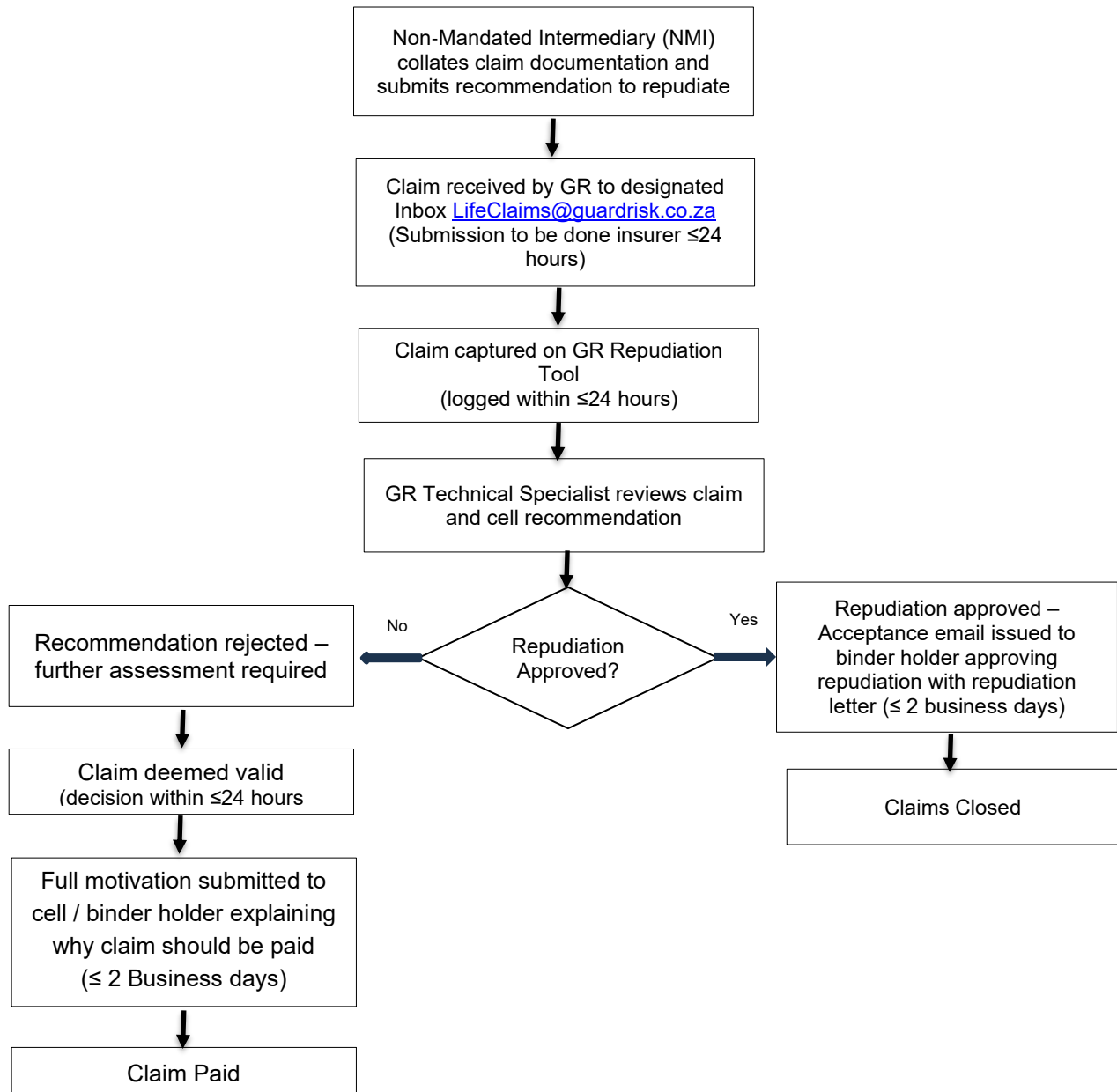
Guardrisk has developed a Guidance Note on Sanction Screening which has been shared with its Intermediaries, Binder Holders and Cell Owners to ensure implementation of Sanction Screening at claims stage before any benefit or payment is made to a Beneficiary.

The Claims Audits performed by Guardrisk provide Guardrisk with oversight and quality assurance that Intermediaries, Binder Holders and Cell Owners adhere to the legislative requirements laid down by the FIC Act.

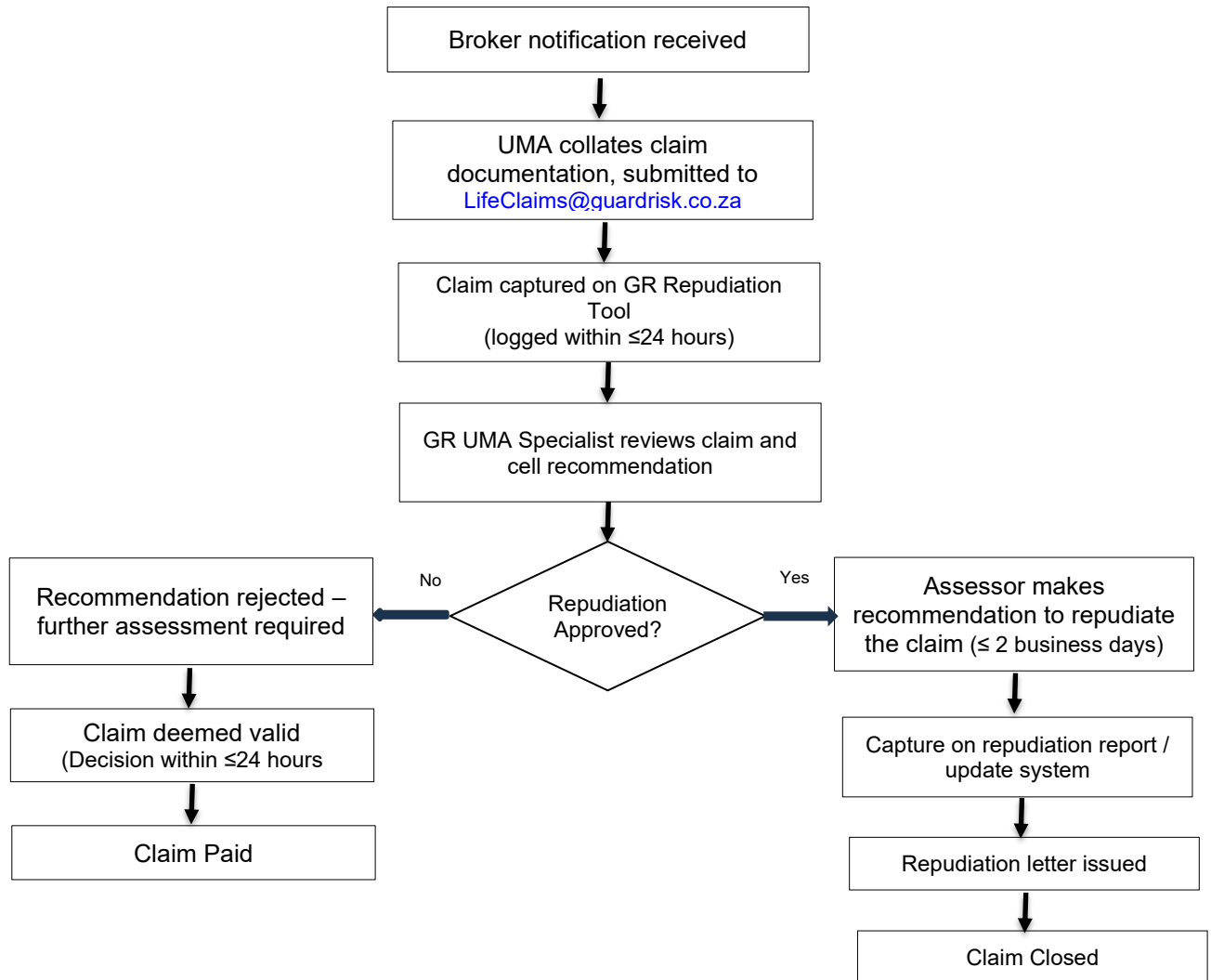
18. Annexures

Annexure A: Claims Process Flows

For Non-Mandated Intermediaries:



For Underwriting Managers:



Annexure B: Fraud Referral Form



Forensics Referral Request Checklist

Introduction

This document details the check list requirements in order to submit a Forensics Referral request to Guardrisk Life Limited / Guardrisk Microinsurance for review, approval and sign off.

Details of Cell Captive

License Details	☐ Life	☐ Microinsurance
Name of Cell Captive		
Name of Product		
Name of Policyholder		
Name of Beneficiary		
Policy Number		
Cell Number		
Cell Structure	☐ 1 st Party	☐ 3 rd Party
Type of Business	☐ Health	☐ Funeral
	☐ Legal	☐ PA
	☐ Life	☐ Group GLA
	☐ Group PTD	
	☐ Group TTD Investment	☐ CCI
Type of Benefits	☐ Disability	☐ PA
	☐ Hospital	☐ Death
	☐ Dread/Cancer	☐ Funeral
	☐ Loss of Income/Retrenchment	
	☐ Investment / Annuity	

Check List Requirements

1. Is fraud suspected?	☐ Yes	☐ No	☐ N/A
2. Is death in Waiting Period?	☐ Yes	☐ No	☐ N/A
3. Is death due to natural causes?	☐ Yes	☐ No	☐ N/A
4. Is death due to unnatural causes?	☐ Yes	☐ No	☐ N/A
5. Did death occur prior to the commencement date?	☐ Yes	☐ No	☐ N/A
6. Is death within the first 3 months of the policy?	☐ Yes	☐ No	☐ N/A
7. Is suicide suspected?	☐ Yes	☐ No	☐ N/A
8. Do documents look suspicious?	☐ Yes	☐ No	☐ N/A
9. Are there fingerprints on the DHA1663?	☐ Yes	☐ No	☐ N/A
10. Is there an abridged death certificate?	☐ Yes	☐ No	☐ N/A
11. Is death within SA borders?	☐ Yes	☐ No	☐ N/A
12. Is death outside SA borders?	☐ Yes	☐ No	☐ N/A
13. Is there reason to believe documents are falsified?	☐ Yes	☐ No	☐ N/A
14. Is the beneficiary suspected of foul play?	☐ Yes	☐ No	☐ N/A

Motivation by Cell Captive / Binder Holder

Comment	
Signature	Date

Sign-off by Guardrisk Operations Executive

Comment	
Signature	Date

Annexure C: Goodwill Referral Form

Introduction

This document details the check list requirements in order to submit a Goodwill Payment request to Guardrisk Life Limited/Guardrisk Microinsurance for review, approval and sign off. Once completed, submit to LifeGoodwill@guardrisk.co.za

Details of Cell Captive / Check List Requirements – to be completed by person making the request

License Details	☐ Life ☐ Microinsurance
Name of Cell Captive	
Name of Product	
Name of Client	
Benefit Amount	
Goodwill Amount	
Policy Number	

Select from the below what is applicable:

1. Is a repudiation valid?	☐ Yes	☐ No	☐ N/A
2. Is death in Waiting Period?	☐ Yes	☐ No	☐ N/A
3. Are premiums paid up to date?	☐ Yes	☐ No	☐ N/A
4. Was there a system failure?	☐ Yes	☐ No	☐ N/A
5. Was there an internal process failure?	☐ Yes	☐ No	☐ N/A
6. Is the review based on TCF principles?	☐ Yes	☐ No	☐ N/A
7. Is the review based on fairness and equity?	☐ Yes	☐ No	☐ N/A
8. Is the full benefit being considered for payment?	☐ Yes	☐ No	☐ N/A
9. Is a partial benefit being considered for payment?	☐ Yes	☐ No	☐ N/A
10. Will a Goodwill Payment letter be issued?	☐ Yes	☐ No	☐ N/A
11. Will such letter confirm the following?			
a. This is a merit decision?	☐ Yes	☐ No	☐ N/A
b. Benefit paid in full and final settlement?	☐ Yes	☐ No	☐ N/A

Motivation by Cell Captive / Binder Holder

Comment	
Signature	Date

Checklist to be completed by Guardrisk Life Operations Executive

Cell Number		
Cell Structure	1<sup>st</sup> Party	3<sup>rd</sup> Party
Type of Benefits	Disability	Personal Accident
	Hospital	Death
	Dread/Cancer	Funeral
	Income Protection	
	Loss of Income/Retrenchment	
	Investment / Annuity	

Sign-off by Guardrisk Operations Executive

Comment	
Signature	Date