GUARDRISK
TAILORED RISK SOLUTIONS

A subsidiary of MMI Holdings

Claims Management Framework

for

GUARDRISK GROUP (PROPRIETARY) LIMITED

Incorporating all its operating subsidiaries
and associated entities

Policy Owners: Life Operations and Claims Executive & Non-Life Claims Executive

July 2018

Version 1

Contents

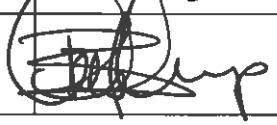
1 *Overview*

1.1 Document History

Revision Date	Doc Version	Summary of Changes	Author / Reviewer
6 June 2018	1	Initial Drafting Non-Life	Laura Martins Dhamesha Naidu George Thapedi
10 June 2018	1	Initial drafting Life	Russell Krawitz
July 2018	1	Compliance Review	Yvette Van Der Walt

1.2 Operational Owners

This document has obtained the following approvals:

Name	Title	Doc Version	Approval Signature	Date of Approval
Russell Krawitz	Life Operations & Claims Executive	1		14·12·2018
Buyisiwe Hlatshwayo	Non-Life Executive	1		14.12.2018

1.3 Governance Approvals

This document has obtained the following approvals:

Structure	Nature	Doc Version	Approval Signature	Date of Approval
Market Conduct Steerco	Approval	1	Refer to MarketCo minutes	October 2018

2 *Definitions*

2.1 "Beneficiary" in respect of a –

registered insurer means –

a) a person nominated by the Policyholder as the person in respect of whom the Insurer should meet policy benefits; or

b) 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;

c) 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.

2.2 "Business Day" means any day excluding a Saturday, Sunday or public holiday.

2.3 "Claim" means, unless the context indicates otherwise, a demand for any policy benefits by a Claimant in relation to a policy, irrespective of whether or not the Claimant's demand is valid;

2.4 "Claimant" means a person who makes a claim;

2.5 "Claims Audit" means the annual review performed by Guardrisk on its binder holders to assess the claims process (flow) documentation, the application of sound and consistent decisions, the application of fairness, equitable and objective claims handling principles in line with TCF ("Treating Customers Fairly"), The PPR's ("Policyholder Protection Rules"), sound claims knowledge and technical skills and abilities and the assessment of claims staff capabilities and the safe keeping and reporting of all claims documentation;

2.6 "Claim Outcome" shall relate 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.

2.7 **"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 Claimant to compensate the Claimant for a proven or estimated financial loss incurred as a result of the insurer's contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of a complaint, where the Insurer accepts liability for having caused the loss concerned, but excludes any –

a) Goodwill payment;
b) payment contractually due to the Claimant in terms of a policy; or
c) refund of an amount paid by or on behalf of the Claimant to the Insurer where such payment was not contractually due;
d) and includes any interest on late payment of any amount referred to in (b) or (c);

2.8 **"Credit Life Insurance"** has the meaning assigned to it in the National Credit Act;

2.9 **"Consumer Credit Insurance"** means credit insurance as defined in the National Credit Act;

2.10 **"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.

2.11 **"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.

2.12 **"Excesses"** means amounts payable or borne by policyholders in the event of claims or losses under a non-life policy;

2.13 **"Exclusion"** means the losses or risk events not covered under a policy;

2.14 **"Existing policy"** means a policy entered into before the date on which the relevant rule takes effect;

2.15 **"FAIS Act"** means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002);

2.16 **"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 matter complained about;

2.17 **"Group scheme"** means a scheme or arrangement which provides for the entering into of one or more policies, in terms of which two or more persons without an insurable interest in each other, for the purposes of the scheme, are the lives insured.

2.18 **"Insurer"** means a long-term insurer, namely Guardrisk Life Limited (FSP No 76) or Short term Insurer, namely Guardrisk Insurance Company Ltd (FSP No 75);

2.19 **"Intermediary"** means an independent intermediary or representative, respectively and includes reference to a Binder Holder;

2.20 ***"Loyalty Benefit"*** means any benefit that Guardrisk undertook to directly or indirectly provide to a Policyholder, which is wholly or partially dependent upon:

a) the Policyholder's policy remaining in place with Guardrisk;
b) the Policyholder increasing a policy benefit in relation to the policy;
c) the Policyholder entering into another policy with Guardrisk or using a related service provided by Guardrisk.

2.21 **"Member of a group scheme"** means a person who participates in a group scheme to insure him/herself; or a person who participates in a group scheme to insure the lives of one or more persons in which the first-mentioned person has an insurable interest, including accident & health policies (non-life) and employee benefit schemes (life);

2.22 **"New Policy"** means a policy entered into on or after the date on which the relevant rule takes effect;

2.23 **"No-claim Bonus"** means any benefit that is directly or indirectly provided or made available to a Policyholder by an Insurer in the event that the policyholder does not claim or does not make a certain Claim under the policy within a specified period of time;

2.24 **"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;

2.25 **"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;

2.26 **"Outsource 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).

2.27 **"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;

2.28 **"Policy"** means a long-term policy or a short-term policy where the Policyholder is a –

a) natural person; or

b) a juristic person, whose asset value or annual turnover is less than the threshold value as determined by the Minister of the Department of Trade and Industry in terms of section 6(1) of the Consumer Protection Act, 2008 (Act No. 68 of 2008), currently R2 000 000;

2.29 **"Policyholder"** has the meaning assigned to it in the Act, and includes any person in respect of whom a fund, under a fund member policy, insurers its liability to provide benefits to such person in terms of its rules;

2.30 **"Potential Policyholder or potential member of a group scheme"** means a person who –

a) has applied to or otherwise approached an Insurer, an Intermediary a fund or a group scheme to become a member of a group scheme;

b) has been solicited by an Insurer, an Intermediary, a fund or a group scheme to become a member of a group scheme; or

c) has received advertising, as defined in rule 10, in relation to any fund group scheme;

2.31 **"Product House"** means an administrative division within Guardrisk that designs and administrates nichè insurance products, including Admed, C&G Engineering, Guardrisk Allied Products & Services (Guardrisk General Insurance) and Marine Underwriting Managers. "Product owner" has a corresponding meaning;

2.32 **"Regulations"** means the Regulations made under the Long-term Insurance Act, 1998, promulgated by GN R.1492 of 27 November 1998 and the Regulations made under the Short-term Insurance Act, 1998, promulgated by GN R.1493 of 27 November 1998 and amended from time to time;

2.33 **"Representative"** has the meaning assigned to it in Part 3A of the Regulations;

2.34 **"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" shall have a corresponding meaning;

2.35 **"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;

2.36 **"Waiting Period"** means a period during which a Policyholder (or any affected Insured) is not entitled to Policy benefits and includes any deferred period to determine permanency of disability;

2.37 **"Reports (or reporting)"** means any periodic or ad-hoc reports (and related documents) obtained from the Claims management system and other sources in the business which shall be used for analysis, monitoring, submissions to regulatory authorities, and the making of recommendations to the business in respect of Claims management.

3 Objectives:

3.1 This framework sets out Guardrisk's philosophy concerning the way claims are handled and settled and provides guidance on quality assurance processes to be conducted thus promoting compliance with standard operating claims processes during the lifecycle of a claim.

3.2 The Claims Management Framework formalises the practices required for effective claims handling for all claimants within the Guardrisk Group ("Guardrisk").

3.3 The objective is to ensure fair treatment 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;
d) does not impose unreasonable barriers to claimants
e) ensures claims are lodged, assessed and finalised in a timely and standardised manner; and
f) address and provide for, at least, the matters provided for in the Policyholder Protection Rules.

3.4 This framework will be reviewed by the Guardrisk Claims Executives at least annually and presented to the Market Conduct Steering Committee.

4 Scope

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

Guardrisk Group (Propriety) Limited

Including the following operating entities;

- Guardrisk Life Limited
- Guardrisk Insurance Company Limited
- Guardrisk Allied Products and Services (Pty) Limited

and associated entities:

- Momentum Ability Limited
- Momentum Structured Insurance Limited
- Momentum Alternative Insurance Limited

4.2 Where an outsourced partner or product house within Guardrisk 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.

4.3 This framework also applies to the following:

4.3.1 All executive directors;

4.3.2 Any senior manager/executive appointed within the Guardrisk Group;

4.3.3 Full time, part time (including any learners) or temporary employees;

4.3.4 Any independent consultants that may be employed or requested to assist by Guardrisk Group from time-to-time and who may be in possession of or have access to confidential information regarding the Guardrisk Group;

4.3.5 Any third party who, by virtue of their profession and engagement with any entity in the Guardrisk Group, have access to confidential information regarding the Guardrisk Group; and

4.3.6 Any legal entity controlled by, benefitting or acting on the instruction of any of the persons listed above.

5. Key Principles and standards for effective claims management

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

5.1 Accessibility: Guardrisk and its stakeholders will endeavour to make claims processes easily accessible to Policyholders through accessible channels, including on key disclosure documents provided to them as well as on its website.

5.2 Client-centricity: Claims handling staff are expected to demonstrate the right attitude toward every client.

5.3 Quality of investigation: Guardrisk and its Binder Holders / product owners must 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.

5.4 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. Where a claim cannot be resolved in a timely manner, there must be valid reasons and the Policyholder must be kept informed of any delays and or revised timelines.

5.5 **Consistent and objective decision-making:** Guardrisk will take reasonable steps to ensure that employees and decision-makers avoid bias when handling claims so that principles of fairness, equity and objectivity are upheld.

5.6 **Responsibility in making decisions:** Guardrisk will take reasonable steps to ensure that any person that is responsible for making decisions or recommendations in respect of claims generally or a specific claim is –

a) adequately trained;
b) experienced in claims handling and appropriately qualified;
c) not subject to a conflict of interest; and
d) adequately empowered to make impartial decisions or recommendations.

5.7 **Interest on late payment:** Where a Binder Holder has delayed a claim payment, or a settlement of a credit life claim, and the delay has been through no fault of any claimant, but a failure in an internal process, causing prejudice to a claimant, or additional interest being charged on an account (loan, credit card etc), then the Binder Holder will be liable to add interest to the benefit amount/sum assured or to write off/waive any interest accrued.

5.8 **Independent review:** Through the Guardrisk Claims Executives, and Senior Claims Management Team, Guardrisk will provide additional opportunities for 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 employees responsible for handling claims.

5.9 **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 in line with MMI's data privacy policy.

5.10 **Accuracy of record-keeping:** Claims must be accurately, efficiently and securely recorded as required by relevant legislation and as set out in paragraph 7.5 below.

5.11 **Communication before, during and after a claim:** Guardrisk and / or outsourced business partners and product houses must provide customers with clear upfront communication concerning how they can claim, how to dispute a repudiation or the quantum of a claim and how to escalate such a claim. This will be evidenced in policy documentation, on a website, in a claim form and in a repudiation letter.

5.12 **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 annual and/or claims audits performed on binder holders by internal product owners and through the analysis of monthly claims reports of Guardrisk product houses.

5.13 Meaningful management information and analysis: Useful management information reports pertaining to claims will be developed and implemented, subject to regulatory requirements and business needs. Claims information will be analysed and scrutinised on an on-going basis to identify trends of poor customer treatment and findings will be contained in monthly management reports presented to operational and executive forums.

6 Allocation of Responsibilities

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

Responsibility	**Structure**	**Interest, Duties and Responsibilities**
Operational Implementation	Life and Non-Life Claims Executives	Approves and oversees the effectiveness of this framework. Is responsible for operational implementation of this framework but delegates administration of this framework to the Claims Technical Support staff to address or monitor operational matters.
	Operational Steering Committees	Assists the Life and Non-Life Claims Executives 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 Executives	The Life and Non-Life Claims Executives are responsible for : • Operational implementation of this framework and processes developed in accordance with this framework; • Ensuring the execution of agreed standards including quality assurance.
	Claims Technical Specialists	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.

7 Guardrisk Minimum Standards for Claims Management Processes

7.1 General

7.1.1 As a cell captive insurer, Guardrisk mainly outsources claim functions to outsourced business partners in terms of a binder agreement(s) after reviewing their systems and operational standards to ensure that they are able to deliver fair outcomes for Policyholders.

7.1.2 Where Guardrisk has agreements with outsourced business partners that have any part to play in the claims handling or resolution or record keeping process, it is a requirement that those agreements state minimum standards necessary for claims management.

7.1.3 Guardrisk has set out our Claims processes and turnaround times in **Annexure A for Life** and **Annexure B for Non-life**, which will enable our outsourced business partners and product owners to refer repudiation requests, claims over their mandate and complex claims to Guardrisk.

7.1.4 A claim received by an independent Intermediary, Binder Holder or any other service provider 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.

7.1.5 The outsourcing of the claims management process or any part thereof to an Intermediary, a Binder Holder or any other person, or any other involvement of an Intermediary, Binder Holder or other person, in the claims management process does not in any way diminish the Guardrisk's responsibility in terms of this framework.

7.2 Customer Journey – Requirements for documented claims process:

7.2.1 Each Guardrisk product house and/ or entity that has entered into a binder agreement with Guardrisk to perform claims functions must ensure that they have a documented claims management process that is transparent, visible and accessible to Policyholders through appropriate channels, including on key disclosure documents provided to them as well as on its website. Such claims management process must ensure that it does not impose any unreasonable barriers or unnecessary administrative burdens on claimants.

7.2.2 The Claims management process provided to Policyholders must at least provide for:

(a) relevant objectives, key principles and the proper allocation of responsibilities for dealing with claims;

(b) 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;

(c) Information required from the Claimant to support a claim and the manner in which it must be submitted;

(d) 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;

(e) documented procedures which clearly define the escalation and decision-making, monitoring and oversight and review processes for claims, including the details of the applicable Guardrisk arbitrator in paragraph 8 below.

7.3 Internal Claims Processes:

7.3.1 The relevant Binder Holder / product house responsible for claims handling must also ensure that they have internal claims processes which provides for at least the following:

(a) For all claims to be recorded no later than the first business day after the date that the initial claim is received - may not delay recording the claim until such time as all requirements relating to the claim have been received.

(b) For appropriate communication with Claimants in line with the principles in 7.4 below

(c) For appropriate claims record keeping, monitoring and analysis of claims, and reporting (regular and ad hoc) to their most senior management on –
   i. identified risks, trends and actions taken in response thereto; and
   ii. the effectiveness and outcomes of their claims processes;
   iii. appropriate, transparent communication with Claimants and their authorised representatives on the claims processes and procedures;

(d) Accurate, efficient and secure recording of all claims received (in line with 7.5 below), irrespective whether the claims are valid or not.

(e) appropriate performance standards and remuneration and reward strategies (if applicable) for claims management in general and specifically for claims assessment to –
   i. prevent conflicts of interest and the incentivisation of behaviour which could threaten the fair treatment of Policyholders or Claimants; and
   ii. ensure objectivity and impartiality;

(f) Processes to ensure that they accept, repudiate or dispute a claim or the quantum of a claim for a benefit under a policy within a reasonable period after receipt of a claim.

(g) Processes to ensure that they, within 10 days of taking any decision referred to in (f) above, notify the Claimant in writing of its decision.

(h) The Repudiation process must also be documented to ensure that the correct templates are used and that mandates in binder agreements are adhered to, especially if the Binder Holder is a Non-Mandated Intermediary who has to refer all Repudiation requests to the Insurer for approval (refer to the Guardrisk referral processes in **Annexure A for Life** and **Annexure B for Non-Life**).

7.4 Customer Communication

7.4.1 The Product House / Binder Holder must ensure that all communications with Claimants are in plain language.

7.4.2 The Product House / Binder Holder must disclose to any Claimant –
   (a) the type of information required from the Claimant (only relevant information may be requested);
   (b) where, how and to whom a claim and related information must be submitted;
   (c) any time limits on submitting claims;
   (d) details of any administrative fee payable in relation to management of the claim; and
   (e) any other relevant responsibilities of the Claimant.

7.4.3 A Claim is deemed to have been received on the Day that the Division / Binder Holder receives notification thereof and they must, within a reasonable time after receipt of a claim (within no more than 48 hours), 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.

7.4.4 Claimants must 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 decision made in response to the claim.

7.4.5 When a final payment or offer of settlement is made to a Claimant, the Product house / Binder Holder must clearly explain to the Claimant what the payment or settlement is for and the basis used for the payment or settlement.

7.4.6 Where the Claimant is a member or a beneficiary of a group scheme, the Division / Binder Holder must, on receipt of the Claim either –

(a) obtain the contact details of the Claimant to enable all communications required by this rule to take place directly with the Claimant; or

(b) obtain consent from the Claimant that communications required by this rule may take place through the Policyholder concerned.

7.4.7 Microinsurance and funeral claims must be assessed within 2 business days after all required documents in respect of a claim have been received. The product house / binder holder must then -

(a) authorise payment of the claim;

(b) repudiate the claim; or

(c) dispute the claim and notify the claimant of the dispute.

7.4.8 If a microinsurance or funeral claim is disputed as referred to in 7.4.7 (c) above, the Product House / Binder Holder must, within 14 business days after expiry of the initial 2 business days–

(a) further investigate the claim;

(b) make a decision whether or not the claim submitted is valid; and

(c) then pay or repudiate the claim.

7.4.9 Where any excess is payable by the Policyholder (Non-Life only), the excess –

(a) must be clearly disclosed to the Policyholder;

(b) must be disclosed to the Claimant;

(c) must be fair and reasonable; and

(d) may not constitute an unreasonable barrier to a Claimant, taking into account the reasonably assumed circumstances and expectations of the average targeted Policyholder and Claimant in respect of the policy concerned.

7.4.10 Where a Claim is Repudiated or disputed, such communication must inform the Claimant of the following:

(a) the reasons for the outcome;

(b) that the Claimant has a period of not less than 90 (ninety) days from receipt of the outcome to make representations to Guardrisk in relation to the outcome;

(c) the details of both the Product House / Binder Holder and Guardrisks's escalation and review process;

(d) that the Claimant may refer the matter to the relevant Ombud and must include such Ombud's contact details and any time limitations applicable; and

(e) that the Claimant may refer the matter to its legal representative, and must include any time limitations and prescription period applicable to the institution of legal action.

7.4.11 Should the Claimant make representations in relation to the outcome of the claim, the Product House /Binder Holder / Guardrisk must, within 45 (forty-five) days of receipt of those representations, communicate the outcome to the Claimant in writing. If the initial decision to repudiate or dispute is confirmed, such communication must inform the Claimant of the following:

(a) the reasons for the outcome;
(b) the facts forming the basis of the outcome;
(c) the details of the internal escalation and review process, details of the Claimant's right to refer to the matter to the relevant Ombud or to a legal representative, including time limitations and prescription period (where applicable).

7.4.12 For claims that are accepted, any payment must be made without undue delay and within a reasonably agreed timeframe. The Product House /Binder Holder / Guardrisk must explain to the Claimant what the payment is for and the basis used to formulate such payment.

7.4.13 All evidence, supporting documents, communication with the Claimant and action taken must be recorded by the Product House / Binder Holder / Guardrisk.

7.5 Claims Data Requirements

7.5.9 The Product House / Binder Holder must ensure that they have systems and processes in place that provide for accurate, efficient and secure recording of all claims received, irrespective of whether the claims are valid or not and be able to extract claims data for reporting and analytical purposes.

7.5.10 The following must be recorded (electronically) in respect of each claim received –

(a) all relevant details of the Claimant and the subject matter of the claim;
(b) copies of all relevant evidence, correspondence and decisions;
(c) full and complete audit trail for every claim; and
(d) progress and status of the claim, including whether such progress is within or outside any set timelines.

7.5.3 The Division / Binder Holder must maintain the following Claims related data on an ongoing basis and for a minimum period of 5 years after the last claim transaction –

(a) number and quantum of claims received;
(b) number and quantum of claims paid;
(c) number and quantum of repudiated claims and reasons for the repudiation;
(d) number of claims escalated by Claimants to the internal claims escalation and review process and their outcome (must also be categorised as required in Rule 18 of the PPR's and in the Guardrisk Complaints Management Framework);
(e) number of claims referred to an Ombud and their outcome, which data must also be included in complaints reports as set out in the Guardrisk Complaints Management Framework; and
(f) total number of claims outstanding.

7.6 Regulator Interaction

Guardrisk is required to report prescribed claims' information to appropriate regulators and each Product House / Binder Holder is required to supply the information in the prescribed format laid down by Guardrisk / the relevant Regulator.

7.7 Prohibited Claims practices

7.7.1 Guardrisk / it's Binder Holders / Product Houses 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 7.7.1(a) above.

7.8 Claims received during periods of grace

If a Claimant submits a valid Claim in respect of an event that occurred during the relevant period of grace, the value of the Claim may be reduced by the sum of the unpaid premium.

7.9 Escalation Process

7.9.1 An appropriate claims escalation and review process must be established by each Product House / Binder Holder;

7.9.2 Where a Product House or Binder Holder is unable to reach a decision on the claim, the internal escalation process must be followed. The process must not be unduly complicated or create an administrative burden on the Claimant;

7.9.3 The escalation and review process must be balanced, whilst taking into consideration the interests of parties concerned including the fair treatment of Claimants;

7.9.4 The Claimant must be provided with the opportunity to escalate a claim not resolved to its satisfaction;

7.9.5 The claim, if escalated, must be referred to an impartial and senior individual within a Binder Holder (or within Guardrisk as described in paragraph 8 below) who is duly skilled.

7.10 Resource Allocation

Each Product House /Binder Holder must ensure that there is a proper resource allocation for claims handling including clearly defined parties for:

7.10.1 Decision-making authority;

7.10.2 Escalated claims;

7.10.3 Claims monitoring;

7.10.4 Claims reporting; and

7.10.5 Regular analysis of claims.

8. *Known Limitations and Planned Developments*

The following limitations have been identified with the corresponding planned developments.

Limitation	Planned Developments	Priority and timeline for completion
The implementation of all areas of this Policy within Guardrisk is part of a roll-out plan. Guardrisk will fully embed these practices both internally and externally over a period of time.	Guardrisk Life will be embarking on development of a fully functional internal claims system to enhance internal claims processing. Guardrisk Claims Technical Teams to perform Claims audits on an ongoing basis to ensure claims quality assurance is in place to identify gaps for closure.	Effective 01/01/2019 and ongoing.

9. *Claims Escalation and Review Process*

9.1 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.

9.2 Claims handling staff, Guardrisk Product Houses, outsourced partners and Claimants can refer complex or unresolved claims to the relevant Guardrisk Arbitrator for consideration.

The details are as follows:

Life Arbitrator
Mr. Russell Krawitz
Executive
Email: KrawitzR@guardrisk.co.za

Non-Life Arbitrator
Miss. Buyisiwe Hlatshwayo
Executive
Email: Buyisiwe.Hlatshwayo@guardrisk.co.za

10. *Policy Review*

10.1 The Policy will undergo a full review on an annual basis.

10.2 The Market Conduct Steerco has the authority to make amendments and seek approval from the Exco. The Committee may delegate responsibility to an employee or external party for drafting the requirements.

10.3 If, during the risk management process, the inadequacy of any element of the Policy is identified, this portion of the policy will be amended outside of the annual review process.

10.4 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.

10.5 Upon identification of a new risk within the scope of this Policy or an ad-hoc event or catalyst prompting the review of the Policy, this would be reported through the reporting mechanisms to the Market Conduct Steerco.

Appendices

Appendix A & B

The latest version of this policy is distributed to the following:

Name	Doc Version	Consulted/Informed	Date of Issue
All Binder Holders	1	Guardrisk	September 2018

A. Repudiation Requests

1. All Life claims and repudiation requests must be submitted to LifeClaims@guardrisk.co.za
2. The claims channel above will be monitored by the claims handling staff daily;
3. Each repudiated claim will be recorded on the Guardrisk repudiation reporting system by the claims handling staff member within **24 hours** after receipt;
4. The following details will be captured in respect of each reportable claim:
   (a) all relevant details of the claim:
      i. Name of deceased
      ii. ID No of deceased
      iii. Date claim reported
      iv. Date claim finalised
      v. Claim type
      vi. Cause of claim
      vii. Date Of Commencement of policy/insurance
      viii. Claim event date
      ix. Category for repudiation
      x. Repudiation reason
      xi. Benefit amount / outstanding balance
      xii. Name of Dr
      xiii. Name of hospital
      xiv. DHA1663 number
      xv. Name of claim sender (referred)
      xvi. Name of binder holder
      xvii. No of binder holder
      xviii. Date claim received to inbox
      xix. Date response issued from inbox
   (b) copies of all relevant, evidence, correspondence & decisions, namely;
      i. Full claims documentation
      ii. A copy of the applicable policy terms and conditions
      iii. Premium payment summary
      iv. Recommendation for decision
      v. A draft copy of the repudiation letter
5. A decision will be made on each claim within **1 working day** after receipt of the claim into LifeClaims@guardrisk.co.za inbox;
6. Where a claim is escalated to the Claims Forum, a decision will be made within **3 working days;**

7. Where a decision is made to escalate the claim to a Reinsurer, this must be done within **2 working days** of such decision being made and full feedback to be provided to the binder holder;
8. 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.
9. Guardrisk will analyse claims reports on a monthly basis. Findings on identified risks, trends and actions taken will be contained in Claims Due Diligence (Gap identification) reports that are presented to Operational Steerco Committees.

B. Representations made following a Repudiation Decision

1. Claim representations must be forwarded to LifeClaims@guardrisk.co.za
2. Representations sent to the LifeClaims@guardrisk.co.z a inbox shall be acknowledged within **24 hours**.
3. The acknowledgement above shall include the name, email address and contact number of the technical specialist and the expected response time to the claim representation. Guardrisk will be reviewing the representation and request claims detail and/or documentation from the binder holder whom will be required to provide such detail to Guardrisk within **3 working days**.
4. The technical specialist will then review the claim documentation and provide a response to the insured and/or policyholder within **5 working days** (45 working days allowed by the regulations) with reasons as to whether the decision is being upheld or overturned and reasons for the decision made.

C. Claims Escalation / Review Process

1. Where Guardrisk does not agree with a recommendation to repudiate and/or settle the claim received from the Binder Holder, the claim may be escalated internally to the Claims Forum (comprising the Life Operational Executive, the Claims Head for 1st Party and the Claims Head for 3rd Party) for review and discussion.
2. A complex / unresolved claim can be escalated directly to Life Operations Executive by a Binder Holder / Claimant to review for a decision. The contact detail is as follows:

   - Mr Russell Krawitz
   - Life Operations Executive
   - Krawitzr@guardrisk.co.za
   - Such escalations will be acknowledge within 24 hours
   - Such escalations will be reviewed and responded to within 48 hours

1. Repudiation Requests

1.1 Repudiation requests submitted to Guardrisk for review and authorisation by NMI's /Binder Holders must be forwarded to claimsrepudiation@guardrisk.co.za.

1.2 Repudiation requests shall be reviewed by Guardrisk and a response will be provided to the binder holder within **7 working days**.

1.3 Once the repudiation is approved, Guardrisk shall forward a final repudiation letter on a Guardrisk Insurance letterhead to the NMI or authorise the NMI to proceed with the repudiation letter on its own letterhead.

1.4 In the event that a repudiation request is rejected by Guardrisk, we will provide adequate reasons to the Binder Holder for the same.

1.5 The repudiations will be presented to a Rejection Forum which meets every Wednesday of every week. For the repudiation to be presented the required documentation must be provided. The following documents are to be provided to Guardrisk Insurance by the binder holder for all repudiation requests, large losses, ex gratia requests, representations and disputed claims:

(a) Summary of claim merits;
(b) Completed claim form;
(c) Assessors/ Investigators/Expert Reports;
(d) Repudiation template with reasons for the repudiation;
(e) Claims history;
(f) Record of advise and/or proposal form;
(g) Sales conversation;
(h) Renewal documents;
(i) Schedule of insurance;
(j) Applicable policy wording, and
(k) Any other document which may be necessary for the review of the claim.

2. Representations made following a repudiation:

2.1 Claim representations must be forwarded to claimsrepudiation@guardrisk.co.za

2.2 Representations sent to the claimsrepudiation@guardrisk.co.za inbox shall be acknowledged with **24 hours**.

2.3 The acknowledgement above shall include the name, email address and contact number of the technical specialist and the expected response time to the claim representation. Guardrisk will be reviewing the representation and request claims detail and/or documentation from the binder holder whom will be required to provide such detail to Guardrisk within 10 working days. Guardrisk Insurance will then review the claim documentation and provide a response to the insured and/or policyholder within 45

working days with reasons as to whether the decision is being upheld or overturned and reasons for the decision made.

3. Notification of large losses and/or claims over mandate and requests for Goodwill Payments

3.1 Notification of claims over the agreed mandate and/or large losses from binder holders are to be forwarded to technicalclaims@guardrisk.co.za.

3.2 Guardrisk Insurance will acknowledge notification within 24 hrs. and request that all the information relating to same be provided within 10 working days.

3.3 Requests for Goodwill payments are to be forwarded to technicalclaims@guardrisk.co.za. Guardrisk will review the claim and the motivation request by the Binderholder within 7 working days and shall provide a response to the binder holder by electronic mail. If Guardrisk is of the view that the request for goodwill payment ought to be declined, Guardrisk shall provide reasons for their views on the matter.

4. SASRIA Claims

4.1 SASRIA claims must be forwarded to Sasriaclaims2@guardrisk.co.za for Guardrisk reporting to SASRIA.

4.2 Guardrisk will acknowledge claim within 24 hrs.

4.3 SASRIA will be notified, after confirmation of coupons and confirmation of premium.

4.4 Guardrisk will review the claim within 5 working days of receiving the request and shall provide a merit assessment of the claim response to the binder holder.

5. Escalations

5.1 Complex /referrals where repudiation is not accepted claims may be referred to the Non-Life Claims Arbitrator for consideration.

The details are as follows:

Miss Buyisiwe Hlatshwayo
Claims Executive
Email: Buyisiwe.Hlatshwayo@guardrisk.co.za

5.2 The arbitrator will acknowledge within 24 hrs. of receipt.

5.3 The arbitrator will request information to assess the matter and allow for 5 days.

5.4 Decision will be communicated 7 days once all information has been received.