

## **Complaints Management Framework**

for

**GUARDRISK GROUP (PROPRIETARY) 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**

Policy Owner: Market Conduct Manager

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## 1. Overview

### 1.1 Document History

Revision Date	Document Version	Summary of Changes	Author/Reviewer
30 July 2014	1	Initial drafting	Amagyei Busumru-Banson Russell Krawitz Fikelephi Bham
21 March 2018	2	Amendments to align with PPR	Yvette van der Walt
09 July 2018	2	Amendments to align with PPR	Natasha Holt

### 1.2 Operational Approvals

This document has obtained the following approvals:

Name	Nature	Document Version	Approval Signature	Date of Approval
Market Conduct Steering Committee	Approval and Recommendation	1	Refer to Minutes	16 May 2018
Executive Committee	Approval and Recommendation	2	Refer to Minutes	31 May 2018

### 1.3 Governance Approvals

This document has obtained the following approvals:

Name	Nature	Document Version	Approval Signature	Date of Approval
Audit & Risk Committee	Approval and Recommendation	2	Refer to Minutes	8 August 2018
Board of Directors	Approval	2	Refer to Minutes	21 August 2018

## 2. Definitions

2.1 **“Advice”** means, subject to subsection (3)(a) the FAIS Act, any recommendation, guidance or proposal of a financial nature furnished, by any means or medium, to any client or group of clients-

- in respect of the purchase of any financial product; or
- in respect of the investment in any financial product; or
- on the conclusion of any other transaction, including a loan or cession, aimed at the incurring of any liability or the acquisition of any right or benefit in respect of any financial product; or
- on the variation of any term or condition applying to a financial product, on the replacement of any such product, or on the termination of any purchase of or investment in any such product, and irrespective of whether or not such advice-
- is furnished in the course of or incidental to financial planning in connection with the affairs of the client;
- or results in any such purchase, investment, transaction, variation, replacement or termination, as the case may be, being effected;
- results in the purchase by the Complainant of any product based on the advice;

2.2 **“Business Day”** means any day except a Saturday, Sunday or public holiday.

2.3 **“Complainant”** means a person who submits a complaint and includes a –

- policyholder or the policyholder’s successor in title;
- beneficiary or the beneficiary’s successor in title;
- person whose life is insured under a policy;
- person that pays a premium in respect of a policy;
- member of a group scheme; or
- potential policyholder or potential member of a group scheme whose dissatisfaction relates to the relevant application, approach, solicitation or advertising or marketing material, who has a direct interest in the agreement, policy or service to which the complaint relates, or a person acting on behalf of a person referred to in (a) to (f);

2.4 **“Complaint”** means an expression of dissatisfaction by a person to an insurer or, to the knowledge of the insurer, to the insurer’s service provider relating to a policy or service provided or offered by that insurer which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a policyholder query, that –

- the insurer or its service provider has contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on the insurer or to which it subscribes;
- the insurer or its service provider’s maladministration or willful or negligent action or failure to act, has caused the person harm, prejudice, distress or substantial inconvenience; or

- the insurer or its service provider has treated the person unfairly;

**2.5 “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 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 –

- goodwill payment;
- payment contractually due to the complainant in terms of a policy; or
- 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 (b) or (c);

**2.6 “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 complainant as an expression of goodwill aimed at resolving a complaint, where the insurer does not accept liability for any financial loss to the complainant as a result of the matter complained about;

**2.7 “Policyholder query”** means a request to the insurer or the insurer’s service provider by or on behalf of a policyholder, for information regarding the insurer’s policies, services or related processes, or to carry out a transaction or action in relation to any such policy or service;

**2.8 “Rejected”** in relation to a complaint means that a complaint has not been upheld and the insurer regards the complaint as finalised after advising the complainant that it does not intend to take any further action to resolve the complaint and includes complaints regarded by the insurer as unjustified or invalid, or where the complainant does not accept or respond to the insurer’s proposals to resolve the complaint;

**2.9 “Reportable complaint”** means any complaint other than a complaint that has been – upheld immediately by the person who initially received the complaint;

- upheld within the insurer’s ordinary processes for handling policyholder queries in relation to the type of policy or service complained about, provided that such process does not take more than five business days from the date the complaint is received; or
- submitted to or brought to the attention of the insurer in such a manner that the insurer does not have a reasonable opportunity to record such details of the complaint as may be prescribed in relation to reportable complaints;

**2.10 “Upheld”** means that a complaint has been finalised in that –

- the complainant has explicitly accepted that the matter is fully resolved; or

- it is reasonable for the insurer to assume that the complainant has so accepted; and all undertakings made by the insurer to resolve the complaint have been met or the complainant has explicitly indicated its satisfaction with any arrangements to ensure such undertakings will be met by the insurer within a time acceptable to the complainant;

**2.11 “Complaints Management”** means the management of the entire lifecycle of a complaint. This starts with the ease of process for the client to lodge complaints and the associated communication. It includes the way complaints are handled, recorded, resolved and quality controlled; the way people involved in complaints management processes are managed and trained; the way decisions are made; the way clients’ trust is restored; the way the reports are compiled and analysed; and ultimately the way business learns from the feedback gleaned from complaints and takes corrective and proactive action accordingly;

**2.12 “Complaints Management Head”** The individual appointed by the Managing Director to serve as head of the complaints management function within Guardrisk. The role of the Complaints Management Head and the terms of their appointment as amended is determined by the Managing Director.

**2.13 “Complaints Reporting System”** The set of electronic applications and related case management software used by Guardrisk for recording, classifying, routing, escalating and resolving individual complaints received by the business. In relation to the Complaints Management function as a whole, the system is used by the business to monitor, analyse and report on the Guardrisk and or cell owners’ performance in relation to Complaints Management.

**2.14 “Complaints handling”** The process of attending to and resolving complaints including ongoing interaction with Complainants. It is expected that this process meets certain minimum standards.

**2.15 “Complaint Handling Staff”** Any person that is responsible for making decisions or recommendations in respect of complaints generally or a specific complaint must –

- be adequately trained;
- have an appropriate mix of experience, knowledge and skills in complaints handling, fair treatment of customers, the subject matter of the complaints concerned and relevant legal and regulatory matters;
- not be subject to a conflict of interest; and
- be adequately empowered to make impartial decisions or recommendations.

**2.16 “Evidence”** means the information Guardrisk has obtained in order to review, adjudicate and resolve a complaint and shall include all information submitted by an entity as well as from the Complainant and shall be stored and recorded on the complaints management system or other repositories for storing and recording information. This shall include, but is not limited to, claims

forms, administration documentation, sales and other recordings, application forms, policy documentation, premium payment history etc.

**2.17 “FAIS complaint”** means a specific complaint, submitted by a Complainant to the FAIS Ombudsman or Guardrisk for purposes of resolution by Guardrisk, relating to a financial service rendered by Guardrisk or its representative to the Complainant on or after the date of commencement of the FAIS Act, and in which complaint it is alleged that Guardrisk or its representative has:

- has contravened or failed to comply with a provision of the FAIS Act and that as a result thereof the Complainant has suffered or is likely to suffer financial prejudice or damage;
- has wilfully or negligently rendered a financial service to the Complainant which has caused prejudice or damage to the Complainant or which is likely to result in such prejudice or damage; or
- has treated the Complainant unfairly;

**2.18 “FAIS Ombud Complainant”** means a client who submits a complaint to the FAIS Ombudsman in relation to the application of a policy and includes advice rendered;

**2.19 “Intermediary service”** means, subject to subsection (3)(b) 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 –

- 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-
- 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;
- collecting or accounting for premiums or other moneys payable by the client to a product supplier in respect of a financial product; or
- receiving, submitting or processing the claims of a client against a product supplier;

**2.20 “non-Complainants”** Customers who have been treated fairly and who did not submit a complaint;

**2.21 “OLTI”** refers to the Ombudsman for Long Term Insurance

**2.22 “OSTI”** refers to the Ombudsman for Short Term Insurance

**2.23 “OLTI”** complaint for the purpose of this policy, a complaint submitted to the Ombudsman for Long Term Insurance (“OLTI”) in relation to any other matter other than the application of a policy relating to advice rendered

- 2.24 “OSTI complaint”** for the purpose of this policy, a complaint submitted to the Ombudsman for Short Term Insurance (“OSTI”) in relation to any other matter other than the application of a policy relating to advice rendered
- 2.25 “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 intermediary (**Outsourced business partner** will have corresponding meaning).
- 2.26 “Reports (or reporting)”** means any periodic or ad-hoc reports (and related documents) obtained from the complaints 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.

### 3. Objectives

3.1 The Complaints Management Framework formalises the practices required for effective management and handling of customer complaints within the Guardrisk Group of Companies (“Guardrisk”). The objective is to ensure effective standards of complaints management in order to:

- ensure fair outcomes for customers;
- protect and enhance Guardrisk’s reputation;
- allow for effective reporting, detailed analysis and identification of trends related to complaints;
- achieve effective and timely resolution of complaints in respect of acceptable turn-around times;
- provide guidelines for acknowledging complaints (and complainant communication) and for recording customer complaints in a centralised manner;
- improve organisational effectiveness through learning from client feedback and root cause analysis;
- ensure effective management of complaints, in line with this framework;
- ensure effective engagement between the insurer and the relevant Ombudsman scheme;
- ensure requirements are met for reporting to the Registrar and / or the public (if required);
- restore and enhance relationships with complainants and non-complainants for the purpose of on-going business retention and growth;
- ensure objectivity by the complaints handling staff in attending to and resolving a complaint;

3.2 This framework provides general principles to guide the way complaints are managed within Guardrisk. Where an outsourced partner or a company or business within Guardrisk has a policy, process or procedures, guide or training manual relating to complaints management, all such documents must comply with, and not contradict, this framework.



3.3 This framework sets out Guardrisk's philosophy concerning the way complaints are handled, resolved and maximized (maximized refers to conducting analysis of complaints for root cause analysis to ensure processes are improved to reduce complaints where necessary).

3.4 This framework will be reviewed by the Market Conduct Team at least annually and presented to the Board of Directors for approval.

## 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 any business units within Guardrisk have agreements with outsourced business partners that have any part to play in the complaints handling or resolution or record keeping process, it is recommended that those agreements may state minimum standards necessary for complaints management.

4.3 Each entity that has entered into a shareholders agreement with Guardrisk must ensure that they and/or their outsourced business partners have a complaint management process that:

- is proportionate to the nature, scale and complexity of their business and risks;
- clearly sets out the responsibilities of any binder holders in relation to the handling and reporting of complaints;
- is appropriate for their business model, policies, services, policyholders, and beneficiaries;
- enables complaints to be considered after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of complainants;
- does not impose unreasonable barriers to complainants; and
- is fully compliant with the Financial Advisory and Intermediary Services Act (FAIS as well as the Policy Holder Protection Rules (PPR's) (as amended).

#### 4.4 Legislative framework

This framework upholds the provisions of the FAIS Act as well as the PPR's as amended.

### 5. Key Principles and standards for effective Complaints Management

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

- 5.1 Accessibility: Guardrisk makes complaints reporting visible to customers on all key documents provided to them as well as on its website.
- 5.2 Client-centricity: Complaint handling staff are expected to demonstrate the right attitude toward every client.
- 5.3 Quality of investigation: Guardrisk will take reasonable steps to gather and investigate all relevant information and circumstances when handling complaints.
- 5.4 Timely resolution: Guardrisk's quality standards recognise that all complaints must be resolved in a timely manner and in line with timelines set out in this framework.
- 5.5 Consistent and objective decision-making: Guardrisk will ensure that employees and decision-makers avoid bias when handling complaints so that principles of fairness and objectivity are upheld.
- 5.6 Independent review: Through the Guardrisk Arbitrators, Guardrisk will provide additional opportunities for independent review of complaints 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 complaints.
- 5.7 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.
- 5.8 Accuracy of record-keeping: Complaints must be accurately, efficiently and securely recorded.
- 5.9 Communication before, during and after complaint: Guardrisk will provide customers with clear upfront communication concerning how they can complain and how their complaint will be handled.
- 5.10 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.
- 5.11 Meaningful Management Information and Analysis: Useful management information reports pertaining to complaints will be developed and implemented, subject to regulatory requirements and business needs.

## 6. 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 executive committees, management committees, other forums, managers and any other persons.
	Risk and Audit Committee	<p>The Risk and Audit Committee must approve changes to this framework and monitor adherence to this framework. The Risk and Audit Committee is responsible for:</p> <ul style="list-style-type: none"> <li>Ensuring that all committees, forums and individuals who have responsibility under the policy fulfill their responsibilities in a timely and diligent manner.</li> <li>Governance of the applicable assurance provider's assessment of compliance with a framework.</li> <li>Assigning and monitoring remediation of any non-compliance or other findings by the assurance provider.</li> </ul>
Operational Implementation	Guardrisk Executive Committee	Approves and oversees the effectiveness of this framework.
	Market Conduct Steering Committee	<p>Assists the Executive committee by:</p> <ul style="list-style-type: none"> <li>Implementing the requirements of this framework</li> <li>Providing on-going guidance to the business on matters relating to this framework</li> <li>Monitoring on-going operating effectiveness of the framework and</li> <li>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</li> </ul>

	Market Conduct Manager	The Market Conduct Manager is responsible for : <ul style="list-style-type: none"> <li>Operational implementation of this framework and processes developed in accordance with this framework;</li> <li>Ensuring the execution of agreed standards including quality assurance.</li> </ul>
	Complaint Handlers	Implement, communicate & ensure that all complaints 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: <ul style="list-style-type: none"> <li>Reviewing adherence to the requirements outlined by this framework.</li> <li>Ensuring that this framework remains in line with legislation.</li> </ul>
Informed	Executive Committee Risk and Audit Committee Combined Assurance Forum	Are kept informed of complaints received and whether or not there was compliance with this framework in the resolution thereof.

## 7. Complaint Management Process and categorisation of complaints

- 7.1 All complaints must be centralised to [complaints@guardrisk.co.za](mailto:complaints@guardrisk.co.za) or to 0860 333 361.
- 7.2 All communications with complainants must be in plain language.
- 7.3 Guardrisk will ensure that regular monitoring is done on compliance with as well as the effectiveness of this framework generally.

## 8. Process for Complaints relating to a Guardrisk error, employee or service

- 8.1 The complaint channels above will be monitored by the complaint handling staff daily.
- 8.2 Each complaint received by internal departments must be logged on the complaints reporting system within **24 hours** after receipt;
- 8.3 Each complaint will be recorded on the complaints reporting system received in relation to third party providers by the complaints handling staff member within **48 hours** after receipt;
- 8.4 The following details will be captured in respect of each reportable complaint:
- all relevant details of the complainant and the subject matter of the complaint;
  - copies of all relevant, evidence, correspondence & decisions;
  - the complaint categorisation as set out below:
    - complaints relating to the design of a policy or related service, including the premiums or other fees or charges related to that policy or service;
    - complaints relating to information provided to policyholders;
    - complaints relating to advice;

- complaints relating to policy performance;
  - complaints relating to service to policyholders, including complaints relating to premium collection or lapsing of policies;
  - complaints relating to policy accessibility, changes or switches;
  - complaints relating to complaints handling;
  - complaints relating to insurance risk claims, including non-payment of claims; and
  - other complaint categories relevant to our business model, policies, services and policyholder base.
  - progress and status of the complaint, including whether such progress is within or outside any timelines set out in this framework.
- 8.5 An acknowledgement of receipt will be sent to the complainant on the day that the complaint is recorded and the acknowledgement will contain the following information:
- contact details of the person or department that will be handling the complaint;
  - indicative timelines for addressing the complaint;
  - details of the internal complaints escalation and review process if the complainant is not satisfied with the outcome of a complaint; and
  - details of escalation of complaints to the office of a relevant ombud where applicable.
- 8.6 A decision will be made on each complaint as soon as is reasonably possible but within a period not exceeding a maximum of **15 working days** after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of complainants.
- 8.7 Each complainant must be kept adequately informed of:
- The progress of their complaint;
  - Causes of any delay in the finalisation of a complaint and revised timelines.
- 8.8 Guardrisk will ensure that customers who are financially prejudiced as a result of our contravention, non-compliance, action, failure to act, or unfair treatment are fairly compensated.
- 8.9 A written response will be sent to a complainant or their authorised representative once the complaint is finalised:
- 8.10 Where a complaint is upheld, any commitment to make a compensation payment, goodwill payment or to take any other action will be carried out without undue delay and within any agreed timeframes.
- 8.11 Where a complaint is rejected, the complainant will be provided with clear and adequate reasons for the decision and be informed of the escalation or review process, including how to use it and any relevant time limits.
- Guardrisk shall make available in our offices and on our website:
  - Details of information required from complainants;
  - Where, how and to whom the complaints and related information must be submitted;
  - Expected turnaround times in relation to complaints; and
  - Any other relevant responsibilities of complainants.

- Guardrisk will analyse complaints reports extracted from the complaint reporting system on a monthly basis. Findings on identified risks, trends and actions taken will be contained in market conduct reports that are presented to executive forums and the Board.

## **9. Process for complaints relating to a Guardrisk product or related service offered in terms of an outsourced agreement**

- 9.1 Guardrisk will ensure that each outsource agreement clearly state what our minimum requirements are for complaint handling and reporting;
- 9.2 Guardrisk will ensure that each service provider or outsourced business partner has adequate complaints management processes in place to ensure the accurate recording of all reportable complaints and the fair treatment of complainants;
- 9.3 Guardrisk will ensure that each outsource agreement includes an obligation on the outsourced business partner to submit complaints data to Guardrisk as prescribed and in the format required by Guardrisk that would allow Guardrisk to analyse and aggregate complaints data;
- 9.4 Complaints received by Guardrisk will be referred to the outsourced business partners for resolution within 48 business hours after receipt;
- 9.5 Guardrisk will aggregate and analyse complaints reports received from outsourced business partners on a monthly basis. Findings on identified risks, trends and actions taken will be contained in market conduct reports that are presented to executive forums and the Board.

## **10. Social media complaints**

- 10.1 Social media complaints are monitored by the Guardrisk Market Conduct Team and PR Consultant.
- 10.2 Social media complaints received will be centralised to the complaint channels in 8.1 above.
- 10.3 The relevant complaint handling staff member will log the complaint on the complaint management system immediately and liaise with the relevant outsourced business partner / department to formulate a response that will be posted to the relevant social media platform within 24 hours.
- 10.4 The complaint will then be investigated and handled in accordance with the policy as set out above.

## 11. Complaint Escalation and Review Process

Complaint handling staff, outsourced partners and complainants may refer complex or unresolved complaints to the relevant Guardrisk Arbitrator for consideration.

The details are as follows:

### Life Arbitrator

Mr. Russell Krawitz

Email: [KrawitzR@guardrisk.co.za](mailto:KrawitzR@guardrisk.co.za)

### Non-Life Arbitrator

Ms. Buyisiwe Hlatshwayo

E-mail: [Buyisiwe.Hlatshwayo@guardrisk.co.za](mailto:Buyisiwe.Hlatshwayo@guardrisk.co.za)

- The Arbitrator will acknowledge receipt of the complaint escalation within **48 hours** and inform the referrer of:
- Details of information required from referrer;
- Where, how and to whom the complaints and related information must be submitted;
- Expected turnaround times to finalise the complaint escalation or review;
- Any other relevant responsibilities of the referrer.
- The Arbitrator will inform the referrer of the outcome of the referral within **15 working days** after receipt.
- The Arbitrator responsible will ensure that decisions are impartial and will have due regard to the fair treatment of customers at all times.

## 12. Engagement with Ombud Schemes

### General:

- Guardrisk clearly and transparently communicates the availability and contact details of the relevant Ombudsman schemes to customers on all applicable disclosure documentation.
- Where appropriate, we also display information regarding the availability and contact details of the relevant Ombudsman services on our websites.
- Although Guardrisk cannot control when a client will escalate a complaint to the respective Ombudsman, Guardrisk will always:
- Maintain open and honest communication and co-operation between ourselves and any Ombud with whom we deal; and
- Endeavour to resolve a complaint before a final determination or ruling is made by an Ombud, without impeding or unduly delaying a complainant's access to an Ombud.
- Guardrisk will maintain specific records and carry out specific analysis of complaints referred to the Ombudsman and their outcomes.
- Guardrisk monitors determinations (whether involving our business or others), publications and guidance issued by the relevant Ombudsman with a view to identifying failings of risks in Guardrisk's products, services or practices and to be aware of such rulings or determinations in

relation to claims process and interpretation of Policy provisions across the board.

### **13. Complaints referred to the office of the Ombudsman for Financial Services in accordance with the FAIS Act**

#### **13.1. Introduction**

Guardrisk Insurance Company Limited and Guardrisk Life Limited (hereinafter referred to as “Guardrisk”), are authorised Financial Services Providers (hereinafter referred to as “FSPs”) in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 (“the FAIS Act”).

As an FSP we are obliged to maintain an Internal Complaints resolution process which includes the maintenance of a comprehensive complaints framework outlining our commitment to and procedures for internal resolution of complaints which are required to be handled in accordance with the FAIS Act.

#### **13.2. Communication and Escalation Process pertaining to “FAIS” related complaints**

Internal Communication

The table in section 7 above outlines the roles and responsibilities of the stakeholders responsible for governance of this framework.

- Each governance structure specified above will receive routine feedback and communication related to the functioning of this framework on a periodic basis.
- Ad-hoc or non-routine communication may be performed from time to time.

External Communication:

- Reporting to the Financial Services Conduct Authority (“FSCA”) must be done on an annual basis in respect of all FAIS complaints received for the reporting period, or as requested by the FSCA.
- From time to time, there may be a need to request information from external FSPs with respect to FAIS complaints received, in order to obtain information that will ensure a proper resolution of any such complaints.

#### **13.3. Elements of a Complaint: Pertaining to “FAIS” related complaints**

In terms of the FAIS Act, a complaint must relate to a financial service rendered by Guardrisk to the complainant, in which it is alleged that Guardrisk:

- has contravened or failed to comply with the FAIS Act and that as a result thereof the complainant has suffered or is likely to suffer financial prejudice or damage;
- has willfully or negligently rendered a financial service to the complainant which has caused prejudice or damage to the complainant or which is likely to result in such prejudice or damage; or



- has treated the complainant unfairly.

The elements of a complaint are –

- It must be in respect of advice or intermediary services provided at any time after the 1st of October 2004; and
- The complainant must have suffered, or is likely to suffer, a financial loss as a result of failure on the part of Guardrisk to comply with the FAIS Act; or
- The complainant must have suffered, or is likely to suffer, financial loss as a result of Guardrisk having willfully or negligently rendered advice or intermediary service to the complainant, which has caused prejudice or damage to the complainant, or which is likely to result in such prejudice or damage; or
- Guardrisk treated the complainant unfairly.

#### 13.4. Guardrisk' s FAIS Complaints Resolution Principles

The following are Guardrisk principles which must be followed by all employees involved in the management and resolution of FAIS complaints for Guardrisk:

- This framework will at all times be available to complainants upon request, and/or may be accessed at any time through the Guardrisk website.
- The availability of this framework will be made known in relevant business documents and/or communications to complainants.
- FAIS complaints must be submitted in writing and must contain all relevant information, and copies of all relevant documentation must be attached thereto.
- All FAIS complaints will be logged on the complaint management system by the complaint handling staff member within **24 hours** after receipt;
- The complaint handling staff member will also send a written acknowledgement of receipt to the complainant within **24 hours**.
- The complaint handling staff member will assess the merits of the complaint to make a determination, either wholly or partially in favour of the complainant or the company.
- Guardrisk shall have **6 weeks** in which to respond to a complaint received from the FAIS Ombudsman.
- All attempts to resolve the complaint will be undertaken and the final decision will be communicated to the complainant in writing once a final decision is made.
- Such outcome must also be communicated to the FAIS Ombudsman.
- As stipulated in the FAIS act, where a complaint cannot be resolved within six (6) weeks of receipt, Guardrisk will send a written correspondence to the complainant informing the complainant that the complainant may refer the complaint to the Office of The Ombudsman for Financial Services Providers within **six (6) months** of the date of the final correspondence from Guardrisk.

- In the event of a dismissal of a complaint by Guardrisk, the complainant, if unsatisfied with the dismissal, may pursue further proceedings before the Office of The Ombudsman for Financial Services Providers in respect of such complaint.
- Where a complainant remains unreasonable, and /or rejects any offer made, this too must be communicated to the FAIS Ombudsman. Any offer made that is accepted by the complainant must also be communicated to the FAIS Ombudsman by the complaints handling staff member.
- There will be adequate training of all relevant staff, including imparting and ensuring full knowledge of the provisions of the FAIS Act, the Rules of the Office of The Ombudsman for Financial Services Providers and the FAIS Act General Code of Conduct, with regard to the management and resolution of FAIS complaints;

Internal analysis will be done on trends to avoid re-occurrence of similar FAIS complaints, and/or to improve services and complaints systems and procedures where necessary.

## **14. Complaints referred to the Ombudsman for Short Term Insurance (OSTI) and the Ombudsman for Long Term Insurance (OLTI)**

### **14.1 Introduction**

In terms of this Policy, Ombudsman complaints (i.e. complaints referred to the Ombudsman for Short Term Insurance (“OSTI”) and the Ombudsman for Long Term Insurance (“OLTI”) shall be overseen by designated officials within the Guardrisk Group.

The terms of Reference of the OLTI and the OSTI prescribe the procedures that insurers must follow when handling matters referred to the Ombudsman.

**14.2 Resolution Procedures for complaints referred to the Ombudsman (Long Term Insurance and Short Term Insurance) shall be handled in accordance with the process outlined below:**

- The designated officials shall ensure that the complaint is handled in accordance with Policyholder Protection Rules (“PPR”) and the guidelines and definitions stipulated in the Terms of Reference for the OLTI and OSTI respectively.
- Specifically, turnaround times for resolving complaints and the quality standards applied to such Ombudsman complaints must adhere to the stipulations and requirements prescribed by the OLTI or OSTI as applicable.
- When handling Ombudsman complaints, the responsible officials will request comprehensive information and related documentation from the relevant Guardrisk division or employee or the binder holder or intermediary or administrator in order to ensure that all relevant facts are properly considered in the resolution of the complaint.

- The designated officials within Guardrisk may elect to refer matters back to external administrators, cell owners or divisional heads for further consideration in order to ensure that each matter is carefully considered before a response is submitted to the respective Ombudsman.
- In accordance with this policy, where Guardrisk is involved in handling a complaint that has been referred to the Ombudsman for Long Term Insurance, the following procedures shall apply:
- In terms of the OLTl, where the complaint is classified as a STANDARD CASE:
  - Guardrisk shall respond to the Ombudsman directly providing all supporting documentation and/or in
  - Formation (including but not limited to, policy documentation, recorded calls, claims documentation, the repudiation letter) in a detailed and professional manner detailing how a decision was made.
- Where the complaint is classified as a TRANSFER CASE, Guardrisk will have an opportunity of dealing directly with the Complainant in order to resolve the matter before referring the matter back to the OLTl for mediation. The following must be considered:
  - It is in the best interests of Guardrisk to attempt to resolve any TRANSFER CASE without mediation from the OLTl as this will mean a cost reduction in the matter in the annual account.
  - The OLTl is not concerned of the final outcome of such matters, but merely that the matter has been given due diligence and objectivity in reaching an outcome.
- In instances where the complaint is resolved, Guardrisk must submit a copy of its response to the Complainant together with the complainant's acceptance of the resolution if finalised in favour of the Complainant.
- Where the complainant accepts the decision even when the ruling is in favour of the entity, this too must be submitted back to the OLTl.
- Where the complainant remains dissatisfied with the outcome of the claim after the review has taken place by Guardrisk, then Guardrisk is to submit all evidence back to the OLTl for mediation. Guardrisk will have **21 working days** in either case to respond to the OLTl.
- The OSTI submits complaints directly to Guardrisk or its respective cell. Responses are to be directed to the office of the OSTI unless directed by the office of the OSTI to respond directly to the complainant. In each instance, full details of the decision together with all supporting documentation must be submitted back to the OSTI within **2 weeks** from the submission date. The OSTI prefers that where possible the respective insurer or entity resolves the matter without mediation.
- Guardrisk will abide by the determinations (and related appeal processes) made by either the OSTI or OLTl as a subscribing member.
- If either the OLTl or OSTI rule against Guardrisk, Guardrisk has the right to appeal the decision.

**15. Known Limitations and Planned Developments**

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

Limitation	Planned Developments	Priority and timeline for completion