

COMPLAINTS MANAGEMENT FRAMEWORK

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| Type of document: | Complaints Management Framework |
| Executive summary: | Ensuring that the framework is aligned to the relevant regulations in the Policyholder Protection Rules, Financial Advisory and Intermediaries Services Act 37 of 2002, Long-term Insurance Act (Act 52 of 1998), Short-term Insurance Act (Act 53 of 1998) and Treating Customers Fairly Principles. The scope of framework is applicable to Legal Guardians (Pty) Limited. |
| Area of Governance: | Market Conduct |
| Approving authority: | The Board of Legal Guardians (Pty) Limited |
| Responsible Person: | Market Conduct Officer |
| Date of First Approval: | 20 May 2021 |
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| Date of next review: | February 2025 |
| Version: | V(III) Three |
| Draft resolution | The Board is required to approve the framework in line with regulations with specific reference to Policyholder Protection Rules (PPR), Financial Advisory and Intermediaries Services Act 37 of 2002, Long-term Insurance Act (Act 52 of 1998), Short-term Insurance Act (Act 53 of 1998) and Treating Customers Fairly (TCF) Principles embedded in PPR. |



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1. INTRODUCTION, OBJECTIVES SCOPE

This Policy serves to provide guidance on the handling and recording of all Complaints with a view to continuously improve our service to clients, potential clients and all other stakeholders.

The procedures outlined herein must be followed by all employees to ensure that every complaint is dealt with correctly, as Legal Guardians (Pty) Ltd (LG) is committed to the effective resolution of all complaints received.

This Complaints Management Framework aspires to formalise the practices required for the effective handling of policyholder and consumer complaints.

Where any agreement with an outsourced business partner allows that they may handle any complaints or complaint resolution or record keeping processes, it is recommended that those agreements incorporate at least the minimum standards necessary for complaints management as defined by the Policyholder Protection Rules (as amended). This may include that its complaint management process:

- is proportionate to the nature, scale and complexity of their business and risks;
- clearly sets out their responsibilities 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).

This framework has been designed to:

- 1.1. Maintain a comprehensive complaint handling policy, outlining our commitment to the timely resolution of complaints;
- 1.2. Ensure the continued provision of the highest standards of professionalism and client service;
- 1.3. Ensure the effective, fair and prompt resolution of all complaints;
- 1.4. Properly administer and control all complaints which may arise;
- 1.5. Ensure compliance with the Short-Term Insurance Act, Long-Term Insurance Act, SAIA Code of Conduct, the Policyholder Protection Rules (PPR) (as amended), and any other applicable legislation;
- 1.6. Protect and develop the reputation of the LG by learning from the root cause analysis performed on complaints;
- 1.7. Acknowledge and record complaints in a centralised manner;
- 1.8. Ensure active engagement with the various Ombudsman Schemes, Regulatory bodies, social media platforms and complainants;
- 1.9. Ensure objectivity of the Market Conduct department staff in attending to and resolving complaints.

2. DEFINITIONS

- 2.1 "complainant" means a person who submits a complaint and includes a —
- (a) policyholder or the policyholder's successor in title;
 - (b) beneficiary or the beneficiary's successor in title;
 - (c) person whose life is insured under a policy;
 - (d) person that pays a premium in respect of a policy; member of a group scheme; or
 - (e) 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 paragraphs (a) to (e);
- 2.2 "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 —
- (a) 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;
 - (b) the insurer or its service provider's maladministration or wilful or negligent action or failure to act, has caused the person harm, prejudice, distress or substantial inconvenience; or
 - (c) the insurer or its service provider has treated the person unfairly;
- 2.3 "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, noncompliance, 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 a policy; or
 - (c) refund of an amount paid by or on behalf of the complainant to the insurer where such payment was not contractually due;
 - (d) and includes any interest on late payment of any amount referred to in paragraphs (b) or (c);
- 2.4 "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;
- 2.5 "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;
- 2.6 "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;
- 2.7 "reportable complaint" means any complaint other than a complaint that has been —
- (a) upheld immediately by the person who initially received the complaint;
 - (b) 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;
 - (c) 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;
- 2.8 "upheld" means that a complaint has been finalised wholly or partially in favour of the complainant and that —
- (a) the complainant has explicitly accepted that the matter is fully resolved; or
 - (b) it is reasonable for the insurer to assume that the complainant has so accepted; and
 - (c) 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.

3. KEY PRINCIPLES

The following key principles apply to Legal Guardians (Pty) Ltd Complaints Management Process:



- 3.1 That we are accessible to our customers by ensuring our complaint reporting information is available on all disclosure documents and client-facing mediums (website, digital platforms, etc).
- 3.2 That we ensure timely resolution of all complaints submitted, in line with this framework.
- 3.3 That we ensure fairness and impartiality in all complaint handling to ensure the principles Treating Customers Fairly are upheld.
- 3.4 We will provide complainants the opportunity to escalate complaints for further review, should they feel the Market Conduct team's impartiality had been impaired in the handling of his/her complaint.
- 3.5 We will maintain accurate record keeping of all complaints received in an efficient and secure manner.
- 3.6 We will maintain open communication channels before, during and after a complaint has been received.

4. ALLOCATION OF RESPONSIBILITIES

The allocation of the responsibilities for ensuring the effectiveness of this framework are noted below:

4.1 Supervisory

a) The Board of Directors

Responsible for the effective resolution of complaints and must approve and oversee the effective implementation of this framework.

b) The Risk & Audit Committee

The Risk and Audit Committee must approve changes to this framework and monitor adherence to this framework.

4.2 Oversight & Monitoring

a) The Executive Committee

Approves and oversees the effectiveness of this framework.

b) The Market Conduct Department

- Implements the requirements of this framework

- Guides business on matters relating to this framework

- Disseminates management reports to Executive Committee, Management Committee, business partners and Regulatory bodies in the form of trend and root cause analysis of complaints received for the various reporting periods.

- Monitoring the effectiveness of this framework by conducting on-site reviews, as the business needs arise.

c) The Market Conduct Officer

- Responsible for the operational implementation of this framework and processes



developed in accordance with this framework

Monitors and reports on these agreed standards

d) Service Consultants: Market Conduct

Ensure that all complaints are attended to in accordance with this framework.

e) Monitoring Officer

Responsible for reviewing and monitoring by means of on-site audits, the adherence to the requirements outline in this framework.

4.3 Updated and Notified

a) The Executive Committee

To ensure that the outcomes from this framework are implemented by the various businesses.

5. COMPLAINTS MANAGEMENT PROCESS

Our Complaint Management Process includes the following:

- 5.1 All complaints should be reduced to writing by the person receiving the complaint. All communication with complainants must be in plain language.
- 5.2 All complaints must be logged in the appropriate Complaints Register. This register must include:
 - Date received
 - Date of incident
 - Complainant's details
 - Policy and claim number
 - Brief description of the complaint
 - Responsible department
 - Activity update
 - Complaint open/closed
 - Complaint category as defined by 18.5 of the Policyholder protection Rules (as amended).
- 5.3 If a client complains by telephone, invite the client to submit, in writing, a formal complaint, which should then be emailed to info@legalguardians.co.za or info@genric.co.za. Alternatively, the complainant's details and a brief description of the complaint should be sent to the Market Conduct Department to attend to at info@legalguardians.co.za or info@genric.co.za as well.
- 5.4 Within 24 hours of receiving a complaint, the complainant must be provided with a written acknowledgement of receipt from the Service Consultant: Market Conduct who will be responsible for handling the complaint. The letter template includes; amongst other things;



contact details of the person or department that will be handling the complaint; relevant timelines for addressing the complaint; details of the internal complaint 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.

- 5.5 Each complaint will be recorded in the complaints register the Service Consultant: Market Conduct within 48 hours after receipt. The following are the complaint categories which are relevant to the business model of Legal Guardians (Pty) Ltd:
- Advice;
 - Claims Disbursement;
 - Complaints Handling;
 - Information provided: Advertisement;
 - Information Provided: Marketing;
 - Other Complaints;
 - Product/Service Design: Charge &
 - Loyalty;Product/Service Design: Cost;
 - Product Accessibility, Changes or Switches;
 - Product performance against expectations and
 - Service Received
 - Product / Service Design: Premium Collection or lapsing of policies
- 5.6 Within a period not exceeding 21 working days and as soon as reasonably possible of initial receipt of the complaint, a decision must be made by the Market Conduct department on the outcome of the complaint.
- 5.7 In the event a complaint is upheld, commitment to make or any other action must be carried out without undue delay.
- 5.8 In the event a complaint is rejected, the complainant will be provided with clear and adequate reasons for the decision and be informed of the escalation process.
- 5.9 All documentation relating to a complaint must retained for a minimum period of 5 years.
- 5.10 If a complaint is not settled within 6 weeks of receipt, the complainant must be informed of his/her right to take up the matter with the respective Ombudsman.

The following contact details are to be provided:

Short Term Insurance Ombudsman

Telephone number: 011 726-8900
Facsimile number: 011 726-5501 Sharecall mber: 0860 726 890
E-mail address: info@osti.co.za
Postal address: P O Box 32334 Braamfontein, 2017

6. COMPLAINTS ESCALATION AND REVIEW PROCESS

Any complex or unresolved complaints may be escalated to the Market Conduct Officer for review and consideration.

If the Market Conduct Officer is unable to resolve the matter within the timeframe described in 5.6 above, the matter should be escalated to the Managing Director:

Mr JP van Emmenis

jp@legalguardians.co.za

7. RECORD KEEPING, MONITORING AND ANALYSIS OF COMPLAINTS

We must ensure that we maintain accurate, efficient and secure recording of complaints-related information. The following standards apply to the record keeping, monitoring and analysis of complaints requirements of LG as well as all business partners:

The following information must be recorded in respect of each reportable complaint:

- (a) all relevant details of the complainant and the subject matter of the complaint;
- (b) copies of all relevant evidence, correspondence and decisions;
- (c) the complaint categorisation as set out in rule 18.5; and
- (d) progress and status of the complaint, including whether such progress is within or outside any set timelines.

Further to this, the data in relation to these reportable complaints need to be categorised on an ongoing basis as follows:

- i. number of complaints received;
- ii. number of complaints upheld;
- iii. number of rejected complaints and reasons for the rejection;
- iv. number of complaints escalated by complainants to the internal complaints escalation process;
- v. number of complaints referred to an ombud and their outcome;
- vi. number and amounts of compensation payments made;
- vii. number and amounts of goodwill payments made; and
- viii. (h) total number of complaints outstanding.

The information gathered must be analysed by the Market Conduct department on an ongoing basis and utilised to manage conduct risks identified and disseminate to business in order to effect improved outcomes and processes for its policyholders, to ultimately prevent repetition of poor outcomes and errors.