



**TREATING CUSTOMERS
FAIRLY**

TCF

WHAT IS TREATING CUSTOMERS FAIRLY (TCF)?

Treating Customers Fairly (TCF) is a regulatory initiative which requires companies to consider how they treat clients through all the stages of the product's life cycle – from product development, marketing, advice, point-of-sale to after-sale service.

By encouraging companies to re-evaluate their company culture and to ingrain the attitude of TCF a more sustainable industry is envisaged.

Toptrans underwriting managers wish to build long-lasting, mutually beneficial relationships with our clients

- We try to make it as easy as possible for clients to deal with us
- We endeavour to give clients a consistent experience every time they contact us, regardless of how they choose to contact us
- We believe in treating our clients fairly and in delivering on the **six outcomes** identified by the Financial Sector Conduct Authority (FSCA)

OUTCOME 1:

Customers are confident that they are dealing with firms where the fair treatment of customers is central to the firm's culture

Toptrans Underwriting Managers (Pty) Ltd is committed to Treating Customers Fairly. Our ethics and general business practice is to maintain a high ethical standard and a belief in mutual respect and we consider Treating Customers Fairly as a foundation for Client loyalty and sustainable business practice.

Strategy:

In all our business planning and development, the Client is at the centre of our considerations. We believe in building long term relationships with both our intermediaries and our clients.

Decisions:

It is expected that all activity is mindful of Treating Customers Fairly.

During the course of any day many decisions are made and all activities are performed keeping in mind that we are expected to treat the clients fairly. The following is how we achieve a fair outcome for Clients:

Risk assessment, selection and rating;

With regards to our rating, we have developed a rating structure based on predetermined and consistent risk profile inputs.

Variations to the ratings are determined based on claims, intermediary inputs, and risk management practices as this is a unique insurance product.

Review and ad hoc discussions relating to underwriting standards and risk exposures are constantly taken into account.

Claims management, acceptance and rejection;

Toptrans Underwriting Managers (Pty) Ltd has adopted an approach that requires support of any Policyholder and working with the intermediary to ensure policy fulfillment and by implementing this we also protect the reputation of the customer.

In our policy wording the defining of excesses payable are stipulated in respect of a certain event.

Prompt acknowledgement and response with clear explanations as well as the procedure forward is communicated as soon as a claim is received.

Toptrans Underwriting Managers (Pty) Ltd uses investigative expertise to assess claims and this is communicated to the intermediaries and the clients. When a claim is repudiated, the services of external independent legal experts are used and this is a good example that the client is treated fairly.

Claim rejections are strictly supported by legal input, director level decision making and a full explanation is provided to the Client.

Administration and Finance.

Proven systems are in place and these support accurate information. This includes policy and claims records.

We respond to Customer queries in a timely manner.

Controls:

We recognise that we need to monitor and ensure that the Client is being treated fairly and this is achieved by;

- Maintaining and having Client information readily available. This information is updated at least once a year or changed in a reasonable time, once the changed information is received from the client via the intermediary.
- Our systems are restricted to unauthorised personnel and only the director and general manager have the capacity to intervene and monitor this information at any time.
- Management meetings occur weekly and are intended to co-ordinate effort, compile feedback and review any concerns relating to or opportunities to improve Treating Customers Fairly. These meetings are managed by the director.
- Monitoring of renewal policies with the previous year's pricing information ensures consistency with the renewal premium. Referral to management is required where inconsistencies are identified.
- Claim values and claim reports are reviewed monthly. On a constant basis, claims are reviewed to ensure consistency of approach and fairness.

Performance:

We have employed positive capable and skilled personnel with a positive behavior towards understanding the need and/ or insurance of the client. This is a key ingredient to delivering fair outcomes and a sustainable business proposition.

We achieve this through individual performance review, weekly discussions and review of our values as to how to treat customers fairly. For example, if a client requests a quote through different intermediaries, all quotes for all intermediaries will be issued with the same tariff and the same cover. This is what it means to us to Treat Customers Fairly.

Awareness and impact of applicable legislation, in particular: FAIS (fit and proper), TCF (fairness), FICA (money laundering), Short Term Insurance Act (governance) and POPI (information security). This is achieved through the promotion of reading and general discussion.

Individual review of understanding of fair practice and in the event of either positive or negative external feedback, reinforcement of good behavior or reorientation, through learning, in the event of unacceptable behavior. This is generally shared where possible.

Reward:

Toptrans Underwriting Managers (Pty) Ltd is an underwriting manager contracted by Guardrisk Insurance Company Limited (FSP 75).

Toptrans Underwriting Managers (Pty) Ltd is precluded from providing advice to the Policyholder.

To support this position, to avoid conflict of interest and as evidence of fairness;

- a) Toptrans Underwriting Managers (Pty) Ltd has a written Conflict of Interest policy.
- b) Toptrans Underwriting Managers (Pty) Ltd remuneration and profits are directly related to the underwriting profit of the "book of business". This business is gained exclusively through the Intermediary market channel.
- c) Toptrans Underwriting Managers (Pty) Ltd does not receive any commission related to the selling of or advice to the policyholder. To do otherwise would create a behavior of bias to our product and would be a conflict and not in the interests of the policy holder.
- d) We pay Intermediaries a commission as prescribed by legislation.
- e) We subscribe to the legislative conflict of interest values as prescribed in terms of any entertainment or similar expenses in building relationships with insurance intermediaries. This is embedded in our Conflict of Interest policy and is monitored monthly.
- f) We do not pay any bonuses or staff remuneration based on volume of business or any other remuneration that may influence undesirable behavior or effort contrary to Treating Customers Fairly or creates Conflict of Interest.

The management of TopTrans will ensure that;

- a) Customer centricity is part of, and integral to our business strategy (the strategy). It is clearly articulated in the strategy and internal and external communications. This strategy is reinforced by the related TCF documents which are embedded across all affected businesses units within the company.
- b) TCF is a standing item on our Senior Management Agenda.
- c) Administration and record keeping systems are of a good standard and are reviewed periodically.
- d) As part of sustainable business practices, we will practice a balanced approach between treating customers fairly and commercial considerations as agreed by Senior Management.
- e) The oversight of the TCF outcomes is embedded in our compliance and control methodology as part of our on-going oversight and monitoring policy.
- f) Senior Management considers whether the TCF outcomes are applied to customers and in instances where potential unfair treatment of customers has been identified, senior management will implement the determined remedial action.
- g) We have trained all staff about TCF, and explained their role in delivering the outcomes.

OUTCOME 2:

Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly

- a) We have surveyed and segmented our customers, know what their needs are, and have a customer service proposition matched to their needs.
- b) We consider the customer value proposition in respect of all areas of the value chain, including the choice of appropriate distribution structures to support the insurance products.
- c) We have ensured that all advisers are fully trained in all aspects of any product features and risks and have a training and competence plan in place.
- d) We can confirm the market in which we operate or intend to operate.
- e) We ensure that the products meet the required customer segment needs as identified.
- f) There is a process whereby customers are offered a review of their circumstances and advice where this is appropriate to them and systems are in place to support this.
- g) We have a robust and clear 'know your client' process that ensures we understand what customers' circumstances and goals are before we look at services or products.
- h) We monitor customer feedback and experience post sale to ascertain the suitability of the business models and solutions for the targeted customer.
- i) We ensure that the customer is provided with all the information needed to make an informed purchasing decision.
- j) We ensure that all generated marketing and customer communication is designed for its intended target market and that it is easy to understand.

OUTCOME 3:

Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale

- a) We subscribe to and comply with applicable regulatory provisions directed at providing customers with information that is clear, fair, appropriate and not misleading. Literature prepared for customers is evaluated to ensure it is written in plain English. If the customer level necessitates it, regular and new customer facing documents are market tested with customers to validate clarity and understanding of the literature produced.
- b) We maintain up to date contact details of our customers and their circumstances and accurate, retrievable, secure records of product information and advice we have provided.
- c) We ensure that information to customers is provided in an appropriate format (via the appropriate delivery mechanism and in a timely manner) to ensure that it is accessible to customers.
- d) We ensure that product literature is available for the stages of a product's life cycle to explain product features, benefits and associated risks at point of sale, and changes to contractual benefits and market conditions after point of sale.
- e) We ensure that sales and customer-facing staff receive comprehensive training and are evaluated to ensure a good understanding and consistency of information delivered to customers.
- f) We ensure that customers have sufficient information to make an informed decision, prior to any transaction taking place.
- g) We ensure that the distributors and, where appropriate, outsourced service providers understand their TCF responsibilities. We will use our best efforts to ensure that distributors and outsourced service providers are appropriately trained and tested in this area.
- h) We ensure that back office and support staff receive the necessary training regarding communication to customers to ensure TCF is engrained in its culture and to ensure a consistent message is delivered.

OUTCOME 4:

Although we do not provide advisory services, we recognise our product requires advisory support. We will contribute to this advisory support and where possible ensure that it is suitable and takes account of Policyholder circumstances.

Insofar as we are not authorised to provide advice to customers, we will in line with the Financial Advisory and Intermediary Services (FAIS) Act, undertake regular monitoring to ensure that TCF principles are applied when providing advice to customers. This includes monitoring of the quality of advice provided by our intermediary client, and not just compliance with rules

- consider the individual needs of customers when providing advice in respect of new and existing products being offered to customers.
- provide training to staff to reinforce our approach to the TCF outcomes that should be taken into account when rendering advice to customers and perform monitoring procedures to assess whether communications between customer facing staff and customers are appropriate with respect to the TCF outcomes.
- provide adequate product training, and where necessary, attend product training provided by our product provider.

OUTCOME 5:

Consumers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect

As we are precluded from dealing with the public or any Policyholder directly, we are reliant on and work with Intermediaries to deliver policy fulfillment and service.

We fulfill our obligations by:

1. Entering into agreements with Intermediaries that confirm our obligations and commitments.
2. We have established clear business processes to ensure service delivery.
3. Policy quotations in a timely manner. These include proposed policy wordings, clarity on special conditions and requirements, payment options and terms and regulatory information.
4. Response times to claims reported from acknowledgement to initial decisions regarding claims management and subsequent follow through.
5. Monitoring any feedback from Intermediaries. This feedback is dealt with as and when given and any service method change is implemented where and if required.
6. Ensuring we have the capacity to continue to deliver service in the event of disaster. This is evidenced and delivered by way of a written Risk Management review which occurs
7. quarterly and in addition a written clear disaster management plan which is integrated into our risk mitigation activity.
8. When we appoint external specialists to assist us, service is monitored on a case by case basis. In every appointment we continue to take ownership and responsibility for service delivery.

The management of TopTrans will ensure that;

- a) We take the necessary steps to ensure that the expectations of customers relating to the quality of service provided and any guarantees or promises in product and marketing literature are met.
- b) We take care to clearly state the features, benefits and risks of each product.
- c) We ensure product performance is monitored to assess whether performance meets the needs of the target market and to evaluate its alignment with guarantees and benchmarks referenced in product literature.
- d) We ensure that customers are encouraged to provide feedback on the quality of service and whether performance is meeting their expectations directly to our product provider. Such feedback is recognised as an invaluable source of TCF management information.
- e) We ensure that the customer has reasonable access to the relevant parties post sale.

OUTCOME 6:

Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint

- a) We have a clear complaints process, treat verbal complaints seriously, and respond in writing where appropriate, keeping customers informed of progress. Our complaints-handling policy supports the fair treatment of customers.
- b) We ensure that customer complaints are tracked and complaints trends (root cause analysis) are identified and reported to Senior Management and our product provider. This monitoring function plays a proactive role in determining changes that are required to existing internal process and/or matters that relate directly to customer experience and the fair treatment of customers.
- c) We ensure that where potential customer detriment is identified through a single complaint, we consider the impact that this has on comparable customers who have not complained with a view to considering how best to address and rectify the issue where appropriate.
- d) We do what is reasonably necessary to promote and facilitate practices whereby customers are not faced with undue barriers when requesting changes to existing products and service providers. In this regard, we recognise that a balance is needed between making things easy for customers while ensuring that customer requests for policy changes remains in their best interest.
- e) We will keep record all complaints made by customers through a formalised complaints management process.
- f) We will respond to complaints received timeously and record evidence of complaint handling processes and resolution.
- g) We will notify our product provider of key themes arising that indicate the need for possible changes to products or service solutions.

- h) We ensure that clients can choose to move away from us if they wish, and do not create barriers to them for doing so.