

Complaints Handling Procedure

Standard document cover sheet

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Overview

The purpose of this procedure is to ensure that Munich Re Underwriting Ltd (MRUL) complies with the procedures laid down by the Financial Conduct Authority (FCA) Handbook (Dispute Resolution: Complaints [DISP]), Lloyd's Code: UK Personal Lines Claims and Complaints Handling (the Code), the requirements of the Lloyd's Complaints Department, the Lloyd's Minimum Standard's, the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS). In the circumstances of complaints made to Service Companies, MRUL retain overall responsibility for the action taken.

This procedure is aimed primarily at complaints received from either private persons or other eligible complainants.

Policy Statement

MRUL aims to provide a high level of service and where there are disputes to deal with those complaints in a prompt and fair way in accordance to regulatory requirements and guidance provided by the FCA and Lloyds.

When handling a complaint consideration should be given to the accurate interpretation of policy terms, the need to be fair and reasonable and the protection of both Lloyd's name and MRUL's.

This procedure outlines the process and the relevant timeframes in which complaints will be dealt with.

Definitions

Complaint

Munich Re has decided to adopt the FCA's definition of a complaint as outlined within DISP which states that a complaint is 'Any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of an eligible complainant.'

Eligible complainant

As defined under DISP 2.7 an eligible complainant must be a person that is; a consumer, a micro enterprise, a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million.

Non-Reportable Complaints

Any express of dissatisfaction which is resolved within 24 hours of receipt is not considered to be a reportable complaint by the FCA under DISP.

Treating Customers Fairly (TCF)

The Regulator developed the TCF outcomes to outline their expectations for firms in relation to the treatment of consumers. The FCA has stated that they continue to use the TCF outcomes as an important factor in guiding their regulatory decisions and actions.

Outcome 1: Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture.

Outcome 2: Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and targeted accordingly.

Outcome 3: Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.

Outcome 4: Where consumers receive advice, the advice is suitable and takes account of their circumstances.

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.

Outcome 6: Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

The FCA has stated that they expect firms to utilise management information in order to monitor adherence to the TCF outcomes as well as to look forward to consider the risks to the achievement of the TCF outcomes.

Complaint Handling Procedure

There are two ways in which complaints can be received by the business. The first is directly from the complainant and the second is via Lloyd's. The two processes for dealing with complaints, depending on the way in which they are received, are detailed below.

It is essential that all expressions of dissatisfaction and complaints are properly recorded in order to ensure that MRUL is able to meet reporting requirements and to ensure a uniform and coherent approach to complaints handling. Additionally, notes of relevant telephone conversations and meetings should also be made and kept in the individual complaint case file.

In line with the requirements of TCF Outcome 3 and with the Lloyd's Conduct Risk Minimum Standard requirement 12.1 the individual dealing with the complaint is responsible for keeping the complainant informed throughout the complaint handling process of any delays that are encountered and any developments that occur. Once a final decision has been reached the complaint handler must provide the complainant with a Response Letter (RL) which should contain a clear written explanation for the stance taken. The response letter must pay due regard to the level of specialist knowledge and experience of the complainant.

Document Issued to Policyholder

Documentation issued to the policyholder must clearly state the action they should take if a problem arises or they need to seek guidance. As such reference to complaints handling procedures must be included in the policy to ensure compliance with FCA rules. The wording which should be used can be found in each entities complaints endorsement.

Delegation of Complaint Handling Authority

MRUL have two forms of delegated authority for the handling of complaints; prior approval and full authority for a stage one response. MRUL have only delegated complaints handling authority to three coverholders:

NMU – have authority to respond to complaints up to a stage one response.

GJW – have authority to respond to complaints up to a stage one response.

Admiral – have prior approval to respond to complaints up to a stage one response.

Complaint Timescales

The Lloyds market has a two stage complaints process in operated which is conducted over an 8 week period. As a managing agent MRUL has fourteen calendar days within which to provide a complainant with a response to their complaint.

Where a Stage One RL cannot be provided within the two week deadline then a letter must be sent to the complainant explaining why it has not been possible to respond to their complaint in the stated timeframe. The letter must outline to the complainant when MRUL expect to be able to provide a response, which must not exceed a further two weeks, as well as inform them of the escalation process which they may now follow. Where the two week deadline has not been met the details of the complaint, the case file along with a copy of all correspondence to the complainant must be sent to Lloyd's.

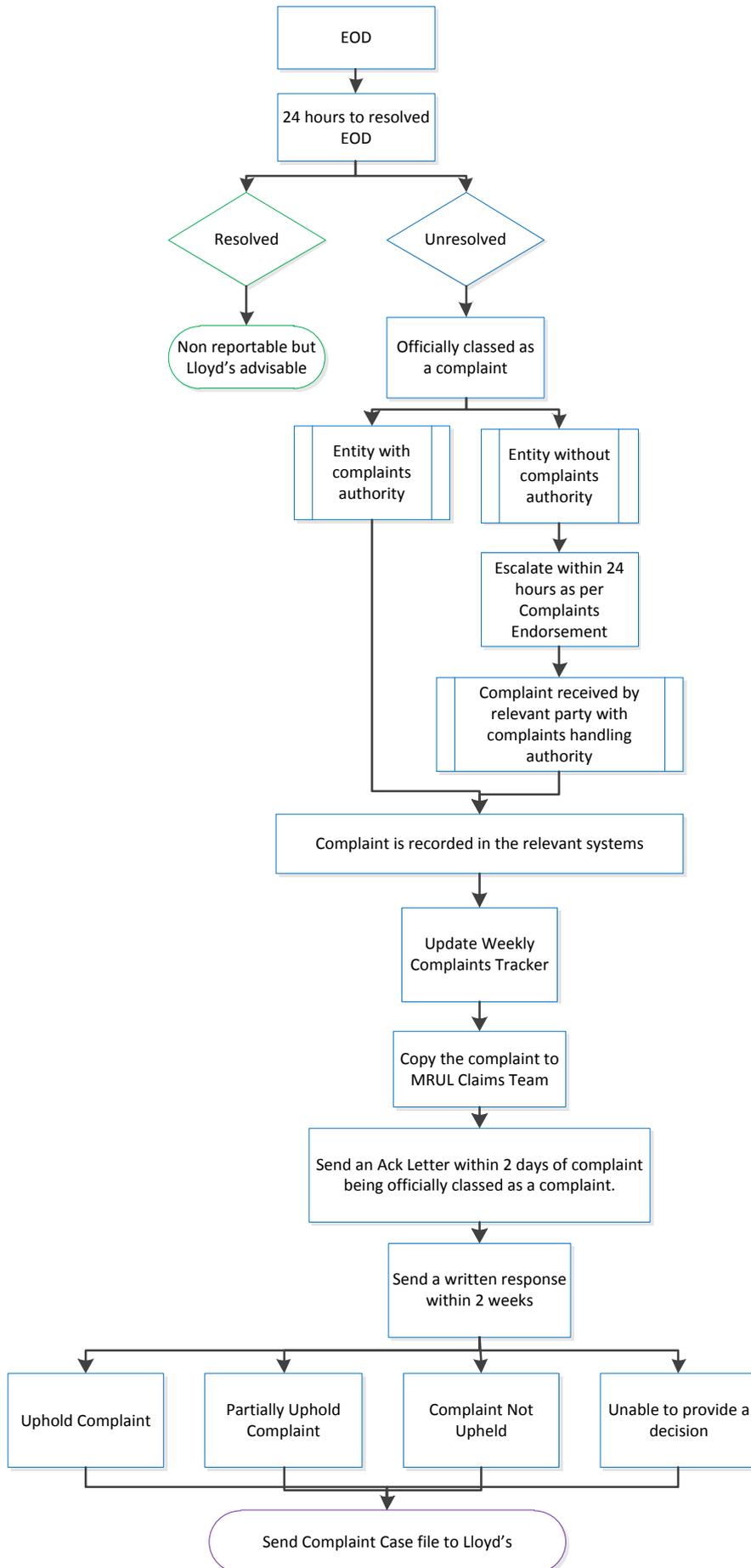
Direct Complaints

Where an expression of dissatisfaction (EOD) is made the entity receiving the EOD has until the close of business the following day of receipt to resolve the matter. If the EOD is resolved then it is not considered a reportable complaint in the eyes of the FCA, however, MRUL are required to advise Lloyd's of any EOD's received on a weekly basis via e-mail. Regardless of what authority an entity has been given in regards to complaints handling all entities have authority to deal with the initial EOD and attempt to resolve the matter.

If an EOD has not been resolved within the stated timeframe then it becomes an official complaint and a written acknowledgement of the complaint must be sent within two working days of its receipt. The acknowledgment letter must provide the complainant with the name or job title of the individual handling the complaint together with details of MRUL's internal complaint handling procedures.

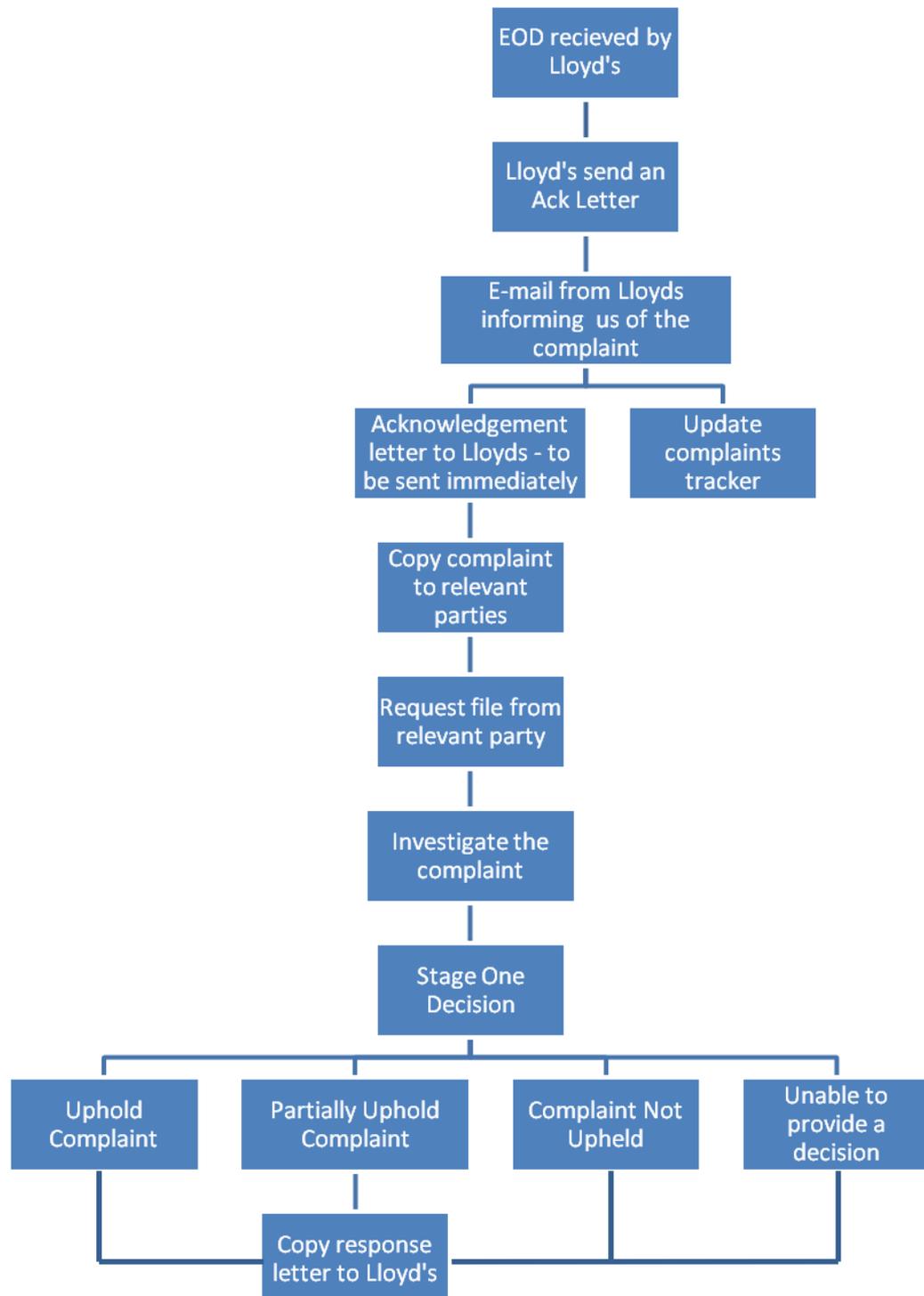
Within fourteen days of receipt of the complaint a Stage One RL must be sent to the complainant outlining the decision which has been reached and the reasons.

When sending a response to a complainant, the response must inform the complainant that they may refer the complaint to Lloyds if they are unhappy with the response. It must also state that if the complainant remains dissatisfied with the response provided by Lloyd's then they may refer the matter to the FOS. Unless already provided a copy of the FOS' explanatory leaflet must be included with the response.



Complaints via Lloyds

Complaints received by Lloyd's Complaints Team, which have not in the first instance been addressed by MRUL, will be referred to MRUL and the process outlined below must be followed. It should be noted that where a complaint is first notified by the complainant to Lloyd's then Lloyd's will provide the acknowledgment before sending the complaint to the managing agent.



Lloyds File Requests

Where the Lloyds Complaints Team request files, these should be provided within five working days.

Root Cause Analysis

When MRUL resolves a complaint a root cause analysis exercise is conducted and the root cause is noted down for each complaint received. This allows MRUL to consider the effectiveness of the process and to identify any common causes of complaints.

Reporting Requirements

Under DISP 1.3.7R a firm must appoint an individual to be responsible for oversight of compliance with the requirements of DISP. For MRUL Tim Coskun, Director of Risk and Compliance has been nominated and all external reporting must be signed off by Tim Coskun before submission.

Internal

Complaints reporting is provided on a monthly basis via the Claims Team update for the Executive Committee Report. This report outlines the number of new complaints received each month and their current status.

The Compliance Department provide a quarterly TCF report to the Executive Committee covering the Syndicate and all service companies. The quarterly TCF report is in line with the applicable requirements of the FCA's Treating customers fairly – guide to management information.

Lloyds

Under the Code MRUL must provide a weekly update to Lloyd's via completion of the Lloyd's Complaint Notification template detailing all complaints that have been received that week. MRUL has decided to take responsibility for completing the weekly Lloyd's report which will be sent every Friday by the Claims Team.

MRUL must notify Lloyd's of an EOD's received on a weekly basis via an e-mail to the Lloyd's Complaints Team.

FCA

In relation to reporting requirements under DISP mandatory reports are provided by Lloyd's on behalf of members. Accordingly, managing agents do not have to make a separate report to the FCA on complaints reported but rather forward the relevant information to Lloyds. When forwarding complaints MRUL must adhere to the requirements outlined in DISP 1.7 which requires the information to be provided promptly, that the complainant is informed that their complaint is being forwarded and that they are provided with the relevant contact information.

Record Keeping

Records of complaints must be retained for a minimum of three years from the date of receipt of the complaint. In line with the Data Retention Policy MRUL complaint files are kept for six years. The records should include:

1. the name of the complainant
2. the substance of the complaint
3. any correspondence including details of any redress offered by MRUL, and
4. documentation relating to the referral of a complaint

Roles and Responsibilities

It is the responsibility of all staff within the Claims and Underwriting Teams to ensure that they are aware of the Complaints Handling Procedure.

It is the responsibility of the Claims Team to ensure that all reporting requirements are met.

If any member of staff has any questions concerning the Complaints Handling Procedure they should in the first instance direct these questions to their line manager. If a line manager is unable to answer a question about the Complaints Handling Procedure then they should contact the Compliance Department who will assist them in the matter.

It is the responsibility of the Director of Risk and Compliance Tim Coskun to ensure that complaints are handled in accordance with Lloyd's and FCA rules

Training

Training in relation to complaints handling is provided at appropriate intervals in order to ensure maintain complaint handling skills. If at any point an employee dealing with complaints feels that they require additional or refresher training it is their responsibility to contact their line manger in order for training to be arranged.