

# Treating Customers Fairly Policy (TCF)

for

HEALTH & ACCIDENT UNDERWRITING MANAGERS (PTY) LTD

## 1. Introduction

At H&A, our focus on client centricity has become deeply engrained in our business philosophy, ethos and culture. This focus is boldly evidenced through the incorporation and embedding of the principles of Treating Customers Fairly (“TCF”) in the end-to-end client value chain.

H&A recognises that each intermediary is a key contributor in sustaining long-term growth requiring a client centric focus and a service orientated culture geared toward customer satisfaction at all times. The responsibility in ensuring that the principles of TCF are practiced at all times, in any form of customer engagement vests with every employee within H&A and each intermediary that we contract with. We are a client centric business with the end customer being at the forefront of all decisions and product development.

## 2. H&A Operating model, Mission, Purpose and Values

H&A is a client-centric business, everything we do focuses on how we can better serve the end-client.

The financial wellness of our clients remains our strategy and purpose. However, especially in the current trading environment, H&A can only differentiate itself by materially improving customers’ experience and implementing our strategic actions with agility.

### 2.1 Our Purpose

To be the trusted health and personal accident insurance product provider to our clients.

### 2.2 Our Mission

- To provide innovative, integrated and cost-effective insurance solutions.
- To employ industry experts with a passionate commitment to service excellence.
- To network locally and internationally and forge world-class partnerships.
- To be an enabler for sustainable economic transformation in SA.

### 2.3 Our Values

- We are obsessed with our clients and seek to meet and exceed their expectations.
- We care for our staff and grow them.
- We treat everyone with respect and dignity by embracing our diversity.

- We acknowledge the demands and rewards of teamwork by celebrating each other's strengths.
- We value integrity, and practice good faith, fairness and honesty.
- We value our position as leading market innovators by constantly challenging ourselves.
- We hold ourselves accountable and take ownership of our actions and responsibilities.
- We are committed to being socially responsible and creating better communities around us.

### **3. Regulatory Requirements**

The Financial Services Conduct Authority (FSCA), previously known as the FSB, published the TCF Roadmap in 2011, which formed the basis of the TCF framework. All organisations, specifically those authorised under the FSCA, are required to embed the TCF principles in governance processes, frameworks and furthermore to demonstrate that they measure their behaviour against these key principles, to manage conduct risks and protect their customers. The six TCF principles have been adopted within H&A across all business practices, governance frameworks and day-to-day processes.

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| Outcome 1 | Policyholders can be confident that they are dealing with a product provider/UMA where the fair treatment of policyholders is central to the product provider's culture.   |
| Outcome 2 | Products are designed to meet the needs of identified types, kinds or categories of policyholders and are targeted accordingly.  |
| Outcome 3 | Policyholders are given clear information and are kept appropriately informed before, during and after the time of entering into a policy.   |
| Outcome 4 | Where policyholders receive advice, the advice is suitable and takes account of their circumstances.   |
| Outcome 5 | Policyholders are provided with products that perform as product providers or their representatives have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect; and |
| Outcome 6 | Policyholders do not face unreasonable post-sale barriers to change or replace a policy, submit a claim or make a complaint.   |

#### 4. H&A TCF Standard per Outcome

##### **OUTCOME 1 - CULTURE**

*Policyholders can be confident that they are dealing with an insurer where the fair treatment of policyholders is central to the insurer's culture.*

To ensure that H&A's business practices are fully governed with a culture of TCF, the H&A Board of Directors have adopted the TCF framework and are specifically responsible to ensure that it is embedded throughout the DNA of our organization. Our organisation has formalized the requirements of TCF through a TCF Framework supported by robust governance structures and frameworks. Every business unit within H&A is required to adopt the H&A TCF Framework and embedded practices. In addition, business is required to measure themselves against a stringent set of standards set out in the H&A TCF Self-Assessment tool, which aligns to the FSCA Self-Assessment Questionnaire. The results of the TCF Assessment will be shared with all relevant overarching TCF governance structures to ensure that business not only understands how they fare against the standards but are also able to identify conduct risk associated with their practices and remedy this to improve poor customer outcomes that may result due to poor conduct or lack of oversight.

The elements which make up the H&A TCF Framework are as follows:

- TCF Policy
- TCF Training and Awareness Programmes
- TCF Self-Assessment Template and automated implementation plan
- New Business / Onboarding Assessment Template
- TCF Key Fairness Indicators
- TCF Governance Forums
- TCF Scorecard Measurements

To ensure that TCF is firmly embedded within H&A, a combined assurance approach will be followed to give the regulatory authorities, the shareholders, the board and executive management of H&A the comfort that TCF practices are established and embedded within H&A.

H&A is also committed to ensuring that we have regular, accurate, reliable data exchange with all our insurers which will allow them to proactively scrutinize management information to identify possible instances of poor customer outcomes and to then mitigate same.

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## **OUTCOME 2 – PRODUCTS & SERVICES**

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*Products are designed to meet the needs of identified types, kinds or categories of policyholders and are targeted accordingly.*

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Rigorous reviews and due diligence is conducted within H&A to ensure that when a target market is selected for distribution of our products, all environmental, circumstantial and financial factors are duly considered before proceeding with approval of product design, product development or defining pricing models.

All new product developments, material changes to existing products and/or pricing must be ratified by the H&A Product Management Committee (PMC) which is an executive management committee within H&A. The PMC is charged with the oversight of the Market Conduct Framework, of which the TCF Framework is a subset.

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## **OUTCOME 3 – POINT OF SALE**

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*Policyholders are given clear information and are kept appropriately informed before, during and after the time of entering into a policy.*

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H&A subscribes to the most rigorous standards in relation to “disclosures” as per the Policyholder Protection Rules of both Short Term and Long Term Insurance requirements and we have documented procedures and minimum requirements to ensure all stakeholders align with same. In addition, FAIS and the General Codes of Conduct associated with various categories of licenses also governs the H&A way of engagement with our customers in relation to transparency and disclosures through the policy life cycle with the organization.

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## **OUTCOME 4 – ADVICE**

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*Where policyholders receive advice, the advice is suitable and takes account of their circumstances.*

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H&A's independent intermediaries must always understand the client's needs and their financial situation, to ensure that they are able to make appropriate recommendations to their clients in relation to the most appropriate risk solutions for their business. We have put robust intermediary agreements in place to ensure that intermediaries who provide advice to customers understand what their obligations are. H&A also has processes in place to conduct due diligence before contracting with a new intermediary to ensure that they are licensed as financial services providers and authorised to render financial services in respect of the policies that will be offered. This is done in accordance with section 8 of the FAIS Act to satisfy ourselves that the independent intermediary and, where applicable, any persons rendering services as intermediary on the independent intermediary's behalf meet the FAIS product knowledge competency requirements and have the operational and technological infrastructure to support the advice process.

## **OUTCOME 5 – PRODUCT & SERVICE PERFORMANCE**

*Policyholders are provided with products that perform as insurers or their representatives have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect*

### **Product Design & Product Performance Management**

At H&A we have technical teams that are tasked with ensuring that all potential risks in relation to the products sold on the H&A licenses are identified, rectified and tracked proactively within the organization. H&A also conducts annual reviews on independent intermediaries to ensure that they remain compliant with applicable legislation and to ensure that the products & services offered remain acceptable and suitable for the target market concerned.

### **Marketing**

To ensure that customers are not provided with misleading information or misrepresented facts, guidance documents (training material) have been developed for independent intermediaries. A firm sign off processes has also been put in place to ensure that disclosures and product related marketing material is reviewed objectively by H&A, to ensure that the material is appropriate and that the average targeted policyholders would not be misled by the information provided.

### **Governance and PMC**

H&A has implemented processes which facilitate the implementation of the TCF principles. These processes also ensure that the fair treatment of customers is prioritized and always at the forefront of staff's mindset.

H&A ensures that products are appropriately governed throughout the life cycle of all products. TCF principles are firmly tested and embedded before developing, amending or introducing a new product or service into the marketplace.

TCF implementation is decentralized and delegated to each business segment within H&A to ensure that TCF is embedded throughout the lifecycle of products offered on our licenses. Management information relating to claims, complaints and other key fairness indicators is monitored and reported on a monthly basis to ensure that the principles of TCF are tracked and monitored rigorously within H&A to manage and mitigate conduct risk.

### **Quality Assurance on service levels and performance scorecards**

Service requirements will be built into all performance management scorecards to ensure that higher service levels are implemented, maintained, tracked and monitored. Market Conduct standards are reviewed constantly, especially where trends of poor customer treatment are identified with specific types of products or services offered by independent intermediaries.

## **OUTCOME 6 – POST SALES BARRIERS**

*Policyholders do not face unreasonable post-sale barriers to change or replace a policy, submit a claim or make a complaint.*

At H&A we believe that our customer experience throughout their journey must be of a standard and quality which does not prejudice the customer in any manner whatsoever. We have committed to developing strong overarching governance frameworks which detail the standards and requirements related to claims or complaints in relation to products originally selected.

Within the H&A Claims and Complaints departments we also have strong governance and review processes to ensure that customers are not treated unfairly when dealing with our independent intermediaries/registered FSP's. Furthermore, we are fully transparent with our customers and ensure that we provide suitable channels for customers to contact us if they have complaints or queries. In addition, we monitor claims and complaint data to ensure that agreed turnaround times and minimum service standards are adhered to.

We are committed to ensuring that we continuously monitor management information relating to complaints, claims and switching processes to identify trends of poor customer treatment and to implement corrective measures to ensure that clients do not face any post sales barriers when dealing with H&A or our stakeholders.

### **5. Governance of this Policy**

#### **5.1 Non-Compliance**

H&A views any non-compliance to this policy as well as any non-compliance with its obligations in terms of legislation in a serious light. Any deliberate action by an employee / independent intermediary or registered FSP to contravene the above will be subject to disciplinary action or termination of the intermediary agreement. All instances of non-compliance with this policy will be included within the regular risk reporting process.

#### **5.2 Review**

This Policy will be reviewed by the Market Conduct Manager on an annual basis and submitted for approval to the H&A Exco, as deemed necessary.

#### **Version Control and Approval**

**Version 17 July 2024 - Approved by: Darlene Hofman**