Claims Management Framework

for

General Risk Administrators SA (Pty) Ltd

(herein referred to as "GRSA")

FSP: 43257

Version	1
Policy Owner	General Risk Administrators SA (Pty) Ltd
Approved/Reviewed by	Frans Lensley
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Table of Contents

1. Overview

2. Objective

3. Definitions

4. Allocation of Duties

5. The Claims Management Process

6. Recording-keeping, Monitoring and Analysis

7. Repudiations or Disputes

8. The Claims Escalation and Appeal Process

9. Prohibited Claims Practices

10. Claim Submission Contact Details

1. Overview

GRSA, as an authorised financial services provider, has a responsibility to conduct itself honestly, with integrity, fairness, dignity and ethically wherever it operates, with due regard to the environment, the societies in which it operates and its other stakeholders.

This Claims Management Framework serves to meet the requirements of Rule 17 of the Policyholder Protection Rules to the Short-Term Insurance Act (No 53 of 1998) and it provides general principles on standard claims handling processes within GRSA. It needs to ensure fair treatment of policyholders and beneficiaries and must be reviewed regularly.

This framework will be reviewed by the GRSA Chief Financial Officer annually and presented to the Board of Directors.

2. Objective

The objective of this Claims Management Framework must be maintained, operated adequately and effectively and ensure that:

- It is proportionate to the nature, scale and complexity of GRSA's business and risks;
- It is appropriate for GRSA's business model, policies under administration, services and policyholders and beneficiaries of GRSA;
- It enables claims to be assessed after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of claimants; and
- Does not impose unreasonable barriers to claimants.

3. Definitions

3.1 **"beneficiary" means:**

3.1.1 a person nominated by the policyholder as the person in respect of whom the insurer should meet policy benefits; or

3.1.2 in the case of a group scheme, a person nominated by the group scheme or member of the group scheme or otherwise determined in accordance with the rules of that group scheme as the person in respect of whom the insurer should meet policy benefits;

3.2 **"business day"** means any day excluding a Saturday, Sunday or public holiday;

3.3 **"Claim"** means, unless the context indicates otherwise, a demand for policy benefits by a person in relation to a policy, irrespective of whether or not the person's demand is valid;

3.4 **"Claimant"** means a person who makes a claim;"**Claim Outcome"** will relate to the following:

3.5.1 **"Accepted"** means that the claim has been finalised in such a manner that the Claimant has either explicitly accepted that the policy benefits have been fully paid or in such a manner that is reasonable for GRSA to assume that the Claimant has so accepted. A Claim should only be regarded as accepted once any and all undertakings made by GRSA to provide policy benefits wholly or in part have been met.

3.5.2 **"Repudiated"** means that the Claim has been wholly or partly rejected (or repudiated) and GRSA regards the Claim as finalised after advising the Claimant (in writing) that it does not intend to take any further action to pay the Claim. This can arise either where a Claim is rejected without offering to take steps to pay it because GRSA regards the Claim as invalid, or where the Claimant does not accept or respond to proposals to pay the Claim and GRSA then advises the Claimant that it does not intend to take any further action to attempt to pay the Claim.

3.5.3 **"Disputed"** means the Claim is neither accepted nor rejected, but GRSA disputes the Claim or the quantum of the claim.

3.6 "**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: (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 and includes any interest on late payment;

(d) and includes any interest on late payment of any amount referred to in (b) or (c).

3.7 **"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;

3.8 **"Customer Query"** means a request to GRSA by or on behalf of a policyholder/beneficiary for information regarding a Claim or a policy, including policy benefits, waiting period or related service in relation to such policy. This will also include a progress update on a request previously made or a progress update on a Claim;

3.9 **"Escalated Claim"** means:

(a) An extension of a Claim relating to the outcome of the initial Claim;

(b) The Claim is complex or unusual that it requires intervention by an impartial senior functionary appointed to deal with escalated claims;

(c) The referral of the Claim to a Claims Committee mandated and authorised to review the Claim and provide an outcome;

(d) The resolution of the initial Claim is not to the Claimant's satisfaction and is then treated as a complaint and dealt with in terms of the GRSA Complaints Management Framework;

3.10 "**Excesses"** means amounts payable or borne by policyholders in the event of claims or losses under a policy;

3.11 **"Exclusion"** means a loss or risk event not covered under a policy;

3.12 **"Existing policy"** means a policy entered into before the date on which the relevant rule takes effect;

3.13 **"FAIS Act"** means the Financial Advisory and Intermediary Services Act, 2002 (No 37 of 2002);

3.14 "**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;

3.15 **"Group schemes"** means a scheme or arrangement which provides for the entering into of one or more policies, in terms of which two or more persons without an insurable interest in each other, for the purposes of the scheme, are the lives insured;

3.16 **"Insurer"** means Guardrisk Insurance Company Limited (FSP No 43257);

3.17 **"Intermediary"** means an independent intermediary or a representative, respectively and includes reference to a binder holder;

3.18 **"Member of a group scheme"** means:

(a) a person who participates in a group scheme to insure him or herself; or

(b) a person who participates in a group scheme to insure the lives of one or more other persons in which the first-mentioned person has an insurable interest;

3.19 **"New policy"** means any benefit that is directly or indirectly provided or made available to a policyholder by an insurer in the event that the policyholder does not claim or does not make a certain claim under the policy within a specified period of time;

3.20 **"Ombud"** has the meaning assigned to it in the –

(a) Financial Services Ombud Schemes Act, 2004 (Act No. 37 of 2004) up until such time as such Act is repealed through Schedule 4 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017); and

(b) Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) from the date on which such Act repeals the Financial Services Ombud Schemes Act, 2004 (Act No. 37 of
2004) through Schedule 4 of such Act;

3.21 **"Outsourcing"** means any arrangement of any form between GRSA 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 insurance business that GRSA provides, which would otherwise be performed by GRSA itself in conducting short-term insurance business, and includes rendering services under a binder agreement, but excludes rendering services as intermediary;

3.22 **"Plain language"** means communication that – (a) is clear and easy to understand;

(b) avoids uncertainty or confusion; and

(c) is adequate and appropriate in the circumstances,

taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted;

3.23 **"Potential members of a group scheme"** means a person who

(a) has applied to or otherwise approached GRSA, an intermediary, or a group scheme to become a member of a group scheme;

(b) has been solicited by GRSA, an intermediary, or a group scheme to become a member of a group scheme; or

(c) has received advertising, as defined in Policyholder Protection Rule 10, in relation to any group scheme;

3.24 **"Policy"** means a non-life policy where the Policyholder is a –

(a) Natural person; or

(b) A juristic person, whose asset value or annual turnover is less than the threshold value as determined by the Minister of the Department of Trade and Industry in terms of section 6(1) of the Consumer Protection Act, 2008 (Act No. 68 of 2008), currently R2 000 000;

3.25 **"Policyholder"** has the meaning assigned to it in the Act and includes a member of a group scheme;

3.26 **"Potential Policyholder or member of a group scheme"** means a person who –

(a) has applied to or otherwise approached GRSA or an intermediary to become a Policyholder;

(b) has been solicited by GRSA or an intermediary to become a Policyholder; or

(c) has received advertising, as defined in Policyholder Protection Rule 10, in relation to any Policy or related service of GRSA.

3.27 **"Regulations"** means the Regulations made under the Short-term Insurance Act, 1998, promulgated by GN R.1493 of 27 November 1998 and amended from time to time;

3.28 **"Related service"** means any service or benefit provided or made available by an insurer or any associate of that insurer, together with or in connection with any policy or policy benefit, and includes a loyalty benefit and a no-claim bonus;

3.29 **"Reports (or reporting)"** means any periodic or ad-hoc reports (and related documents) obtained from the claims 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 in respect of claims management.

3.30 **"Repudiate"** in relation to a claim means any action by which an insurer rejects or refuses to pay a claim or any part of a claim, for any reason, and includes instances where a claimant lodges a claim;

(a) in respect of a loss event or risk not covered by a policy; and

(b) in respect of a loss event or risk covered by a policy, but the premium or premiums payable in respect of that policy are not paid.

3.31 **"Service provider"** means any person (whether or not that person is the agent of GRSA) with whom GRSA has an arrangement relating to the marketing, distribution, administration or provision of policies or related services;

4. Allocation of Duties

The GRSA Chief Operations Officer is responsible to ensure that all claims lodged are treated in line with this framework. The GRSA Chief Operations Officer will ensure that adequate resources are allocated to claims handling and that any person dealing with claims are:

- Adequately trained;
- Experienced in claims handling and appropriately qualified;
- Not subject to a conflict of interest; and
- Adequately empowered to make impartial decisions or recommendations.

5. The Claims Management Process

The process that a claim will follow is:

Step 1

All claims must be reported to GRSA immediately or within 30 days.

The policy holder to provide either a policy number or identity number when lodging a claim.

Email: admin@grsa.co.za
Phone: **0861 222 871**

Step 2

Claims will be subject to receipt of the below documentation:

Warranty Claim

- Quotation
- Damage report
- Service History

Tyre and Rim Claim

- Quotation
- Which tyre is damaged
- Measurement of remaining tread on tyre
- Which Mag is damaged
- Details of how the incident occurred

Extended Cover Claim

- Copy comprehensive insurers Agreement of Loss
- Circumstances of loss
- Finance agreement
- Copy invoice

Total Loss Cash Back Claim

- Copy comprehensive insurers Agreement of Loss
- Circumstances of loss
- Finance agreement
- Copy invoice

Debt Protection Claim

Supporting Claims documentation	Critical Illness	Disability	Death	Retrenchment	Hospitalisation
Medical Practitioner's Statement	X	X	X		X
Insured's Statement	X	X		X	X
All relevant medical records	X	X	X		X
Credit Agreement	X	X	X	X	X
UIF Card				X	
Credit Agreement Statement	X	X	X	X	X
Copy of Inquest Report, Verdict /Post Mortem /Motor Vehicle Accident Report /Police Report (if the cause of death is unnatural)			X		
Death Certificate			X		
Form BI1663 – Notification/Register of Death			X		
Identity Document	X	X	X		
Employers Medical Work Record	X	X	X	X	X
Employment Contract	X	X	X	X	X
3 Months' salary/pay slips	X	X	X	X	X
Notice of retrenchment/redundancy				X	

Step 3
Lodge claim and acknowledge receipt of the claim within 24 hours via Email.

Step 4
Claim registered, policy validated and documentation reviewed within 24 hours.

Step 5
Process discussed with Insured and any further information required requested from Insured.

Step 6
Claim assessed.

Step 7
Outcome of claim discussed with Insured.

Step 8
Claim formally authorised / rejected.

Step 9
Process payment to Supplier / Insured.

Step 10
Rejections referred to Management for review.

6. Record-keeping, Monitoring and Analysis

All claims received, assessed, and finalised will be kept for a minimum period of 5 years.

The documents are kept as electronic scanned copies on secure internal network drives.

Trends, risks and remedial actions to review product design and disclosures in line with Treating Customers Fairly principles will be taken on a minimum half yearly basis

7. Repudiations or Disputes

Where GRSA has repudiated a claim, it must:

- Notify the claimant in writing of its decision within 10 days of such decision having been made;
- Provide the claim with a reason for the decision in plain language and in sufficient detail to enable the claimant to dispute such reasons if the claimant so wishes;
- Include the facts that informed the decision;
- Advise the claimant that he/she may within a period of not less than 90 days after the date of receipt of the notice make representations to the insurer in respect of the decision;
- Advise the claimant of the internal claim escalation and review process; and
- Advise the claimant that he/she has the right to lodge a complaint to the relevant Ombud and provide the contact details and time limitations of the Ombud.

8. The Claims Escalation and Appeal Process

Should a claimant or customer be dissatisfied with the outcome of a claim assessment, he/she may direct their dissatisfaction to GRSA, for review of the decision.

GRSA must respond to the claimant within 15 working days. Should this result in a decision that is still unsatisfactory, the matter may be referred to an external body, such as the Ombudsman for Short Term Insurance.

GRSA's details are:

Telephone Number	**:**	**0861 222 871**
Email Address	**:**	**admin@grsa.co.za**
Postal Address	**:**	**Private Bag X121, Halfway House, 1685**

GRSA will acknowledge the complaint within 1 working day of receipt and aims to resolve all complaints within 15 working days. If due to the complexity of the complaint GRSA is not able to achieve resolution within 15 working days, GRSA will keep the complainant updated as to progress of their complaint, but all complaints should be resolved within 30 working days.

GRSA will send a written response to the claimant or their authorised representative once the review process has been finalised.

Where a claim decision 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.

Where a claim is rejected, the claimant will be provided with clear and adequate reasons for the decision and be informed of the further escalation or review process, including how to use it and any relevant time limits

9. Prohibited Claims Practices

GRSA may not:

- Dissuade a claimant from obtaining the services of an attorney or adjustor;
- Deny a claim without performing a reasonable investigation; or
- Deny a claim based on the outcome of a polygraph, lie detector or truth verification.

10. Claim Submission Contact Details

All claims can be submitted to:

0861 222 871

admin@grsa.co.za

082 111 1111