

POLICYHOLDER PROTECTION RULES NOTICE



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INSURANCE ADMINISTRATORS

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## POLICYHOLDER PROTECTION RULES NOTICE

This is an important notice on certain sections of the new Policyholder Protection Rules (PPR) that are already effective and ones that will become effective from 15 December 2018.

PPR compliance by Guardrisk is essential to ensure that policyholders are treated fairly. To achieve the PPR outcomes we need your assistance and co-operation as the broker selling our policies. Your compliance officers would likely have already taken you through the requirements and where your co-operation is required to assist us, so this is a refresher at a summary level of the requirements. This means we all need procedures and controls to ensure the applicable requirements are met and to retain evidence for audit purposes. Please note that your PPR obligations are also set out in the revised Hollard intermediary agreements.

Theme/Section	Requirement	What must be done?
<b>Fair Treatment Outcomes</b>	Always consider and incorporate the fair treatments outcomes in the life cycle of a policyholder and comply with any conduct standards and training prescribed by Guardrisk. Ensure that all communications with policyholder are always in an understandable format. Refer to the definitions section for details of the 6 fair treatment outcomes.	
<b>Sub Agencies</b>	Guardrisk must be a party to any intermediary agreement where Guardrisk is the underwriter of the underlying insurance policy.	If not already done, notify Guardrisk immediately of any sub agency arrangements in place.
<b>Selling Practices</b>	Advice given must at all times be suitable and take into account the policyholder's circumstances. This is important for you.	<ul style="list-style-type: none"> <li>Only allow persons who meet the FAIS requirements to give advice.</li> <li>Always complete a needs analysis and record of advice in line with the principles prescribed by Hollard.</li> </ul>
<b>Sales</b>	Before a policy is entered into the policyholder must be provided certain details related to the cover (disclosures) such as excesses, premiums, consequences of non-payment, details of the insurer, complaints details and importantly concise details of significant exclusions and limitations. We will require you to provide this on our behalf as you provide the quote to the client.	Quotes must be sent out for all policies and the quote communication must include the quote schedule itself, statutory disclosure document, significant exclusions document and if feasible the entire policy wording.
<b>Fulfilment</b>	Send the finalised schedule together with the policy wording and disclosure document within 31 days to the policyholder.	Fulfil within 31 days
<b>Policy Changes like endorsements</b>	<ul style="list-style-type: none"> <li><i>Guardrisk Effected:</i> Policyholder to be notified in writing 31 days before the change.</li> <li><i>Client requested:</i> Notification of change sent in writing within 31 days of the change being effected.</li> </ul>	Send written confirmation of changes as per the requirement.
<b>Renewals</b>	<p>Renewal notices must be sent 31 days before the renewal date and must include:</p> <ul style="list-style-type: none"> <li>Old and new premium</li> <li>Details to any T&amp;C's changes and implications of same</li> <li>Any cooling off rights offered</li> <li>Warning statement that the policyholder must consider the appropriateness of cover.</li> </ul> <p>Where the renewals are sent by the broker, the broker must make sure this is adhered to on Guardrisk behalf.</p>	Send renewal notices as per the requirements.
<b>Premium non-payment</b>	<p>Written notification for failed debit orders or payment must be sent within 15 days of becoming aware of the non-payment.</p> <p>Note that a minimum 15 day grace period or a more generous grace period as allowed per the policy wording still applies.</p>	Send and SMS, letter, e-mail when premiums are not collected
<b>FAIS Requirements</b>	Guardrisk should not accept business of instructions from any broker who does not meet all the FAIS fit and proper requirements – RE, class of business training, product specific training, qualifications, experience, CPD and Honest and Integrity	Ensure that all staff rendering financial services for Hollard products are at all times fit and proper as defined in FAIS.

Theme/Section	Requirement	What must be done?
Broker Fees	Where Guardrisk facilitates the collection of a broker fee in any manner including through collection agents or through authorised intermediaries, the broker needs to obtain written consent for the broker fee charged. This is very relevant for the broker to comply with.	Obtain consent for broker fees in line with the principles prescribed by Guardrisk and retain copies of the consent.
Claims: general (If mandated to settle claims)	<ul style="list-style-type: none"> <li>All claims to be handled in line with Guardrisk prescribed claims framework and within agreed mandates</li> <li>Claims staff must be sufficiently experienced, qualified, and mandated to make decisions</li> <li>Claims must be acknowledged when received and claimants must be kept up to date on the process. Estimated timelines must always be provided</li> <li>Policyholder must be informed on outcome of a claim within 10 days of the decision being made</li> <li>All claim repudiations to be signed by Guardrisk on a Guardrisk letterhead</li> <li>Guardrisk to respond to complaints with respect to repudiations.</li> </ul>	<ul style="list-style-type: none"> <li>Align claims processes to Guardrisk's prescribed standards</li> <li>Ensure that all repudiations are referred to and signed off by Guardrisk.</li> </ul>
Complaints	Any complaint related to a Guardrisk policyholder must be recorded, investigated and the complainant communicated to as per Guardrisk's complaints management framework.	Align complaints process to Guardrisk's prescribed standards, particularly around reporting.

### OTHER IMPORTANT REQUIREMENTS:

1. Any advertising of Guardrisk's products must be approved by Guardrisk prior to distribution
2. Negative option selection for policy benefits are prohibited, a policyholder must consent to any cover explicitly
3. Any "opt-outs" for advertising campaigns where Guardrisk product is advertised cannot be charged for
4. Guardrisk will monitor compliance with the PPR requirements through the ongoing engagements with Guardrisk representatives and formal monitoring reviews.
5. Any sub broker writing into the facility or scheme of another broker, administrator or Underwriting Manager must have a signed intermediary agreement with Guardrisk which can be a tri-partite agreement with the main broker.

### \*\*DEFINITIONS

#### Fair Treatment Outcomes

1. Policyholders can be confident that they are dealing with an insurer where the fair treatment of policyholders is central to the insurer's culture;
2. Products are designed to meet the needs of identified types, kinds or categories of policyholders and are targeted accordingly;
3. Policyholders are given clear information and are kept appropriately informed before, during and after the time of entering into a policy;
4. Where policyholders receive advice, the advice is suitable and takes account of their circumstances;
5. 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; and
6. Policyholders do not face unreasonable post-sale barriers to change or replace a policy, submit a claim or make a complaint.



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TRUE GRIT ASSIST

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True Grit is the brand/product name administered by SmartSure Twenty20. SmartSure Twenty20 is an authorised financial service provider in terms of FSP No. 45422

ADMINISTERED BY:

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UNDERWRITTEN BY:

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