



COMPLAINTS MANAGEMENT POLICY

Level 2 Policy Number

P09.01

Risk Sponsor

Executive Manager: Operation

Contact

Executive Manager: Operations

Version/Date

Version 3/Approved December 2022

Effective Date

This policy will be approved by the LBI Board Committee. It is effective from the date of approval.

Corporate Governance Requirements

This Policy must be read in conjunction with the requirements of the LBI Corporate Governance Framework (CGF).

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1 OVERVIEW

We at Land Bank Insurance Company SOC Limited “LBIC” and Land Bank Life Insurance Company SOC Limited “LBLIC” (hereinafter the two companies shall be referred to as “Land Bank Insurance” or “LBI”) value our clients and we commit ourselves to handling all complaints with utmost excellence, fairness, professionalism, dignity, ethics and timeliness.

The main purpose of this Complaints Management Policy is to provide guidance, ease of reference and clarification regarding the process for recording and handling of all complaints with a view to speedily resolve complaints and to continuously improve our service to suit the needs of our clients, potential clients and all other stakeholders. In addition, the purpose of this Policy is to formalize the process to be followed by LBI in effective complaints management, in order to:

- a. Ensure the culture of treating clients fairly is entrenched within the LBI;
- b. Ensure that clients are given the platform, to which they are rightfully entitled, to raise their grievances where they believe the service rendered to them was inappropriate, unfair, or substandard in nature in order to acquire resolve and/or remedial actions;
- c. Ensure fair outcomes for our clients through the fair and effective resolution of complaints within reasonable turn-around times;
- d. Continuously improve the effectiveness of the LBI processes through implementation of corrective measures in respect of inadequacies/inconsistencies identified through in-depth analysis of complaints; and
- e. Ensure that there is sufficient and effective reporting and escalation channels of complaints in order to address areas where the companies must improve.

Furthermore, this Policy outlines the LBI philosophy regarding the management of complaints.

This Policy is in line with the applicable regulatory framework of Treating Customers Fairly (TCF), the Financial Advisory and Intermediary Services (FAIS) Act, and industry best practice standards. As introduced by the Financial Sector Conduct Authority, TCF ensures that the following fairness outcomes are delivered:

- a. Customers can be confident they are dealing with firms where TCF is central to the corporate culture.
- b. Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.
- c. Customers are provided with clear information and kept appropriately informed before, during and after point of sale.
- d. Where advice is given, it is suitable and takes account of customer circumstances.
- e. Products perform as customers have been lead to expect, and the service is of an acceptable standard.
- f. Customers do not face unreasonable post-sale barriers imposed by firms to change product, switch providers, submit a claim or make a complaint.

2 POLICY STATEMENT

LBI is committed to rendering excellent service to its clients. As a result, complaints handling forms an integral part of LBI's business operations. The complaints handling process contained herein is to be used by all LBI employees to ensure that each and every complaint is resolved with excellence, professionalism and speedily.

In respect of binder holders, Underwriting Management Agencies (UMA), outsource partners, and intermediary arrangements, LBI has agreed with such parties on the standards expected of them where they deal with complaints relating to any products underwritten or serviced by the LBI companies, and such agreements are recorded in the various binder, outsource, and intermediary agreements for each partnership.

LBI is committed to a fair complaints management process based on the following values:

- 2.1 Handling complaints in a fair, efficient and timely manner, with each complaint receiving due urgency and consideration;
- 2.2 Transparency to ensure clients have adequate knowledge of the process of lodging and resolving complaints and also to keep complainants regularly updated within set time frames;
- 2.3 In line with Treating Customers Fairly (TCF), dedication to fair treatment of our clients is entrenched in the culture of our business;
- 2.4 Staff training on the complaints management process and applicable legislation with regards to resolution of complaints;
- 2.5 Where complaints are resolved in favour of the complainant, a full and appropriate remedy is offered to the complainant without unreasonable delay;
- 2.6 Allow for transparent escalation of complaints, up to Senior Management level where applicable;
- 2.7 Maintenance of records of complaints for a period required by law- up from the date of receipt, acknowledgement and settlement of the complaint;
- 2.8 Root cause analysis of received complaints in order to ensure that there are improvements to products, services, and processes where required;
- 2.9 Complaints discussed and analyzed in operational management meetings in order to proactively identify areas where our clients have not been or may not have been treated fairly.

3 DEFINITIONS

- 3.1 “**Client**” means a specific person or group of persons, excluding the general public, who is or may become the subject to, or to whom a financial service is rendered intentionally, or is the successor in title of such person or the beneficiary of such service;
- 3.2 “**Complaint**” means an expression of dissatisfaction by a person to an insurer or, to the knowledge of the insurer, to the insurer’s service provider relating to a policy or service provided or offered by that insurer which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a policyholder query that –

- (a) The insurer or its service provider has contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on the insurer or to which it subscribes;
- (b) The insurer or its service provider’s maladministration or wilful or negligent action or failure to act, has caused the complainant harm, prejudice, distress or substantial inconvenience; or
- (c) The insurer or its service provider has treated the complainant unfairly and regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a customer query.

For the purposes of FAIS, a complaint is defined as a specific complaint relating to a financial service rendered by LBI or its representative to the complainant on or after the date of commencement of the FAIS Act, and in which complaint it is alleged that LBI or its representative

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- a. has contravened or failed to comply with a provision of the FAIS Act and that as a result thereof the complainant has suffered or is likely to suffer financial prejudice or damage;
- b. has willfully or negligently rendered a financial service to the complainant which has caused prejudice or damage to the complainant or which is likely to result in such prejudice or damage; or
- c. has treated the complainant unfairly;

- 3.3 “**Complainant**” means a person who has submitted a complaint and includes a –

- (a) Policyholder or the policyholder’s successor title;
- (b) Beneficiary or beneficiary’s successor in title;
- (c) Person whose life is insured under a policy;
- (d) Person that pays a premium in respect of a policy;
- (e) Member of a group scheme; or
- (f) Potential policyholder or potential member of a group scheme whose dissatisfaction relates to the relevant application, approach, solicitation, or advertising or marketing material,

Who has a direct interest in the agreement, policy or service to which the complaint relates, or a person acting on behalf of a person referred to in paragraph (a) to (f);

- 3.4 “**Financial service**” means the furnishing of advice, the rendering of intermediary services, or both, in relation to a financial product.
- 3.5 “**Land Bank Insurance**” means Land Bank Insurance SOC Limited and Land Bank Life Insurance Company (SOC) Limited, whichever is a party referred to in a complaint.

3.6 “Query” means “the asking of a question about an issue, especially in order to express one's doubts about it or to check its validity or accuracy.”

LBI will offer the following guidelines to establish if an issue is a query:

- a. Involves a client asking about details of an insurance policy (e.g. wrong address, wrong sum insured, and errors in the policy) and is dealt with and resolved immediately.
- b. A question? E.g. when will a claim be paid? How did you arrive at claim settlement amount? When will the policy documents be received?
- c. An Inquiry.
- d. A follow up.

4 INTERNAL COMPLAINTS PROCESS

Complaints Handlers: Complaints Handler: Is an employee of LBI who is responsible for attending to and resolving Complaints, including ongoing interaction with Complainants until completion.

4.1 ROLES AND RESPONSIBILITIES

The Executive Manager: Operations is accountable to implement, communicate, and ensure that all complaints are managed in accordance with this Policy.

The Complaints Officers are responsible to ensure that all complaints are managed in accordance with this Policy, and in accordance with regulatory prescribed standards. It is the responsibility of the Complaints Officer to ensure that the correct process is followed to resolve a complaint, and also to ensure that the relevant parties involved in resolving the complaint comply with the process. The Complaints Officer is also responsible for maintaining the complaints register.

The Compliance Officer is responsible to monitor that all complaints are managed in accordance with this Policy and issue reports thereon.

The Executive Manager: Operations and the Executive Committee must be kept informed of complaints received, and of any risks identified during the resolution and/or analysis of complaints.

4.2 COMPLAINTS CATEGORIES

As a general guide, a complaint would fall into one or more of the following areas in terms of the above definition in 3.2:

- 3.1.1 Failure to adhere to the General Code of Conduct;
- 3.1.2 Complaint which is specifically directed against our service/advice/products;
- 3.1.3 Direct complaints to the Ombud;
- 3.1.4 Those that obtain media attention;
- 3.1.5 Letters from attorneys;
- 3.1.6 Where it is alleged that a complainant or his/her query has not been dealt with appropriately or satisfactorily;
- 3.1.7 Where a client has escalated his/her query to another person due to lack of service or attention by the first contact; or
- 3.1.8 Where we have responded, preferably in writing (including an e mail) to a complaint.

4.3 INTERNAL PROCESSES RULES

Rule 1. The complainant must be invited to place their complaint in writing. This could be a delicate situation, particularly due to the fact that LBI is a state owned entity, so the complaint receiver must be sensitive and use his/her discretion in requesting this.

Rule 2. The person taking the complaint must reduce the complaint to writing for recording purposes (file note/email) and reflect ALL essential details:

- i) Name of the staff member who took the complaint;
- ii) who it was referred to;
- iii) date the complaint was received;
- iv) name of the complainant & relevant policy details (where applicable);
- v) contact details of the complainant and
- vi) details of the occurrence(s) giving rise to the complaint.

Rule 3. A person in receipt of a client complaint must notify the responsible complaint handler within 24 hours as to the nature of the complaint, relevant complaint information and any remedial action that may have been taken in the interim.

IMPORTANT NOTES:

- i) A copy of the file note/email taken by the person who received the complaint must be forwarded (electronic version) to complaint handler who will record the complaint.
- ii) The person responsible for receiving the complaint must also be the responsible manager under whom the complaint falls.

Rule 4. Unless the complaint is actually resolved within 72 hours the staff member in receipt of the complaint must within 72 hours of receipt ensure that a written acknowledgement of the complaint is sent to the complainant. The acknowledgement must include:

- i) The name of the investigating person at LBI and contact details;
- ii) A statement that a written response will follow once the investigation is complete;
- iii) confirmation that a further communication will be sent if the complaint has not been resolved within fifteen days of receipt; and
- iv) In the case of an oral complaint only, a statement of LBI understanding of the nature of the complaint and a request for the complainant to confirm in writing should any of the details recorded be incorrect.

Rule 5. In the event that the investigation has not been completed within the 15 days of receipt of the complaint, the staff member in charge of the complaint must write to the complainant detailing progress to date and indicating the date by which it is expected the investigation will be complete.

Rule 6. Once the investigation is complete a letter must be sent by the investigating person that will provide the complainant with a summary of our investigation and our decision in the matter (with the assistance of

the Legal Department to review the draft letter before it is sent out where appropriate). Confirmation of our decision to the client can only be done if all internal processes for resolving client complaints have been exhausted. If the outcome of our investigation is not favourable to the client, full reasons must be indicated in the letter as there is a likelihood these letters will end up with the Ombud or a litigation.

Rule 7. Where a complaint is resolved in favour of the client a full and appropriate level of redress must be offered to the client without any delays (i.e. within 3 to 5 working days).

Rule 8. If after all internal processes of client complaints resolution have failed to resolve the matter and the complainant is dissatisfied with the outcome of our investigation and the client wishes to refer the matter to the Ombud, they must be advised to do so within the prescribed period and be given the contact details of the Ombud.

4.4 TCF PRINCIPLES IN RELATION TO COMPLAINTS MANAGEMENT

Competence and knowledge

Responsibility for handling specific complaints must be adequately delegated to ensure efficient handling, to staff or managers who are adequately trained and have an appropriate level of experience in the principles of complaints management and in relevant legal and regulatory provisions.

Quality of investigation

Where investigation is required, LBI will take reasonable steps to gather and investigate all relevant information and circumstances with due regard to TCF principles and commitments. The Company will implement quality assurance processes to monitor the quality of its investigations to ensure that LBI remains objective and demonstrates no bias when investigating a matter on behalf of a complainant.

Timely resolution

LBI's quality standards recognise that all complaints must be resolved timely. The Company aims to resolve all complaints in the shortest reasonable time possible. The company has provided sufficient controls to monitor turnaround times and ensure resolution within regulatory deadlines.

Consistent and objective decision-making

The organisational structure ensures that staff and managers responsible for complaints-related decision-making are not conflicted and are empowered to make objective decisions or recommendations.

Independent review

Should a customer wish to escalate or appeal against a decision already provided through the normal course of complaints resolution, such escalation shall be made to the Compliance Officer.

Confidentiality of client data

As far as possible, LBI maintain the confidentiality of clients' personal information and comply with the relevant legislation to ensure such safeguarding of data.

Accuracy of record-keeping

Complaints must be accurately, efficiently and securely recorded. This includes correctly categorising complaints according to their nature and the TCF outcomes.

Communication before, during and after complaints

We provide customers with clear upfront communication concerning how they can complain and how their complaint will be handled. We also provide customers with clear and timely communication upon receipt of a complaint as well as during the investigation of a complaint where necessary. We may also do communication after the resolution of a complaint to monitor client satisfaction levels, in order to ensure that we are treating customers fairly.

This Policy will at all times be available to complainants upon request, and/or may be accessed at any time through the Land Bank / LBI website.

The availability of this Policy will be made known in relevant business documents and/or communications to complainants.

Proper records must be kept in respect of the complaints in order for useful management information (MI) reports to be extracted and analysed in order to:

- a. Identify root causes common to categories of complaints and where such root causes are likely to affect products or processes, or a wider group of clients;
- b. Identify failures in control systems and systemic issues;
- c. Detect poor performance, lack of skills or misconduct; and
- d. Track the successes and risk of our TCF delivery.

A summary of such analysis should be provided to the Executive Committee for review, where the matters will receive due attention to rectify the problem, without waiting for clients to complain.

In addition, LBI will monitor and conduct a trend analysis on determinations and guidance issued by the various Ombudsmen, with a view to identifying risks to our products, services, or practices stemming from the complaints.

4.5 OUR CONTACT DETAILS

Clients must submit their complaints via any of the following options, together with any relevant supporting documentation:

- a) The Land Bank website (under the Insurance tab): www.lbic.co.za
- b) E-mail: complaints.lbic@landbank.co.za
- c) Telephone: 012 686 0550 / 0800 00 52 59
- d) Post: Complaints at Land Bank Insurance Company, P.O.BOX 375, Tshwane, 0001

LBI's acknowledgement of receipt of the complaint and responses will be made telephonically or in writing to the client and sent to the client either via the communication method preferred by the client within 72 hours.

4.6 DETAILS OF INDUSTRY OMBUD

The contact details for the Ombudsman for Short Term Insurance are as follows: Postal Address:

P O Box 32334
Braamfontei
n 2017
Tel: (011) 726 8900
Tel: 0860 726 890
Fax: (011) 726 5501
Email: info@osti.co.za

The contact details for the Ombudsman for Long Term Insurance are as follows:

Postal
Address:
Private Bag
X45
Claremont
Cape Town
7735
Tel: (021) 657 5000
Tel: 0860 103 236
Fax: (021) 674 0951
Email: info@ombud.co.za

The contact details for Office of Ombud for Financial Services Providers are as follows:

Postal Address
Private Bag

74571

Lynnwood
Ridge 0040
Tel: +27 (0) 12 762 5000
Tel: 086 066 3274
Email:
info@faisombud.co.za
Web:
www.faisombud.co.za

5 REVIEW TRACKER- HISTORY OF THE POLICY

Date of review	Version	Details of review
2018	v.01	This is a new policy as per PPR
2020	v.02	Policy review, no changes
2022	v.03	Updates to definitions, contact details (LBI) and Ombudsman contact details