





CONSORT



Consort Technical Underwriters



**Treating Customers Fairly (TCF)
Policy**



TREATING CUSTOMERS FAIRLY (TCF) POLICY

COMPANY POLICY

1. Policy Statement

There are SIX KEY "TCF" OUTCOMES in terms of the Regulator's Roadmap.

This document sets out our commitment to Treating Customers Fairly

Anyone dealing with us is entitled to hold us to account and challenge us to perform as we have detailed in the pages that follow.

This is a living document and may alter from time to time. Any alteration will only be made where the result is an improvement and enhancement to Treating Customers Fairly.

2. Outcome 1: Culture

"Customers are confident that they are dealing with firms where the fair treatment of customers is central to the firm culture."

2.1. Our Statement

We are committed to treating you fairly. Our ethos and general business practice is to maintain a high ethical standard and a belief in mutual respect.

2.2. Fulfilment: Leadership

We regard Treating the Customer Fairly as a reflection of our ethos and brand. It is a natural part of our culture, and we consider Treating the Customer Fairly as a foundation for customer loyalty and sustainable business practice.

This document has been adopted by all Shareholders and the Board of directors.

Each director, business management leader and member of staff is aware of and has received training relating to the applicable legislation.

2.3. Strategy

In all our business planning and development, the customer is at the centre of our considerations.

The principal and topic of Treating our Customers Fairly has integrated itself into our weekly staff meetings which take place every Monday morning, as well as with our quarterly Board Meetings.

2.4. Decisions

It is expected that all activity is mindful of Treating the Customer Fairly.

During any day many decisions are made. The following shows how we achieve a fair outcome for customers.

- Risk assessment, selection, and pricing;
 - Rating models have been developed that produce pricing based on predetermined and consistent risk profile inputs, duration of projects where applicable, and business size.
 - Variations to the pricing rating models are determined based on claims profiles, broker input relating to business and risk management practices and customer loyalty.
 - Monthly underwriter forums and ad hoc discussions relating to underwriting standards and risk exposures.
 - Year on year renewal processes that compares prior year pricing to current rating metrics with adjustments made as appropriate.
- Claims management, acceptance, and rejection;
 - An approach that requires support of any insured and policy fulfilment. This means that the purpose and intention of the policy trumps strict policy interpretation.
 - Prompt acknowledgement and response with clear explanations where necessary, together with a claim reference number.
 - Where a claim is found to be material, prompt appointment of an assessor is made.
 - Internal legal expertise supported by external legal, forensic and investigative expertise.
 - Claim rejections are strictly supported by legal input, director level decision making, and a full explanation is provided to the policy holder.
- Administration and Finance.
 - Proven systems are in place and these support accurate information. This includes policy and claims records, debtor and creditor controls.
 - We respond to customer queries in a timely manner.

2.5. Controls

We recognise that we need to monitor and ensure that the customer is being treated fairly and this is achieved by;

- Maintaining and having customer and broker information readily available. This information is updated at least once a year. Access through our systems is unrestricted to authorised personnel and any director has the capacity to intervene and monitor this information at any time.
- Ensuring that management meetings require treating customers fairly to be a specific agenda item. Management meetings occur every third month. This effort is enhanced through specific TCF discussions

- during our quarterly board meetings, which are intended to co-ordinate effort, compile feedback and review any concerns relating to or opportunities to improve Treating Customers Fairly.
- By comparing policy renewal information and pricing to prior year metrics thus monitoring and ensuring consistency. Referral to management is required where inconsistencies are identified. Management review monthly policy listings.
- Claims reports are reviewed monthly. On an attest basis claims are reviewed to ensure consistency of approach and fairness.

2.6. Performance

We understand that skilled, capable personnel with an alignment to positive behaviour and understanding of customer needs are key metrics to delivering fair outcomes and a sustainable business proposition.

We achieve this through;

- Weekly in-house training sessions where both specific and technical topics are raised. These sessions are also where legislative, market or business changes are highlighted and discussed.
- The development of our training material that provides an in-depth understanding of each of the classes of business underwritten by us.
- Business technology and system training as required.
- Recruitment practices require a minimum of two directors and the HR manager involved and an interview process that is directed by pre-set questions including views around customer service. New employees are inducted via a tailored introduction which defines our ambitions and commitments to Treating Customers Fairly.
- Awareness and impact of applicable legislation in particular FAIS (fit and proper), TCF (fairness), FICA (money laundering), Short Term Insurance Act (governance) and POPI (information security). This is achieved through the promotion of reading and general discussion.
- Individual review of understanding of fair practice and in the event of either positive or negative external feedback, reinforcement of good behaviour or corrective action, through learning, in the event of unacceptable behaviour. This is generally shared where possible.
- A transparent system that is accessible by all employees whereby all complaints are required to be logged and tracked. Outstanding complaints are reviewed on a regular basis and are only closed once a resolution has been identified and implemented.

2.7. Reward

Consort is strategically positioned as a specialist engineering underwriting business contracted by a single insurer. Consort is precluded from providing advice to the end customer, being the policy holder.

To support this position, to avoid conflict of interest and as evidence of fairness;

- Consort has a written Conflict of Interest policy. The directors of the company approve this policy.
- Any claims by a representative for business costs incurred are first entered into a conflict of interest register before consideration is made to reimburse expenses incurred.

- Consort's remuneration and profits are related to the underwriting profit of the "book of business". This business is gained exclusively through the insurance broker market channel.
- Consort does not receive any commission related to the selling of or advice to the policyholder. To do otherwise would create a behaviour of bias to our product and would be a conflict and not in the interests of the policy holder.
- We pay insurance brokers a commission as prescribed by legislation. We may agree to pay brokers an additional amount for work we would otherwise have to do ourselves. This additional remuneration would link strictly to the cost of delivery and a reasonable return.
- We subscribe to the legislative conflict of interest values as prescribed in terms of any entertainment or similar expenses in building relationships with insurance brokers. This is embedded in our Conflict-of-Interest policy and is monitored monthly.
- Internally staff are not remunerated in a manner that may unduly influence incorrect behaviour or effort contrary to Treating Customers Fairly or create conflicts of interest.
- Our employee remuneration policy is restricted to an annual package and in the event of a positive business financial return there may be an additional bonus in July each year. This bonus is in addition linked to personal performance where individual metrics are considered which include external feedback on both positive and negative behaviour.

3. Outcome 2: Products & Services

"Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly."

3.1. Our statement

All our products and services are intended to meet your needs.

3.2. Fulfilment

We are precluded from providing advice to policy holders. We therefore do not engage in any practice that may persuade any policy holder to enter a policy contract. However, we are concerned that any policy we issue does in fact respond to the policy holder's needs.

We achieve this by;

- Continuously reviewing our products through claim experience, broker feedback, market practice, legislation, and risk exposures as they vary and develop.
- Any broker will be supported with direct explanation as to the meaning of our policy wordings and how it may respond in certain instances.
- Our policy wordings are written in plain language and are easy to understand.
- Internal monthly meetings which monitor (from broker or policy holder feedback) product suitability and where relevant changes are required.

- Our products are not directly marketed to our clients as we are required by law to source the business through our brokers. As a result, we primarily need to ensure that our brokers have a thorough knowledge of our business and our products. We have therefore developed a comprehensive training programme that is being offered (free of charge) to our brokers. Amongst other benefits, this will ensure that the brokers are skilled in terms of our product offering, and at the same time, provides Consort with an opportunity to highlight our product offering.
- Consort has recently implemented a comprehensive policy handling, accounting, claims handling and broker database system that has proved to be highly reliable and efficient. Policy preparation time and claims registration time has been reduced drastically from our previous system, which ultimately improves the experience in terms of efficiency and accuracy of the product for the client.

4. Outcome 3: Information

“Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.”

4.1. Our statement

When contracting with us we will communicate clearly and keep you (via your broker) appropriately informed before, during and after the time of contracting.

4.2. Fulfilment

Although we rely on brokers to provide relevant information to any policy holder we contribute to the delivery of fairness by;

Providing renewal reminders to brokers six weeks before renewal dates and following up with further reminders all geared to the policy renewal date.

Confirming the consequence to continuing insurance coverage in the event a policy lapses due to non-renewal or in the event of cancellation.

Issuing policies in plain language with clear definitions in bold lettering for key terms used.

Highlighting the need to provide all material information relating to the description of an insured’s business and activity, claims history and other key risk assessment information.

Clearly setting out policy premium terms and when payment is due and what happens in the event of non-payment of premium.

Confirming how and when to report claims.

Setting out in our disclosure notice all the information necessary for any policy holder to identify who we are, who we are associated with and how and what we earn.

5. Outcome 4: Advice

“Where customers receive advice, the advice is suitable and takes account of their circumstances.”

5.1. Our statement

Although we do not provide advisory services, we recognise our product requires advisory support. We will contribute to this advisory support and where possible ensure that it is suitable and takes account of your circumstances.

5.2. Fulfilment

Our strategic position is as a product supplier, but we assist in the advisory process and fairness by;

- Registering and entering into agreements with brokers. These agreements clearly set out responsibilities and obligations on the part of brokers and define their advisory duties. This agreement is cancelable in the event of a breach on the part of brokers.
- These agreements are reviewed and renewed on an annual basis.
- If the broker is loaded as a credit intermediary, IGF details are required and reviewed for appropriateness before accepting the engagement with the broker.
- Conducting an assessment as to the capabilities of the broker in relation to our specific products. This assessment acknowledges that the policy holder has chosen the broker and has performed his own due diligence. Our input relates to our knowledge of the broker and where relevant we will support the broker with training and direct input in relation to risk profiles submitted to us.
- Only dealing with authorised representatives. This is managed through our registration process when the representatives of the brokers are nominated by the broker.
- Intentionally intervening in the event, we witness the broker misunderstood or where the broker requires assistance in defining risk exposures and appropriate insurance responses.

6. Outcome 5: Service Delivery Performance

“Customers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.”

6.1. Our statement

Our products will fulfil your expectations and will be supported by like support services. Where expectations and fulfilment are at odds, we will clearly communicate the reasons.

6.2. Fulfilment

As we are precluded from dealing with the public directly, we are reliant on and work with insurance brokers to deliver policy fulfilment and service.

We fulfil our obligations by;

- Entering into agreements with insurance brokers that confirm our obligations and commitments.
- We have established clear business processes to ensure service delivery. These are mapped in graphical form.
- We have agreed internal target metrics to deliver;
 - Policy quotations in a timely manner. These include proposed policy wording, clarity on special conditions and requirements, payment options and terms and regulatory information.
 - Response times to claims reported from acknowledgement to initial decisions regarding claims management and subsequent follow through.
- Monitoring any feedback from brokers. This feedback is dealt with as and when given and any service method change is implemented where and if required.
- Ensuring we have the capacity to continue to deliver service in the event of disaster. This is evidenced and delivered by way of a written Risk Management review which occurs quarterly and in addition a written clear disaster management plan which is integrated into our risk mitigation activity. A risk register has been developed and maintained and is reviewed on a regular basis (3 months) or shorter if there is an indication that a new risk has arisen or where the status of an existing risk has changed. This risk register clearly identifies the severity of the identified risks, as well as safeguards that have been and will be implemented to reduce this risk to an acceptable level.
- When we appoint external specialists to assist us, the service is monitored on a case-by-case basis. In every appointment we continue to take ownership and responsibility for service delivery.
- The complaints register system has been implemented and is available to all staff members. It is an absolute requirement that any complaint identified is entered into this register, which then triggers a required response and resolution within a certain period of time. This complaints register is regularly reviewed by management.

7. Outcome 6: Claims, Complaints and Cancellation

“Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.”

7.1. Our statement

We will ensure that there are no unreasonable or unnecessary constraints when any policy holder’s wishes to;

- register claims with us.
- complain to or about us or
- alter or cancel their contract with us.

7.2. Fulfilment

Our evidence in delivering on this outcome follows;

- Claims
 - The process to register a claim is embedded in our policy documentation. As we work in the arena of engineering insurance, claims can be complex and may take time to manage. This is managed by working with the policy holder and with the broker on record.
 - We do not outsource ownership and responsibility to manage claims.
 - No claim is rejected without internal and external legal input and decision making at director level.
 - Where necessary, and depending on the materiality of the claim, we would appoint an independent assessor on our behalf to assess the claim and where necessary provide recommendations as to the legitimacy of the claim in question.

- Complaints
 - We view complaints as a learning experience and consequently welcome this form of feedback as an opportunity to improve customer service and to enhance treating customers fairly.
 - We have a complaints process that details how we deal with complaints and who will deal with complaints. Any complaint is dealt with at an executive level.
 - We do not prescribe how these complaints may be made. Anyone who has a complaint is at liberty to complain in any way they wish.
 - We maintain a register of complaints that is available to all staff members. Should a staff member be made aware of a complaint, it is their obligation to enter this complaint into the complaints register. This register requires detailed information regarding the complaint, the person responsible/assigned to resolve the complaint, and targets/deadlines associated with the planned resolution of the complaint. All complaints are then discussed during our weekly company/staff meetings.
 - We set out in our Disclosure Notice all the necessary details relating to reporting complaints and to contact our Regulator.

- Contract changes
 - Our policy contracts may be cancelled on notice of thirty business days' notice. This notice period has been chosen as it is aligned to the Consumer Protection Act.
 - Consort will not cancel a policy, unless under exceptional circumstances (where there is evidence of fraud, dishonesty, or non-payment of premiums).
 - The ramification of a cancellation is specifically communicated to the policy holder, via the broker, to ensure that the consequences are clearly understood.
 - Any request to alter the policy in any way is received from the broker on behalf of the policy holder. We will not unreasonably reject any request for a change, but should we do so this will be accompanied by a clear and detailed explanation.