

# Claims Management Framework

## Transact & Protect Insure (Pty) Ltd

### (“the Company”)

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Henk Roos  
Chief Operations Officer

Date	Version & Status	Summary of Changes
July 2017	1	First policy draft
June 2018	2	Annual review
Nov 2018	3	Alignment to PPR
Sep 2020	4	Inclusion of Unclaimed Benefit & Sanction Screening

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## **1. Introduction**

The Company, 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. The Claims Management Framework serves to meet the requirements of Section 62 of the Long Term Insurance Act, the Insurance Act and Rule 17 of the Policyholder Protection Rules. It needs to ensure fair treatment of policyholders and beneficiaries and must be reviewed regularly.

### **Important contact information**

- a) Claim registration email - [claims@tpinsure.com](mailto:claims@tpinsure.com)
- b) Claims registration contact number - +27 87 550 4990
- c) Claims escalation/repudiation email – [LifeClaims@guardrisk.co.za](mailto:LifeClaims@guardrisk.co.za)
- d) Claims complaint and escalation process – please refer to disclosure notice attached to your policy document.

## **2. Objective**

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

- 2.1 It is proportionate to the nature, scale and complexity of the Insurer’s business and risks;
- 2.2 Is appropriate for the business model, policies, services and policyholders and beneficiaries of the Insurer;
- 2.3 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
- 2.4 Does not impose unreasonable barriers to claimants.

## **3. Definitions**

- **“AI” or “AIs”** means Accountable Institution in terms of FICA.
- **“AML/CFT”** means Anti-money laundering and countering the financing of terrorism;

- **“Beneficiary”** in respect of a – registered insurer means –
  - a) a person nominated by the Policyholder as the person in respect of whom the Insurer should meet policy benefits; or
  - b) in the case of a fund member policy, a fund policy or a group scheme, a person nominated by the fund, member of the fund or member of the group scheme, or person otherwise determined in accordance with the rules of that fund or group scheme as the person in respect of whom the Insurer should meet policy benefits;
  - c) licensed Insurer, has the meaning assigned to it in Schedule 2 of the Insurance Act; and for purposes of the Policyholder Protection Rules, includes in the case of a fund policy, a person nominated by the fund, or person otherwise determined in accordance with the rules of that fund as the person in respect of whom the Insurer should meet policy benefits.
- **“Business Day”** means any day excluding a Saturday, Sunday or public holiday.
- **“Claim”** means, unless the context indicates otherwise, a demand for any policy benefits by a Claimant in relation to a policy, irrespective of whether or not the Claimant’s demand is valid;
- **“Claimant”** means a person who makes a claim;
  - a) **“Claim Outcome”** shall relate to the following: **“Accepted”** shall mean 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 Guardrisk to assume that the Claimant has so accepted. A Claim should only be regarded as accepted once any and all undertakings made by Guardrisk to provide policy benefits wholly or in part have been met.
  - b) **“Repudiated”** shall mean that the Claim has been wholly or partly rejected (or repudiated) and Guardrisk regards the Claim as finalised after advising the Claimant (both verbally and 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 Guardrisk regards the Claim as invalid, or where the Claimant does not accept or respond to proposals to pay the Claim and Guardrisk then advises the Claimant that it does not intend to take any further action to attempt to pay the Claim.
  - c) **“Disputed”** shall mean the Claim is neither accepted nor rejected, but Guardrisk disputes the Claim or the quantum of the Claim.
- **“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 Claimant to compensate the Claimant 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 a complaint, where the Insurer accepts liability for having caused the loss concerned, but excludes any –
  - a) goodwill payment;

- b) payment contractually due to the Claimant in terms of a policy; or
  - c) refund of an amount paid by or on behalf of the Claimant to the Insurer where such payment was not contractually due;
  - d) and includes any interest on late payment of any amount referred to in (b) or (c);
- **“Customer Query”** means a request to Guardrisk by or on behalf of a policyholder/beneficiary for information regarding a Claim or a policy, including policy benefits, no-claim bonus, loyalty benefit, waiting period or related service in relation to such policy. This shall also include a progress update on a request previously made or a progress update on a Claim.
  - **“DPIP”** refers to Domestic Prominent Influential Person
  - **“Escalated Claim”** shall refer to the following:
    - 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 the appointed Reinsurer for further review and feedback;
    - d) the referral of the Claim to a Claims Committee mandated and authorised to review the Claim and provide an outcome;
    - e) 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 Guardrisk Complaints Management Framework.
  - **“Exclusion”** means the losses or risk events not covered under a policy;
  - **“Existing policy”** means a policy entered into before the date on which the relevant rule takes effect;
  - **“FICA”** refers to the Financial Intelligence Centre Amendment Act, 2017 (Act No. 1 of 2017)
  - **“FIC”** means the Financial Intelligence Centre, the government authority who ensures compliance with the Act and who MS reports to in terms of the Act.
  - **“FPPO”** refers to Foreign Prominent Public Officials
  - **“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 Claimant as an expression of goodwill aimed at resolving a claim, where the Insurer does not accept liability for any financial loss to the Claimant as a result of the matter complained about;

- **“New Policy”** means a policy entered into on or after the date on which the relevant rule takes effect;
- **“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; and
  - b)* Financial Sector Regulation Act, from the date on which such Act repeals the Financial Services Ombud Schemes Act, 2004 (Act 37 of 2004) through Schedule 4 of such Act;
- **“PEP”** refers to Politically Exposed Person.
- **“PIP”** refers to a Prominent Influential Person.
- **“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;

- **“Policy”** means a 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;
- **“Policyholder”** has the meaning assigned to it in the Act, and includes any person in respect of whom a fund, under a fund member policy, insurers its liability to provide benefits to such person in terms of its rules;
- **“Product House”** means an administrative division within Guardrisk that designs and administrates niche insurance products, including Admed, C&G Engineering, Guardrisk Allied Products & Services (Guardrisk General Insurance) and Marine Underwriting Managers. “Product owner” has a corresponding meaning;

- **“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 was not paid

and **“Repudiation”** shall have a corresponding meaning;

- **“Service Provider”** means any person (whether or not that person is the agent of the Insurer) with whom an Insurer has an arrangement relating to the marketing, distribution, administration or provision of policies or related services;
- **“TFS”** refers to the Targeted Financial Sanctions List pursuant to Section 26A of the FICA Act.
- **“Unclaimed Benefit”** means a benefit in terms of an approved Claim where the benefit cannot be paid to the Nominated Beneficiary within 3 (three) years of the Claim having been approved because the Nominated Beneficiary is not contactable. In other words, the Nominated Beneficiary cannot be located, his/her emails are undelivered, his/her post is returned to the Binder Holder and/or his/her contact number is no longer in use. **“Unclaimed Benefits”** shall have a corresponding meaning;
- **“Waiting Period”** means a period during which a Policyholder (or any affected Insured) is not entitled to Policy benefits and includes any deferred period to determine permanency of disability;
- **“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.

#### 4. Allocation of duties

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

- 4.1 Adequately trained;
- 4.2 Experienced in claims handling and appropriately qualified;
- 4.3 Not be subject to a conflict of interest; and
- 4.4 Be adequately empowered to make impartial decisions or recommendations.

#### 5. The claims process

The process that a claim will follow at the Company:

5.1. Claims notifications will be processed and registered within 8 working hours after it has been received via our channels as provided under the “Important Contact Information” heading on page 2 of this document

5.2 To register a claim, the claimant will need to provide the following information:

- i) Full name and ID number of claimant (certified copy)
- ii) Full name and ID of policy holder/deceased (certified copy)
- iii) Date of claim

5.3 Full details of the applicable claims staff member will be communicated to the claimant. Please note that your insurance broker on record will be included in all correspondence and communication throughout the claims process.

5.4 Outstanding information will be clearly noted, and a written request via email will be sent to the claimant within 24 hours from registration, notifying the claimant of such documentation and/or information required to finalise claim.

5.5 Successful claims (with all requested information and documentation received) will be settled within 48 hours of receipt thereof.

5.6 Claim disputes and/or repudiations will be communicated in writing to the claimant within 48 hours after approval from the insurer has been received. We will clearly note dispute questions and/or repudiation reason to the claimant in detail and in plain language.

5.7 Repudiated claims can be escalated (in writing) to Transact and Protect Insure’s Claims management at [claims@tpinsure.com](mailto:claims@tpinsure.com). A Decision will be made within 24 hours from receipt thereof and communicated (in writing) to the claimant.

5.8 Should you wish to escalate beyond Transact and Protect Insure, you will be able to do so by forwarding your query to [LifeClaims@guardrisk.co.za](mailto:LifeClaims@guardrisk.co.za), noting your claim details and repudiation letter.

5.9 All claims registered and information and documentation received will be captured on our internal system along with all correspondence relating to each and every claim.

5.10 All information is kept private and confidential and will only be available to authorised Transact and Protect Insure staff, as well as authorised Guardrisk staff where an escalation process has been entered into.

## **6. Claim escalation and review process**

Complex or unusual claims shall be escalated from the initial assessor to:

- 6.1 the Operations Executive
- 6.2 the Insurer
- 6.3 the Reinsurer (where applicable)

## **7. Interest on late payment**

The Company will endeavour to finalise claims within 48 hours (2 business days) of receipt of all required documentation. In instances where a delay occurs on the part of the Company, and such delay causes financial loss or any form of prejudice to a claimant, and where the delay is proven to have been unnecessary, the Company will pay interest @ 6% of the claim value.

## **8. Record keeping, monitoring and analysis**

- 8.1 All claims received, assessed, and finalised will be kept for a minimum period of 5 years.
- 8.2 The documents are filed physically or electronic scanned copy on the internal network drives.
- 8.3 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.

## **9. Repudiations or disputes**

The Insurer must communicate the following to the claimant:

- 9.1 The reason for the decision;
- 9.2 Include the facts that informed the decision;
- 9.3 That the claimant may within a period of not less than 90 days after the date of receipt of the notice make representations to the Insurer;
- 9.4 Have the right to lodge a complaint to the relevant Ombud and provide the contact details and time limitations of the applicable Ombud scheme.

## **10. Claim escalation and appeals process**

Should a claimant or customer be dissatisfied with the outcome of the claim assessment, he/she may direct their dissatisfaction to the Company, who will refer the matter to the Insurer for review of the decision. The Insurer 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 the Internal Dispute Arbitrator at the Insurer, before referring it to an external body, such as the Ombud for Long Term Insurance.

The Insurer's details are:

Guardrisk Life Limited

Postal Address: PO Box 786015  
Sandton, 20196

Tel: (011) 669-1000

Email: [info@guardrisk.co.za](mailto:info@guardrisk.co.za)

In addition, the claimant may send a formal complaint to the Company at the details below:

[info@tpinsure.com](mailto:info@tpinsure.com), 021 205 3565

The Company will acknowledge the complaint within a minimum of 2 working days.

## **11. Prohibited claims practices**

The Company and the Insurer may not:

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

## **12. Valid claims received during periods of grace**

If a claimant submits a claim in respect of an event that occurred during a grace period, the value of the claim may be reduced by the sum of the unpaid premium.

## **13. Unclaimed Benefit**

If a benefit under a Policy is an Unclaimed Benefit, the Binder Holder must take action to determine if the Nominated Beneficiary is alive and/or aware of the benefit payable to him/her under the Policy. Specifically, in the 3 (three) year period after the Unclaimed Benefit arises, the Binder Holder must:

- attempt to contact the Nominated Beneficiary telephonically and electronically to advise them of the Unclaimed Benefit; or
- determine the last known contact information of the Nominated Beneficiary by comparing internal and external databases, including the use of internet search engines and/or social media; or
- appoint an external tracing company to locate the Nominated Beneficiary.

Before the end of the 3 (three) year period referred to above, the Binder Holder must confirm the Unclaimed Benefit and transfer the amount of the Unclaimed Benefit to an account in the name of the Insurer, and the Insurer will accept liability for the Unclaimed Benefit.

## 14. Sanction Screening

Once a Claim has been lodged and assessed and approved, and before payment can be made, the Binder Holder or Insurer must perform Sanction Screening on the Beneficiary to ensure such person is not a sanctioned person, in order for payment to be made.

Should the accountable institution consider a life insurance policy to be a low risk product, the accountable institution must nonetheless take into consideration all other indicators related to the Beneficiary. These include, among other factors, as the Beneficiary's geographic location, distribution channels, if the Beneficiary is a foreign prominent public official (FPPO) or domestic prominent influential person (DPIP), and if there is adverse media publicity on the Beneficiary. Once all these unique factors have been considered, only then can the accountable institution assign ML/TF risks to its relationship with the Beneficiary.

The beneficiary becomes the client of the insurer at the time when their rights in the insurance benefit vest. Therefore, accountable institutions should also have an understanding of the ML/TF risks that may foreseeably occur with this beneficiary. As such, accountable institutions must understand the risk that the nominated beneficiary may pose to the accountable institution so that they are aware of the necessary mitigating measures and controls that must be in place at the time when the insurance benefit is claimed.

ML/TF risk considerations regarding the nominated beneficiary that impacts the overall risk of the client/potential client include that:

- The beneficiary may be a sanctioned person according to the South African sanctions regimes (See Guidance Note 6A and PCC 44 for further information regarding the scrutinising of information in meeting the financial sanctions obligation);
- The beneficiary may be a FPPO as envisaged in section 21F of the FIC Act, or a DPIP in terms of section 21G of the FIC Act;
- The beneficiary may be a known criminal;
- The beneficiary arrangements may be used for purposes of fronting to facilitate the movement of funds through a life insurance policy.

Section 4 of the Protection Of Constitutional Democracy Against Terrorist And Related Activities Act, 2004 (Act 33 of 2004) (POCDATARA Act) and section 26B(2) of the FIC Act prohibits any person from dealing with property that is associated with or making property available to any persons listed according to the South African sanctions regimes. (Kindly refer to Guidance Note 6A and PCC 44 regarding the freezing of funds).

Should the accountable institution identify that a nominated beneficiary is a sanctioned person as listed in the South African sanctions regimes, it would be cautioned not to continue with such an arrangement as at the pay out stage it would not be in a position to lawfully honour such a payment or arrangement.

### **Example**

*Person X holds a life insurance product with Company A. Person X nominates person Y as the beneficiary. Person X passes away, and the claim for policy proceeds to be paid to person Y is*

*initiated. Company A screens person Y and identifies Person Y as a person listed on a sanctions list (per section 25 of the POCDATARA Act and section 26 of the FIC Act). Company A would be required to freeze such funds and may not lawfully proceed with this payout as it would be a contravention of section 4 of the POCDATARA Act and section 6B of the FIC Act.*

**IMPORTANT NOTE: This in short means that an Accountable Institution is prohibited to transact with a sanctioned person or entity. An Accountable Institution must report to the FIC, the property which the Accountable Institution is in possession of or has control of, which is owned or controlled by a person or entity on the sanction list.**

#### **15. Claim Submission Contact Details**

All claims can be submitted to:

[E-mail: claims@tpinsure.com](mailto:claims@tpinsure.com)

Telephone: **021 205 3565**

Postal address: Postal address: **39 Carl Cronje Drive, First Floor Regus Offices, Willowbridge Shopping Centre Bellville, 7530**



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