



GUIDANCE CONDUCT OF INSURANCE BUSINESS AND FAIR TREATMENT OF CUSTOMERS

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Definitions

In this guidance, the following terms are used as defined below:

“Insurer” includes the various entities registered to do insurance business within any jurisdiction.

“Intermediary” is given a broad meaning. It encompasses individual agents, brokers and representatives (“representatives”) as well as the business entities that are authorized to distribute insurance products and services, including managing general agencies, third party administrators and national accounts, as the case may be.

In Canada, Intermediaries that are subject to licensing and supervision can vary from jurisdiction to jurisdiction. This guidance applies to all Intermediaries that are authorized to do business within any jurisdiction, whether licensed, registered or exempted from registration.

“Consumer” includes all actual and potential customers for insurance products.

“Customer” refers to policyholder (which, as the case may be, includes certificate holder) or prospective policyholder with whom an Insurer or an Intermediary interacts, and includes, where relevant, other beneficiaries and claimants with a legitimate interest in the policy.

Preamble

In Canada, the conduct of business in insurance is the exclusive authority of the provinces and territories. Each jurisdiction has its own regulatory approach for the conduct of business, based on its unique culture, traditions and legal regime.

However, despite these differences, regulators within each jurisdiction share a common set of expectations pertaining to the conduct of business to ensure the fair treatment of Customers. In that context, regulators are encouraged to have harmonised frameworks across the country in accordance with this guidance.

This guidance sets out the Canadian Council of Insurance Regulators (“CCIR”) and the Canadian Insurance Services Regulatory Organizations (“CISRO”) members’ vision, including their expectations (to the extent of their respective authority) relating to conduct of insurance business and fair treatment of Customers.

CCIR and CISRO provide this guidance to further support Insurers and Intermediaries in achieving fair treatment of Customers while complying with existing laws and regulations. It also aims at strengthening public trust and Consumer confidence, minimizing reputational risks and unsustainable business models.

This guidance is based on Insurance Core Principles of the International Association of Insurance Supervisors (“IAIS”).¹

Expectations for the conduct of insurance business may differ depending on the nature of the Customer with whom industry participants interact, the type of insurance provided and the distribution strategy.

This guidance provides Insurers and Intermediaries with the necessary latitude to determine the requisite strategies, policies, processes, procedures and controls that apply to the offer of insurance products and services to Customers based on the nature, size and complexity of their activities, while taking into account representatives’ regulatory obligations in order to facilitate achieving Customers outcomes reflected in this guidance.

Supervision of the Conduct of Business of Insurance

Through CCIR, all jurisdictions have a framework for information sharing and cooperative market conduct supervision to address conduct of business issues arising across jurisdictions (Framework for Cooperative Market Conduct Supervision). As part of their supervision, regulators adopt a risk-based approach in assessing conduct of business.

In assessing conduct of business in insurance, regulatory authorities consider industry-wide as well as Insurer/Intermediary-specific activities against the Customer outcomes. Effective assessment of the quality of conduct of business in insurance requires, to a large extent, supervisory consideration of strategies, policies, processes, procedures and controls that apply to the offer of insurance products and services to Customers, which

¹ International Association of Insurance Supervisors. *Insurance Core Principles, ICP 19*, updated November 2017. <https://www.iaisweb.org/page/supervisory-material/icp-on-line-tool>

are more easily assessed through supervision of Insurers and Intermediaries. Thus, regulatory authorities monitor whether such policies and procedures are adhered to.

Effective assessment of the quality of conduct of business of Insurers and Intermediaries also requires supervisory considerations of the Customer outcomes that are being achieved industry-wide as well as Insurer/Intermediary specific.

Scope

In order to promote the fair treatment of Customers to insurance industry participants, this guidance applies to Insurers and Intermediaries. It does not apply to Insurers only engaged in reinsurance.

The Insurer is responsible for fair treatment of Customers throughout the life-cycle of the insurance product, as it is the Insurer that is the ultimate risk carrier. In the provision of products and services, Insurers should, upon first contact with Customers, make a commitment to them and hold it throughout the life-cycle of the product, regardless of the distribution channel used by the Insurer.

Intermediaries typically play a significant role in insurance distribution, but may also be involved in other areas. Their interactions with both Customers and Insurers give them a key role, and their conduct in performing the services in which they are involved is critical in building and justifying public trust and confidence in the insurance sector.

The Insurer's ultimate responsibility does not absolve Intermediaries of their own responsibilities for which they are accountable. Treating Customers fairly is a shared responsibility when Insurers and Intermediaries are both involved.

Representatives must respect their regulatory obligations as well as the codes of conduct/ethics of Insurers and of the business entities through which they act. They must maintain an appropriate level of professional knowledge and experience, integrity and competence. All those involved, from Insurers to Intermediaries, should collaborate to achieve fair treatment of Customers.

1. Conduct of Business²

In the field of insurance, conduct of business encompasses industry-wide as well as Insurer/Intermediary specific activities with Customers.

Sound conduct of business includes treating Customers fairly throughout the life-cycle of the insurance product. This cycle begins with product design and continues until all obligations under the contract are fulfilled.

In their conduct of the business of insurance, Insurers and Intermediaries are expected to:

- act with due skill, care and diligence when dealing with Customers;
- maintain good and sound relationships between themselves and with the regulatory authorities;
- establish and implement policies and procedures on fair treatment of Customers, as integral parts of their business culture;
- act in compliance with the laws, regulations and guidelines to which they are subject;
- promote products and services in a clear, fair and not misleading manner;
- provide Customers with timely, clear and adequate pre-contractual and contractual information;
- take into account a Customer's disclosed circumstances when that Customer receives advice and before concluding insurance contracts;
- avoid or properly manage any potential conflicts of interest before concluding an insurance contract;
- handle complaints in a timely and fair manner;
- have and utilize appropriate policies and procedures for the protection and use of Customer information; and
- have contractual arrangements between each other, that ensure fair treatment of Customers.

Moreover, Insurers are expected to:

- take into account the interests of the targeted Consumers groups when developing and distributing insurance products;
- service policies appropriately throughout the life-cycle of the product;
- disclose information on any contractual changes occurring during the lifecycle of the contract to the policyholder;

² Where an Insurer or an Intermediary are part of an insurance group, the application of appropriate policies and procedures on conduct of business should be consistent across the group, recognizing local specificities, and should result in fair treatment of Customers on a group-wide basis.

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- disclose relevant information depending on the type of insurance product to the policyholder;
 - handle claims in a timely and fair manner.

Although ongoing policy servicing is traditionally seen as primarily the responsibility of the Insurer, Intermediaries are often involved, particularly where there is an ongoing relationship between the Customer and the Intermediary. In such a case, the Insurer remains ultimately responsible for servicing policies throughout their life-cycle, and ensuring that Intermediaries have appropriate policies and procedures in place in respect of the policy servicing activities performed on the Insurer's behalf.

2. Fair Treatment of Customers

Fair treatment of Customers encompasses concepts such as ethical behavior, acting in good faith and the prohibition of abusive practices.

Ensuring fair treatment of Customers encompasses achieving outcomes such as:

- developing, marketing and selling products³ in a way that puts Customers' interests ahead of their own;
- providing Customers with accurate, clear, not misleading and sufficient information before, during and after the point of sale, which will allow them to make informed decisions;
- minimizing the risk of sales which are not appropriate to the Customers' needs;
- ensuring that any advice given is relevant;
- dealing with Customer claims, complaints and disputes in a fair and timely manner;
- protecting the privacy of Customer information.

³ Including renewals.

3. Business Culture

Business culture is at the heart of improved market conduct outcomes in matters of fair treatment of Customers. The “tone from the top” has the greatest impact on business culture. Business culture refers to the common values (e.g., ethics and integrity) and standards that define an Insurer or an Intermediary and influence the mindset, conduct and actions of everyone as well as all aspects of decision-making, from strategic decisions to those made by Customer-facing employees on a daily basis.

Establishing a Customer-centric culture creates an environment that fosters Consumer confidence and long-term Customer relationships, rather than focusing on short-term financial goals that could cause serious harm to Customers and damage the reputation of the Insurer or the Intermediary.

A business culture that seeks to achieve meaningful results, particularly regarding the fair treatment of Customers, should help meet the following objectives:

- Understand the importance of placing clients at the center of all concerns: strategic decisions, daily conduct and results clearly demonstrate that Customers and market integrity are real priorities.
- Recognize the risks that could hinder the achievement of expected results regarding the fair treatment of Customers as well as the means to mitigate such risks.
- Understand the importance of reporting the achievement of expected results at all levels, using indicators in terms of fair treatment of Customers that are measured, monitored and driven by a cycle of continuous improvement.

4. Relationships between Insurers and Intermediaries

In managing their relationships with Intermediaries, Insurers are expected to:

- have effective systems and controls in place and communicate clear strategies for selecting and managing arrangements with Intermediaries as part of their overall distribution plan;
- conduct due diligence in the selection of Intermediaries to assess, amongst other things, that they are authorized and have the appropriate knowledge and ability to conduct insurance business and have appropriate governance policies and procedures with respect to fair treatment of Customers;
- have written agreements in place established in respect of their business dealings with each other, to clarify their respective roles and facilitate the achievement of expected outcomes in matters of fair treatment of Customers;
- manage contracts, once in place, to ensure that Intermediaries continue to be authorized and remain suitable to do business with them and comply with the conditions of their contract;
- be satisfied that the involved Intermediaries are providing information to Customers in such a manner that will assist them in making an informed decision; and
- analyze complaints concerning Intermediaries in respect of products distributed by Intermediaries on their behalf, enabling them to assess the complete Customer experience and identify any issues to be addressed.

5. Relationships with Regulatory Authorities

With regard to regulatory authorities, Insurers and Intermediaries are expected to:

- make available their strategies, policies and procedures dealing with the fair treatment of Customers;
- promptly advise regulatory authorities if they are likely to sustain serious harm due to a major operational incident that could jeopardize the interests or rights of Customers and the Insurer or the Intermediary's reputation.

Moreover, Insurers are expected to communicate and report to the regulatory authorities any Intermediary with whom they have transacted that may be unsuitable or not duly authorized, which could result in impairing the fair treatment of Customers.

This may include:

- identifying whether some Intermediaries or particular issues are subject to regular or frequent complaints; and
- reporting to the regulator recurring issues relevant to the regulator's assessment of the Intermediaries concerned.

6. Customer outcomes and expectations

This section outlines twelve Customer' outcomes that CCIR and CISRO expect to be achieved by Insurers and Intermediaries, as the case may be, and expectations for achieving those outcomes.

6.1 Governance and Business Culture

CCIR and CISRO expect fair treatment of Customers to be a core component of the governance and business culture of Insurers and Intermediaries.

Incorporating a fair treatment of Customers culture requires the involvement of all organizational levels and processes, from strategic planning to decision-making and governance structures to operations. In so doing, Insurers and Intermediaries aim at striking balance between the obligations of all involved, including representatives.

Expectations to achieve this outcome (Insurers and Intermediaries)

Overall responsibility for fair treatment of Customers is at the level of the board and/or senior management, who design, approve, implement and monitor adherence to policies and procedures aimed at ensuring that Customers are treated fairly.

Management information includes the most useful information and indicators to allow the board and senior management to:

- assess the organizational performance with respect to fair treatment of Customers;
- react, in a timely manner, to changes or risks likely to have a negative impact on their Customers; and
- demonstrate that fair treatment of Customers is part of their business culture.

Mechanisms and controls are established to identify and deal with any departure from the organizational strategies, policies and procedures, any conflicts of interest or any other situation likely to interfere with the fair treatment of Customers.

Appropriate measures are taken to ensure that employees and representatives meet high standards of ethics and integrity, beginning at recruitment.

Relevant staff is trained to deliver appropriate outcomes in terms of fair treatment of Customers.

Remuneration, reward strategies and evaluation of performance take into account the contribution made to achieving outcomes in terms of fair treatment of Customers.

6.2 Conflicts of Interest

CCIR and CISRO expect that any potential or actual conflicts of interest be avoided or properly managed and not affect the fair treatment of Customers.

In their dealings either with each other or with Customers, Insurers and Intermediaries may encounter conflicts of interest. As Intermediaries interact with both Customers and Insurers, they may be more likely to encounter potential or actual conflicts of interests. Where conflicting interests compete with duties of care owed to Customers, they may create risks that Insurers, Intermediaries or any person acting on their behalf will not act to support the fair treatment of Customers.

Examples of conflicts of interest that may arise:

- from compensation structures, performance targets or performance management criteria;
- from inducements as benefits offered to an Insurer or Intermediary or any person acting on its behalf, incentivizing that firm/person to adopt a particular course of action;
- where relationships with an Insurer or Intermediary other than the Customer influences the advice given to the Customer;
- where the Intermediary or Insurer owes a duty to two or more Customers in respect of the same or related matters or has interest in the outcome of a service or a transaction carried out on behalf of a Customer or has significant influence over the Customer's decision.

These situations may encourage behaviors that result in unsuitable sales, have a detrimental impact on the quality of the service provided or otherwise breach the Insurer's or Intermediary's obligations towards the Customer. They may also affect the independence of advice given by Intermediaries.

This is a matter, therefore, of ensuring that each situation is assessed from a broad perspective, accounting for interactions between all involved, from Insurers to Intermediaries, in order to obtain a sustainable system, as a whole, that will deal appropriately with conflicts of interests.

Expectations to achieve this outcome (Insurers and Intermediaries)

- Take all reasonable steps to identify and avoid or manage conflicts of interest and communicate these through appropriate policies and procedures.
- Place a Customer's interests ahead of their own.
- Ensure that, when relying on disclosure for managing conflicts of interest, it is used appropriately and does not put an unreasonable onus on the Customer, especially if the Customer does not fully understand the conflict or its implications.

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- Where conflicts of interest cannot be managed satisfactorily, this results in the Insurer or Intermediary declining to act.

6.3 Outsourcing

CCIR and CISRO expect that functions related to conduct of insurance business outsourced to service providers do not hinder the quality of services or jeopardize the Insurer's or the Intermediary's ability to achieve fair treatment of Customers.

Outsourcing is defined as delegating to a service provider, over a defined period, the performance and management of a function, activity or process, that is or could be undertaken internally by the Insurer or the Intermediary itself.

When functions related to the conduct of business of an Insurer or an Intermediary (such as those in the chain of designing, soliciting, selling insurance products or policy servicing) are delegated to a service provider, the service provider is to carry out these tasks in compliance with the laws, regulations and guidelines applicable to the Insurer's or Intermediary's activities⁴.

Expectations to achieve this outcome (Insurers and Intermediaries)

- Retain full and ultimate responsibility for outsourced functions and, consequently, monitor them accordingly.
- Only deal with service providers having high ethical and professional standards and whose policies, procedures and processes are expected to result in fair treatment of Customer outcomes.
- Maintain appropriate controls over outsourced functions.
- Develop outsourcing agreements which do not hinder the quality of services or jeopardize their ability to fulfill fair treatment of Customers-related obligations.
- Ensure that the firms to which they outsource functions have adequate policies and procedures in place ensuring compliance with legislation relating to privacy protection.
- Provide training to service providers, when appropriate, to ensure fair treatment of Customers.
- Re-assess their existing arrangements upon renewal, to ensure that they contribute to the achievement of fair Customers outcomes.

Expectations to achieve this outcome (Insurers)

- When Insurers outsource some of their functions to Intermediaries (e.g., managing general agencies, third party administrators, national accounts), they are expected

⁴ Functions that are not related to conduct of insurance business, such as car repairs, are not considered outsourced functions, although they can negatively impact the fair treatment of Customers. Hence, Insurers and Intermediaries are expected to deal only with service providers having high ethical and professional standards and whose policies, procedures and processes are expected to result in fair treatment of Customer outcomes.

to manage these outsourcing arrangements as described under the section “Relationships between Insurers and Intermediaries”.

6.4 Design of Insurance Product

CCIR and CISRO expect that the design of a new insurance product or significant adaptations made to an existing product take into account the interests of the target Consumers' group.

With the development of complex products that are sometimes difficult to understand, any weakness in the design or the related disclosure documents can increase the likelihood of inappropriate choices from Consumers.

Expectations to achieve this outcome (Insurers)

- Development of products includes the use of adequate information to assess the needs of different Consumer groups.
- Product development process (including a product originating from a third-party administrator) provides for a thorough assessment of the main characteristics of a new product and of the related disclosure documents by every appropriate department of the Insurer.
- Policies, procedures and controls put in place enable the Insurer to:
 - offer a product that delivers the reasonably expected benefits;
 - target the Consumers for whom the product is likely to be appropriate, while preventing or limiting inappropriate sales;
 - assess the risks resulting from the product by considering, among other things, changes associated with the environment or stemming from the Insurer's policies that could harm Customers; and
 - monitor a product after its launch to ensure it still meets the needs of target Customers and, as the case may be, take the necessary remedial action.
- Provide relevant information and training to Intermediaries to ensure they understand the target market, such as information related to the target market itself, as well as the characteristics of the product. Collaboration between all those involved, from Insurers to Intermediaries, is a key factor in achieving fair treatment of Customers.
- Retain oversight of, and remain accountable for, the development of its products whenever product development is undertaken by an Intermediary on its behalf.

Expectations to achieve this outcome (Intermediaries)

- Provide information to the Insurer on the types of Customers to whom the product is sold and whether the product meets the needs of the target market, enabling the Insurer to assess whether its target market is appropriate and to revise the product, when needed.

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- When undertaking product development on behalf of an Insurer, take Customers' interests into account in performing this work.

6.5 Distribution Strategies

CCIR and CISRO expect that distribution strategies are tailored to the product, consider the interests of the targeted Consumer groups and result in consistent Consumer protections independently of the distribution model chosen.
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Insurers are accountable for distribution strategies and ultimately responsible for oversight aspects pertaining to the distribution of their products. However, the Insurer's ultimate responsibility does not absolve Intermediaries of their own responsibilities for which they are accountable.

Distribution strategies have evolved as well as the digital needs of Customers and CCIR and CISRO consider that this evolutionary process to continue and expect that the Customers' needs be fulfilled regardless of the distribution model or the medium used.

Expectations to achieve this outcome (Insurers)

- Development of distribution strategies includes the use of adequate information to assess the needs of different Consumer groups.
- Policies, procedures and controls put in place ensure that distribution models are appropriate for the product, particularly in light of the legislation in force and whether or not advice should be provided.
- Assess the performance of the various models of distribution used, particularly in terms of fair treatment of Customers and, if necessary, take the necessary remedial action.

Expectations to achieve this outcome (Intermediaries)

- Provide information to the Insurer, particularly in terms of fair treatment of Customers to enable the Insurer to revise its distribution strategy, when needed.

6.6 Disclosure to Customer

CCIR and CISRO expect that a Customer is given appropriate information to make an informed decision before entering into a contract.
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Insurers and Intermediaries ensure that Customers are appropriately informed about a product, before and at the point of sale, to enable them to make an informed decision about the proposed product.

The information provided should be sufficient to enable Customers to understand the characteristics of the product they are buying and help them to understand whether and how it may meet their needs. To this end, the level of information required will vary according to the knowledge and experience of a typical Customer for the product in question and the product's overall complexity.

Whatever distribution model and medium used to make the disclosure, Insurers and Intermediaries ensure they provide an equivalent level of protection to Customers.

Expectations to achieve this outcome (Insurers and Intermediaries)

CCIR and CISRO expect the disclosure to Customers to:

- be up to date and provided in a clear, fair and not misleading way, using plain language wherever possible;
- be accessible in written format, on paper or another durable medium, including electronic mediums;
- focus on the quality rather than the quantity of information;
- identify the Insurer and provide its contact information;
- include information on key features (for example, conditions, exclusions, restrictions and fees) particularly with respect to the conclusion or performance of the insurance contract, including any adverse effect on the benefit payable under that contract;
- clearly identify the rights and obligations of the Customer, including the rights to cancel, to claim benefits and to complain; and
- make the information on their policies and procedures on claims and complaints publicly available.

Expectations to achieve this outcome (Intermediaries)

- disclose the types of business for which they are authorized.
- disclose the services provided, including whether they offer products from a full range of Insurers, from a limited range or from an exclusive Insurer.
- clarify their relationship with the Insurers with whom they contract.

6.7 Product Promotion

CCIR and CISRO expect that product promotional material is accurate, clear, not misleading and consistent with the result reasonably expected to be achieved by the Customer of the product.
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The Insurer is responsible for providing promotional material that is accurate, clear and not misleading not only to Customers but also to Intermediaries who may rely on such information. To this end, the Insurer ensures that any promotional material regarding its products is reviewed by independent functions prior to being disseminated. Any promotional material designed by Intermediaries follows the same principles.

If an Insurer or Intermediary becomes aware that the promotional material is not accurate and clear or is misleading, it informs the party responsible for designing the material, whether Insurer or Intermediary, and has the material withdrawn. In cases where the Insurer or Intermediary knows that Customers are relying on any materially inaccurate or misleading information, they notify such Customers and correct the information as soon as reasonably practicable.

Expectations to achieve this outcome (Insurers and Intermediaries)

To promote products in a fair manner, the information provided:

- is easily understandable;
- is consistent with the coverage offered;
- accurately identifies the Insurer;
- states prominently the basis for any claimed benefits and any significant limitations;
- does not hide, diminish or obscure important statements or warnings.

6.8 Advice

CCIR and CISRO expect that, when provision of advice is required by law before concluding the contract, Customers receive relevant advice, taking into account the Customer's disclosed circumstances.

Advice goes beyond the provision of product information and relates specifically to the provision of a personalized recommendation on a product in relation to the disclosed needs of the Customer.

Insurers and Intermediaries are committed to delivery of relevant advice, communicated in a clear and accurate manner that is comprehensible to the Customer. Minimizing the risk of inappropriate sales is a core priority. Independent of the distribution model or the medium used, it is made clear to the Customer whether advice is being provided or not.

Expectations to achieve this outcome (Insurers and Intermediaries)

Before giving advice, appropriate information should be sought from Customers for assessing their insurance objectives and needs. This information may differ depending on the type and the complexity of the product and, as the case may be, include information on the Customer's:

- financial knowledge and experience;
- needs, priorities and circumstances;
- ability to afford the product; and
- risk profile.

The basis on which a recommendation is made is explained and documented, particularly in the case of complex products and products with an investment element. Where advice is provided, this is communicated to the Customer in written format, on paper or in a durable and accessible medium, and a record kept in a "client file".

Insurers and Intermediaries review the "client files" of those under their responsibility to exercise control after the fact on the quality of the advice given, take any necessary remedial measures with respect to the delivery of advice and, if applicable, are in a position to examine fairly any complaints submitted to them.

In cases where provision of advice required by law can be waived by the Customer, the Insurer or Intermediary retains an acknowledgment by the Customer to this effect.

To ensure the delivery of quality advice, Insurers and Intermediaries establish ongoing training programs that allow the persons giving advice to maintain an appropriate level of knowledge about:

- their industry segment;

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- the characteristics and risks of the products and services and their related documentation; and
 - the applicable legal and regulatory requirements.

6.9 Disclosure to Policyholder

CCIR and CISRO expect that policyholders are provided information which allows them to make informed decisions throughout the lifetime of their contracts.
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CCIR expects that the disclosure processes established by Insurers allow policyholders to determine whether the product continues to suit their needs and expectations and, as the case may be, remind them in a timely manner of options that can be exercised from time to time.

Where there are changes in terms and conditions, the Insurer notifies the policyholder of their rights and obligations regarding such changes and obtains the policyholder's consent as appropriate.

Expectations to achieve this outcome (Insurers)

The disclosure processes include the disclosure of information:

- on the Insurer:
 - any change in the name of the Insurer, its legal form or the address of its head office and any other offices as appropriate;
 - any acquisition by another entity resulting in organizational changes as far as the policyholder is concerned;
 - where applicable, information on a portfolio transfer (including policyholders' rights in this regard).
- on terms and conditions:
 - evidence of cover (including policy inclusions and exclusions) promptly after inception of a policy; and
 - changes in policy terms and conditions or amendments to the legislation applicable to the policy.
 - in the case of switching between products or early cancellation of a policy.

6.10 Claims Handling and Settlement

CCIR and CISRO expect claims to be examined diligently and fairly settled, using a simple and accessible procedure.

The claims examination and settlement processes are key indicators for assessing an Insurer's performance regarding the fair treatment of Customers. Sometimes, Intermediaries serve as an initial contact for claimants, which may be in the common interest of the policyholder, Intermediary and Insurer.

Expectations to achieve this outcome (Insurers)

- Maintain written documentation on their claims handling procedures, which include all steps from the claim being made up to and including settlement. Such documentation may include expected timeframes for these steps, which might be extended in exceptional cases.
- Claimants are informed about procedures, formalities and common timeframes for claims settlement.
- Claimants are given information about the status of their claim in a timely and fair manner.
- Claim-determinative factors such as depreciations, discounting or negligence, if applicable, are illustrated and explained in understandable language to claimants. The same applies when claims are denied in whole or in part.
- Dispute resolution procedures follow a balanced and impartial approach, bearing in mind the legitimate interests of all parties involved. Procedures avoid being overly complicated, such as having burdensome paperwork requirements.
- Mechanisms are in place to review claims disputes within the Insurer to promote fair play and objectivity in the decisions.

6.11 Complaints Handling and Dispute Resolution

CCIR and CISRO expect complaints to be examined diligently and fairly, using a simple and accessible procedure.

The complaint examination and dispute resolution processes are key indicators for assessing organizational performance regarding the fair treatment of Customers.

A complaint can be defined as an expression of dissatisfaction about the service or product provided by an Insurer or Intermediary. It may involve, but is differentiated from, a claim (unless relating to the administration of the claim process) and does not include a simple request for information.

Expectations to achieve this outcome (Insurers and Intermediaries)

- Establish policies and procedures to deal with received complaints in a fair manner. These include keeping a record of each complaint and the measures taken for its resolution.
- Respond to complaints without unnecessary delay; complainants are kept informed about the handling of their complaints.
- Analyze the complaints received to identify trends and recurring risks. Analysis of what leads to individual complaints can help them to identify and to correct common root causes.
- Provide clear, transparent and easy to understand information about independent dispute resolution processes.

6.12 Protection of Personal Information

CCIR and CISRO expect protection of confidentiality of personal information policies and procedures adopted by Insurers or Intermediaries to ensure compliance with legislation relating to privacy protection and to reflect best practices in this area.
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Theft, loss or inappropriate use of personal information obtained from Customers represents a risk to Customers and a threat to the Insurer or the Intermediary's reputation.

The protection of personal information is a key issue for Insurers and Intermediaries. The sustainability of their operations depends, among other things, on public confidence in this regard. Customers expect their information to remain confidential and to be handled accordingly.

Expectations to achieve this outcome (Insurers and Intermediaries)

- Provide their Customers with a level of comfort regarding the security of their personal information.
- Have sufficient safeguards in place to protect the privacy of personal information on Customers.
- Have appropriate policies and procedures in place to ensure that the board and senior management are aware of the challenges pertaining to the protection of Customers' personal information and to demonstrate that privacy protection is part of their business culture.