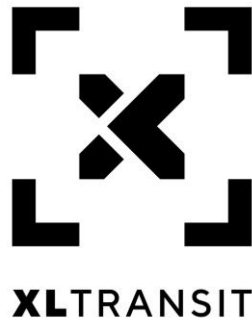

CLAIMS MANAGEMENT FRAMEWORK

Policy Area	CLAIMS MANAGEMENT	
Approved Date	14.01.2020	
Approved By	PAUL BUCKLEY	
Responsible Manager	KIM BOSHOFF	
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1. Introduction

XL Transit (Pty) Ltd, 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 with the requirements of the Short Terms Insurance Act as well as the Policyholder Protection Rules. It needs to ensure fair treatment of policyholders and beneficiaries and must be reviewed regularly.

2. Objective

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

- (a) It is proportionate to the nature, scale and complexity of the Insurer's business and risk
- (b) Is appropriate for the business model, policies, services and policyholders and beneficiaries of the Insurer
- (c) 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
- (d) Does not impose unreasonable barriers to claimants

3. Important Definitions

"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

“Claim Outcome” shall relate to the following :

“Accepted” shall mean that the claim has been finalized 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 impart have been met.

“Repudiated” shall mean that the claim has wholly or partly rejected (or repudiated) and Guardrisk regards the claim as finalized 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

“Disputed” shall mean that the claim is neither accepted not rejected, but Guardrisk disputes the claim or the quantum of the claim.

“Customer Query” means a request to Guardrisk via or on behalf of a policyholder for information regarding a claim or a policy. This shall also include a progress update on a request previously made or a progress update on a claim

“Escalated Claim” shall refer to the following :

An extension of a claim relating to the outcome of the initial claim

The claim is complex or unusual that it requires intervention by an impartial senior functionary appointed to deal with escalated claims.

The referral of the claim to the appointed reinsurer for further review and feedback

The referral of a claim to a claims committee mandated and authorised to review the claim and provide an outcome

The resolution of the initial claim is not to the claimants satisfaction and is then treated as complaint and dealt with in terms of the Guardrisk Complaints Management Framework

“Excesses” means amounts payable or borne by policyholders in the event of claims or losses under a non-life policy

“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

“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

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

Financial Sector Regulation Act, from the date on which such an Act repeals the Financial Services Ombud Schemes Act, 2004 (Act 37 of 2004), through schedule 4 of such an Act

“Plain Language” mean communication that

Is clear and easy to understand

Avoids uncertainty or confusion and

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 long term or short term policy where the policyholder is a

natural person

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 9Act 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

“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;

In respect of a loss, event or risk not covered by a policy ; and

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

“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 or 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 and recommendations

5. The Claims Process

a) Claim received from claimant
b) Lodging of a claim by Company's claims department on internal system
c) Communication to acknowledge receipt of claim sent to claimant or their appointed broker contemporaneously when claim is lodged
d) Assessor appointed where applicable to inspect the damage cargo
e) Claim notification will be requested from the claimants appointed broker
f) Assessment of the claim, decision making and oversight will be concluded once all outstanding documentation has been received and insurers are in receipt of the final assessors report
g) Insurers response with claim outcome to be communicated to the claimants appointed broker within 72 hours of receipt of the assessors final report
h) Escalation to follow where applicable time lines are exceeded to management and the Insurer or claimant is dissatisfied with the outcome

6. Claim Escalation and Review Process

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

6.1 Operations Manager / Managing Director

6.2 Insurer

6.2 Reinsurer where applicable

7. Payment of Claims

The Company will endeavour to finalize claim payment within 48 hours of receipt of the signed agreement of loss

8. Record Keeping, Monitoring & Analysis

8.1 All claims received, assessed and finalized will be kept for a minimum period of 5 years

8.2 The documents are filed physically or as an electronically 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 principle will be take 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 Insurers

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 Short Term Insurance.

The Insurer's details are as follows :
Guardrisk Insurance Company
Postal Address : P.O Box 786015, Sandton, 20196
Tel : 011 669 1000
Email : info@guardrisk.co.za or claimsrejection@guardrisk.co.za

In addition, the claimant may sent a formal complaint to the Company at email address xlt@xltransit.co.za or claims@xltransit.co.za

The company will acknowledge receipt of the complaint within 2 working days

11. Prohibited Claims Practice

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. Claim Submission Contact Details

All claims can be submitted to :

Email : claims@xltransit.co.za
Tel : 0861 999 627
Postal Address : P.O Box 23815, Claremont, 7735