

INSURANCE BOARD OF SRI LANKA

GUIDELINES ON COMPLAINTS HANDLING BY INSURERS AND BROKERS

The Insurance Board of Sri Lanka (IBSL) hereby issues Guidelines on Complaints Handling by insurers and brokers. The Guidelines are issued with the objective of facilitating that the policies and processes are in place for timely and fair handling of complaints (including record keeping and taking preventive measures) by insurers and brokers, in order to ensure fair treatment of customers.

Part I - Introduction

1. Section 3 of the RII Act states that the object and responsibility of the IBSL shall be to ensure that the insurance business in Sri Lanka is carried on with integrity and in a professional and prudent manner with a view to safeguarding the interests of the policyholders.
2. Under Insurance Core Principle (ICP) 19 on Conduct of Business, insurance supervisors need to require insurers and intermediaries to have policies and processes in place to handle complaints in a timely and fair manner.
3. Further, the IBSL is of the view that by following these guidelines we will be able to project the insurance industry as a provider of quality services to customers. Ongoing analysis of complaints data, including the causes of complaints, would provide key information to the senior management of insurers and brokers in further improving their practices and processes. Such information would also assist the IBSL in measuring the quality of conduct of business by insurers and brokers.
4. For the purpose of the guidelines, the following definitions will be applicable:

 'Complaint' means an expression of dissatisfaction made to an insurer or broker about the services provided by such insurer, broker or an agent. Handling of complaints should be differentiated from handling of claims, inquiries (request for information) and requests (request for services).

 'Complainant' means a person who has made a complaint to an insurer or a broker.
5. These guidelines shall come in to effect from 1st October 2016.
6. These guidelines shall apply to all insurers and brokers registered with the IBSL (referred to as 'company' hereinafter).

Part II – Guidelines

Guideline 1 – Complaints Handling Policy

7. Companies should have a complaints management policy which is defined and approved by the Board of Directors who shall be responsible for the implementation and monitoring compliance with such policy.
8. The complaints management policy should be made available for reference to all relevant staff through an appropriate internal communication channel. The policy shall include processes for:
 - a. Lodging a complaint by any reasonable means
 - b. Handling of complaints received, including timelines
 - c. Fair treatment of complainants
 - d. Preventing, identifying and managing possible situations of conflicts of interest in complaints management
 - e. Prompt, equal, fair and efficient management of complaints
 - f. Adequate training of staff involved in handling of complaints
 - g. Internal reporting, follow-up and monitoring of compliance with the policy
9. In line with the complaints management policy, a complaints management function shall be established. Adequate resources are required to be allocated for complaints management function and sufficient authority needs to be delegated to the officer-in-charge of the function.
10. Name, designation and contact details of the officer who is in charge of the complaints management function shall be notified to IBSL, within 90 days of issuance of these guidelines. Changes to such details shall also be notified to the IBSL, within ten (10) working days.

Guideline 2 – Minimum requirements for handling of complaints

11. Facilities should be made available for complaints to be lodged, at minimum, via following modes:
 - a. verbally
 - i. by telephone
 - ii. by visiting
 - b. in writing
 - i. by email
 - ii. by fax
 - iii. by post
 - iv. online (through the website – if available)
12. Complaints made in Sinhala, Tamil or English will have to be entertained and communications with the complainant should be in the language in which the complaint was made. A plain and simple language shall be used in communicating with complainants.
13. All complaints are required to be registered and acknowledged within 3 working days. A reference number for each complaint shall be provided along with the acknowledgement. If a resolution is provided to a complaint within 3 working days, the resolution may be communicated along with the acknowledgement.
14. Companies may adopt their own timelines in processing complaints, subject to the following minimum standards:
 - a. Resolution of a complaint – within 14 days from the date of the complaint received
 - b. Response to an appeal made against a resolution provided – within 30 days from the date of the complaint received
15. All relevant evidence and information shall be gathered in investigating a complaint.

16. If a resolution cannot be provided within the expected time limits, the complainant shall be kept informed that his matter is receiving attention, reasons for the delay (where applicable) and an indicative period within which a resolution can be expected.
17. In communicating the resolution or a response to an appeal, the complainant shall be informed that the matter will be closed in the absence of a reply within four (4) weeks from the date of receipt of resolution or response.
18. The communication to complainant containing the final decision shall contain the basis for the stand taken by the company and the ADR mechanisms available if he or she wishes to escalate the matter further.
19. A complaint shall be considered closed in the following instances:
 - a. the complaint is fully resolved (the request of the complainant has been fully acceded to);
 - b. the complainant has confirmed in-writing the acceptance of the resolution; or
 - c. the officer in charge of the complaints management function has certified that the company has discharged its contractual, statutory and regulatory obligations and therefore concludes the matter, when:
 - i. the complainant has responded expressing disagreement with the resolution but the company is not in a position to further entertain the matter; or
 - ii. the complainant has not responded within four (4) weeks of the receipt of a written resolution or response.

Guideline 3 – Register of complaints

20. A register of complaints shall be maintained and shall contain all necessary information on the complaints, including:
 - a. Subject of the complaint
 - b. Information of the complainant
 - c. Date of receiving the complaint
 - d. Class of insurance business ('General – Motor', 'General – Non-motor' or 'Long term')
 - e. Complaint category (as per annexure)
 - f. Date of acknowledging the complaint
 - g. Result/outcome of the complaints handling procedure
 - i. Fully resolved
 - ii. Partially resolved
 - iii. Not resolved
 - h. Date of closing the complaint
 - i. Date of communicating the final decision to the complainant
 - j. Whether the matter has been referred to IBSL and/or Insurance Ombudsman

Guideline 4 – Complaints handling procedure

21. A 'Complaints Handling Procedure' has to be developed/reviewed, in line with the complaints management policy, covering the following (at minimum):
 - a. how to make a complaint
 - b. to whom to address the complaint
 - c. documents and information to be produced along with a complaint
 - d. when the complaint will be acknowledged
 - e. acknowledgement shall contain the name, designation and contacts details of the officer to be contacted in relation to the complaint
 - f. indicative complaint handling timelines
 - g. how to check the present status with regard to a complaint made
 - h. designation and contact details of the officer to whom the matter (an appeal) to be referred if the complainant is not satisfied with the initial resolution

- i. Alternative Dispute Resolution (ADR) mechanisms available (i.e. Arbitration, Insurance Ombudsman, IBSL, etc.) to refer the matter, if the complainant is not satisfied with the final resolution
22. Customers shall be made aware, by way of a notice displayed in a conspicuous position in the premises or by way of including relevant provisions in the policy document, on the existence of a complaint handling procedure.
23. The complaint handling procedure shall be published in the website of each company and/or made available in an easily accessible manner, for example via brochures, pamphlets, etc.
24. Customers should be provided with written information on the complaint handling procedure, upon request.

Guideline 5 – Analysis of information and reporting

25. Information relating to the handling of complaints shall be analyzed on an on-going basis and action should be taken with regard to any recurring or systemic issues.
26. The following processes are required to be in place in order to ensure a proper internal follow-up of complaints:
- a. Collection of management information on the causes of complaints and the products or services complaints relate to;
 - b. Process to identify root causes of complaints and to prioritize dealing with root causes of complaints;
 - c. Process to consider whether the root causes identified may affect other processes of products;
 - d. Process for deciding whether root causes discovered should be corrected and how it should be done;
 - e. Regular provision of management information, specially on the recurring or systemic problems, to senior management.
27. Information on complaints handling and related performance of the companies shall be submitted to IBSL on bi-annual basis (within 30 days of the end of each bi-annual period, with effect from 01.01.2017) in the format attached (annexure).
28. The categorization of complaints as prescribed in annexure, and as may be revised by the IBSL from time to time, shall be adopted and incorporated by the companies in their systems.
29. Information and documentation relating to complaints shall be kept and archived for a reasonable period of time based on the nature of the complaint and the insurance cover concerned.

Annexure – Reporting formats

Part I – Performance relating to Handling of Complaints

Class of business¹:

1. Customer complaints

Complaint category	Complaints outstanding at the beginning of the bi-annual period (1)	Complaints received during the bi-annual period (2)	Complaints closed during the bi-annual period (3)			No. of complaints outstanding at the end of the period (4)
			Fully resolved ²	Partially resolved ³	Not resolved ⁴	
(a) Marketing and sales ⁵						
(b) Underwriting						
(c) Claims ⁶		(D1)				
(d) Policy servicing ⁷						
(e) Premium						
(f) Other						
TOTAL		(D2)				(D5)

2. Performance

Description	Present period	Previous period
(a) Total no. of policies as at end of	(D3)	
(b) Total no. of claims intimated during	(D4)	
(c) Complaints per 10,000 policies	(D2)/ (D3 X 10,000)	
(d) Complaints on claims per 10,000 claims	(D1)/ (D4 X 10,000)	

3. Age analysis of outstanding complaints

Duration ⁸	Complaints outstanding
(a) Up to 30 days	
(b) 30 to 90 days	
(c) More than 90 days	
Total complaints outstanding (= D5)	

¹ 'General – Motor', 'General – Non motor' or 'Long-term'

² Complainant is fully satisfied with the resolution

³ Complainant is partially satisfied with the resolution

⁴ Complainant is not satisfied with the resolution

⁵ Including – advising, selling, advertising, agents' conduct, provision of information, misrepresentation

⁶ Including – claims procedure, delays, settlement offer, repudiation

⁷ Including – general administration, customer service related, failure to respond or delays in responding to inquiries and requests

⁸ From the date of receiving the complaint

Part II – Information on Root Cause Analysis

Class of business:

#	Complaint category	Root cause(s) identified	Actions taken to address the root cause(s)
1.			
2.			
3.			
4.			
5.			
...			