



TREATING CLIENTS FAIRLY POLICY

This policy is owned by **Mango5 Insurance Consulting (Pty) Ltd t/a Quality Quote**
a duly authorised Financial Services Provider.

The processes contained herein forms part of the FSP's internal control structures and procedures.

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1) DOCUMENT REVIEW ROSTER

The Treating Customers Fairly Policy is a working document that is reviewed periodically, on an annual basis.

2) STAFF CONFIRMATION SHEET

Staff confirm that they have read and understand the contents of this document and are aware of their duties in respect thereof

3) THE SIX TCF OUTCOMES

The FSP respects the Regulator's mission to maintain a sound financial investment environment in South Africa and acknowledge its mandate to promote the:

- fair treatment of consumers of financial services and products
- financial soundness of financial institutions
- systematic stability of financial industries
- integrity of financial markets and institutions

To this end the FSP welcomes the TCF initiative and commits itself to align the FSP's organisational culture and business processes in such a way as to ensure that the six outcomes of TCF are at all times achieved.

The six outcomes of treating clients fairly will be achieved by our organisation through ensuring that:

- our clients are at all times confident that their fair treatment is central to our corporate culture
- any products and services marketed and sold by us are designed to meet the needs of identified client groups and that any related targeting of our clients are done so in accordance with this standard
- our clients are at all times provided with clear information and are kept appropriately informed before, during and after the point of sale
- where our clients receive advice, that the advice is suitable and takes into account the individual client's circumstances
- our clients are provided with products that performs as we have led them to expect and that any associated services is also of the standard that we have led them to expect
- our clients do not face any unreasonable post-sale barriers should they wish to change their products, switch to another FSP, submit a claim or submit a complaint about our services

5) OUTCOME 1

Clients are confident that they are dealing with firms where the fair treatment of clients is central to the firm culture.

POLICY STATEMENT

It is our committed objective to ensure that all our clients or potential clients can be confident that they are dealing with an FSP where the fair treatment of clients is central to the corporate culture.

We use our best efforts to ensure that at all times we, our staff members and representatives render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.

Delivery of the TCF outcomes is a core feature of the FSP's stated values, code of conduct and ethics policy.

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE POLICY OBJECTIVES

LEADERSHIP

- Senior management has adopted TCF deliverables and have been allocated specific responsibilities in terms thereof. Senior management in all areas of the FSP that contribute to the rendering of financial services to clients (whether directly or indirectly), understand their respective roles in delivering TCF outcomes to those clients.
- Senior management conducts regular reviews of the main business processes with a view to identifying areas that do, or may, require improved TCF deliverables. Explicit allowance has been made to allow for and consider TCF implications and deliverables during the strategic planning process of any new strategy or change in existing strategy.
- Adherence to the TCF deliverables is monitored as part of our Compliance Monitoring Programme. We ensure on a quarterly basis that accurate, meaningful and timely Management Information has been produced during the period and that senior management acts accordingly. Existing tests within our Compliance Monitoring Programme aid us in demonstrating our level of compliance and adherence to the TCF outcomes. Where there are TCF action points, these will be documented and carried over to a further (minuted) meeting.

DECISION MAKING

- The organisation has established accessible structures through which staff members and management are able to debate TCF related matters and refer any TCF questions or concerns.

GOVERNANCE AND CONTROLS

- Procedures have been implemented to ensure formal and regular reporting to senior management on the progress in achieving TCF deliverables across all of the organisation's activities and functional departments.
- The management of TCF and market conduct risks are formally included in the risk management framework of the organisation and are regularly monitored and supervised by the Compliance Officer.
- Procedures have been implemented for identifying and reporting (at organisation-wide level) TCF risks or failures to senior management.

EMPLOYEE PARTICIPATION

- All staff members (including senior management) whose roles require delivery of TCF outcomes have been identified.

- Performance evaluation criteria incorporate TCF objectives and are rigorously applied at all levels.
- Staff members undergo training on TCF principles and deliverables.
- Recruitment processes have been revised to ensure staff in relevant positions will have the necessary skills to achieve the outcomes of TCF.
- All staff members are aware of the requirement to treat clients fairly. This Policy has been circulated to all staff members and staff members are encouraged to make suggestions to their relevant Manager on how the treatment of our clients might be further enhanced.

REWARD

- Remuneration is meaningfully linked to the achievement of TCF objectives, at all levels and all reward and recognition processes have been revised in the light of TCF objectives.
- Employment and service agreements have been amended and updated to permit the imposition of meaningful consequences (such as retraining, re-assignment or disciplinary action, as appropriate) for staff members or management who do not achieve agreed TCF deliverables.

MANAGEMENT INFORMATION (MI)

- Existing MI measures have been reviewed to determine which are useful for TCF monitoring and new measures have been identified where necessary (See Annexure B).
- Processes are in place to collate and summarise TCF related MI in such a way as to present a meaningful picture of organisation-wide TCF progress.
- Processes are in place to analyse and act on MI findings to improve TCF outcomes for our clients.
- We analyse and act on MI findings to identify staff training needs and to align performance management measures

COMMUNICATION

- We communicate transparently with our stakeholders (including the Regulator) on our progress in achieving TCF outcomes.
- We make information regarding our progress in achieving TCF outcomes available on request.

6) OUTCOME 2

Products and services marketed and sold in the insurance market are designed to meet the needs of identified client groups and are targeted accordingly.

We develop and provide advice and certain intermediary services on products that fall within the categories and sub-categories of the financial products listed in Annexure A.

Our product approval and product selection processes includes senior management confirmation that a product adequately meets the outcomes of TCF and that any such product will perform as clients are led to expect.

Our product approval and product selection processes also include the careful consideration of the elements listed below:

- When designing a product or selecting a product to distribute or to administer, we identify the particular client groups for which the product can be considered suitable.
- We obtain information from the product supplier regarding client groups in respect of which the product is regarded as most suitable.
- We provide our staff members and representatives with information and guidance to determine the client group/s in respect of whom the products are best suited.
- We have measures in place to evaluate the client groups' financial understanding of products or services offered or provided to them.
- We track sales to determine whether products are in fact sold to the identified client groups.

7) OUTCOME 3

Clients are provided with clear information and are kept appropriately informed before, during and after the time of contracting.

- We have implemented appropriate risk mitigation procedures that are designed to address any inaccurate, unfair or misleading information about our products or services that may be provided to clients.
- We have implemented appropriate procedures to ensure that any information we provide regarding any other party's products or services is accurate, clear, and fair and is not misleading.
- We monitor and act on feedback, complaints and suggestions received from clients, staff members or any other parties that communicate the need for improvement in product information.
- We have a process in place to ensure relevant and adequate product information is provided to our clients, whether by our own staff members / representatives or by other parties, at an appropriate time to enable them to make an informed decision as to whether to enter into the relevant contract.
- A documented Record of Advice as provided for in section 9 of the General Code of Conduct (Board Notice 80 of 2003 as amended) is maintained for each and every transaction entered into with any client and a copy of the applicable record of advice is handed to each client upon completion of the transaction.
- We ensure that clients are informed of any recent or pending changes to products, contractual events or any actions required from them, and that such information is provided in sufficient time to enable any client to reasonably respond to or act on that information.
- We ensure that clients have current and accessible contact points if they need product or service information or need to get in contact with our functional departments for any reason.
- We have accurate, retrievable, secure records of all information we have provided to clients and any other material interactions with clients.

8) OUTCOME 4

Where clients receive advice, the advice is suitable and takes account of their circumstances

- Prior to making any decision to market a particular product, we assess whether or not we have the appropriate skills and business processes in place to render the appropriate financial service and that the particular product will be suitable for the target market and client concerned.
- Prior to contracting with any product supplier to market their products, we conduct an appropriate level of due diligence to satisfy ourselves that their products and service levels are likely to meet our clients' reasonable expectations.
- We insist that product suppliers provide our representatives with adequate training on the specific products we market to enable them to render suitable financial services on those products.
- We have controls in place to prevent our representatives from rendering any financial services to any client in respect of products for which adequate product training has not been provided.
- Prior to contracting with any product supplier to market their products, we make appropriate arrangements to ensure that the FSP and our representatives will have reasonable access to any product information required from the product supplier to enable all parties to render suitable and appropriate financial services to clients and potential clients.
- We have implemented procedures that ensure that all representatives, prior to providing advice to a client:
 - take reasonable steps to seek from the client appropriate and available information regarding the client's financial situation, financial product experience and objectives to enable the provider to provide the client with appropriate advice;
 - identify the financial product or products that will be appropriate to the client's risk profile and financial needs, subject to the limitations imposed on the provider under the FAIS Act or any contractual arrangement;
 - take reasonable steps to establish whether the financial product identified is wholly or partially a replacement for an existing financial product of the client and if it is such a replacement, follows all the required disclosure procedures; and
 - take reasonable steps to ensure that the client understands the advice and that the client is in a position to make an informed decision.
- In order to ensure that the highest level of financial services are rendered to our clients and potential clients, we identify any risk of inappropriate financial service and we monitor feedback or complaints received from clients, product suppliers or other third parties regarding the quality of financial service they may have received from our representatives.
- We have implemented procedures to identify instances where our representatives have provided inappropriate advice or misleading information to clients and have implemented further procedures that seek to mitigate the risk to clients should such events occur.
- We have controls in place to identify and address any conflicts of interest between ourselves, our clients and product suppliers whose products we market.
- There are clear agreements between ourselves and any product suppliers whose products we market that set out our respective responsibilities in relation to providing clients with appropriate financial services, information and service support. These agreements are structured to ensure that clients understand who they should look to in relation to different aspects of the financial products or service provided to them.

- We have controls in place to identify and act on instances where our representatives have provided advice which they are not authorised to provide, either in terms of their specific contract or mandate with us and/or with any product supplier, or as a result of non-compliance with our FAIS licence conditions or other legal requirements.
- We monitor the published decisions of the FAIS Ombud, communications from the Regulator and any other relevant information sources in relation to advice practices, to ensure that our controls and practices in relation to this TCF outcome remain relevant and effective.

9) OUTCOME 5

Clients are provided with products that perform as the company has led them to expect, and the associated service is of an acceptable standard and as they have been led to expect.

- Processes are in place to alert clients to the risks resultant from their actions (such as early termination of a product, non-payment of contributions, and benefit reductions) in reasonable time for them to respond to or act on the information.
- Processes are in place to alert clients to the risks of non-action on their part, such as a failure to review insurance cover needs.
- We monitor and act on feedback, complaints and suggestions received from clients, intermediaries and staff members that identify the need for improvements in our services or service standards.
- We have adopted “Management Information” on client expectations (See Annexure B).
- Processes are in place to protect the confidentiality of all client information.

10) OUTCOME 6

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

CHANGING PRODUCTS

- We inform our clients (in good time, not only on request) of the types of permissible changes they may make to their products if their individual needs or circumstances change and of any important limitations on their ability to access funds or to make amendments to any product.
- When we become aware of any changes to a client’s needs or circumstances (including affordability difficulties), we inform such client of possible product changes that are available to them in order to meet their changed requirements.
- We have clear service standards in place for processing product changes (including instances where the request needs to be referred to another party for processing) and communicate these standards to our clients.
- Where a request for a product change is declined by any party in the value chain, we provide the client with clear reasons for the decision.
- When we receive a request to change a product (whether directly or through another party) we inform the client of any potential risks associated with the change, in reasonable time for them to respond to or act on the information.

SWITCHING PROVIDERS

- We have clear service standards in place for processing switches to other providers and communicate these to our clients.

- When we receive a request to switch providers (whether directly or through another party) we inform the client of any potential risks associated with the switch.

CLAIMS AND DISBURSEMENT HANDLING (BINDER HOLDERS: SHORT-TERM INSURANCE)

- We inform our clients (not only on request or at claim stage) of the process that must be followed in order to submit a claim or a disbursement request and what information will be required in order to process a claim or a disbursement request.
- We inform our clients of our service standards when processing claims and disbursement requests.
- We inform clients prior to contracting, of the circumstances under which claims or disbursement requests will not be processed and explain the client's obligations in this regard.
- We consider the claims repudiation experience and quality of claims handling of different insurers when recommending an insurer to clients.

COMPLAINTS HANDLING

- We have a robust complaints management and record keeping process.
- We inform clients (before complaint stage) of the process that must be followed in order to submit a complaint and of the various options available for further recourse if the client is dissatisfied with the outcome of the complaint.
- Once a complaint has been received, whether we are dealing with the complaint ourselves or where we have referred the complaint to another party, we keep clients informed of its progress (including the contact details of the person responsible for processing the complaint)
- When responding to a complaint, we provide clear reasons for our response (including where the response is favourable to the client), with supporting evidence where relevant.
- Complaints processes are structured in such a way as to ensure that there are no conflicts of interest and that all decisions are based on objective facts and criteria.
- Follow-up processes are in place to determine the client satisfaction levels of complaints that have been finalised.
- We analyse complaints to identify any risks of mis-selling (whether by our own representatives or not).
- We consider the nature of complaints received and the complaints handling performance history of different product suppliers when deciding on whether or not to enter into a business relationship with a particular product supplier.

ANNEXURE A : AUTHORISED FINANCIAL PRODUCT CATEGORIES AND SUBCATEGORIES

(*delete whichever is not applicable)

Category I Advisory FSP		Advice	Intermediary Services
1.1	Long-term Insurance: Subcategory A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.2	Short-term Insurance: Personal Lines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.3	Long-term Insurance: Subcategory B1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.20	Long-term Insurance: Subcategory B2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.21	Long-term Insurance: Subcategory B2-A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.22	Long-term Insurance: Subcategory B1-A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.23	Short-term Insurance: Personal Lines A1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ANNEXURE B : MANAGEMENT INFORMATION

The data sets listed below are examples of Management Information (MI) that could be used to measure and improve TCF performance. All six outcomes are relevant across all areas of business activity.

Where the organisation fails to meet the TCF outcomes, the Operation Manager will be required to evidence the actions that were taken in order to investigate and rectify the failure.

DATA SET : SALES	
Data Measured	Possible TCF Implications
Sales volume by product type	Product suitability – excessive sales of one product may indicate mis-selling or unsuitable sales including inadequate suitability analysis
Sales volume against expectations	Poor sales may indicate incorrect targeting or that the product is too complex; excess sales may indicate mis-selling and/or unsuitable sales, including affordability concerns
Cancellation within cooling off period	High cancellation rates may indicate unsuitable advice and/or a misunderstanding of the product on the part of the client
Early cancellation rates	Excessive early cancellations may indicate a lack of suitability of advice as the client believes the product is unsuitable or is unable to afford premiums and terminates early
Percentage of representatives completing new product training within a given period	Training and competency of representatives is a key component in ensuring that clients are treated fairly. Poor product knowledge may lead to inappropriate recommendations

DATA SET : COMPLAINTS	
Data Measured	Possible TCF Implications
Volume of complaints	May indicate mis-selling or other failings affecting the fair treatment of clients
Complaints against any particular representative	As above, may reveal a training need
Complaints against a particular product	May indicate product and/or provider's marketing material is unclear or misleading or unsuitable for the target market. This could lead to mis-selling or other unfair treatment of clients
Complaints relating to information supplied by representatives	Could indicate either a lack of clarity and completeness of essential features and other information that was supplied by the representative, (or in the actual financial services that were rendered) and/or deficiencies in the product information provided by the product provider to the representative

DATA SET : CULTURE AND VALUES	
Data Measured	Possible TCF Implications
Percentage of staff who have completed general TCF training – sales and non-sales	May be indicative of TCF awareness and a TCF culture and communication strategy
Percentage of staff who have completed additional TCF training specific to their area	As above – likely to further enhance TCF awareness and the development of an embedded TCF culture
Number of representatives who received retraining following high volumes of complaints/file fail checks	May be indicative of TCF awareness and a TCF culture – firm is routinely identifying and acting on TCF issues
Documented TCF Policy and strategy	Senior management/business owner commitment and strategy

DATA SET : ADVERTISING AND PRODUCT PROMOTION	
Data Measured	Possible TCF Implications
Volume of complaints by promotion type (advertisement, Direct Marketing)	Could indicate that promotion is unclear or inaccurate, depending on the nature of the complaint

DATA SET : FEEDBACK TO PRODUCT SUPPLIERS	
Data Measured	Possible TCF Implications
Number of cases of product feedback / suggestions to providers to assist TCF	Feedback on the quality / suitability of a product and/or clarity of product information may improve consumer outcomes

DATA SET : STRATEGY	
Data Measured	Possible TCF Implications
The FSP has a strategic commitment (documented) to avert major TCF risks / failings through ongoing scrutiny of sales targeting of products	FSP's commitment to prevent major TCF failings – such as mis-selling.