THE LAW ON INSURANCE AND REINSURANCE BUSINESS AND OTHER RELATED ISSUES OF 2016

Decision dated 21st June, 2013 of the Superintendent of Insurance based on article 21(4) of the Laws on Insurance Services and Other Related Issues of 2002-2013 as amended by the above-mentioned Law regarding the Guidelines on complaints-handling by insurance undertakings.

The Superintendent of Insurance, after taking into consideration:

(a) article 16 of Regulation(EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 for establishing the European Insurance and Occupational Pensions Authority("EIOPA"), which concerns the publication from the said Authority of Guidelines and Recommendations to the relevant authorities or financial institutions with a view to establishing consistent, efficient and effective supervisory practices in the European system of financial supervision and the establishment of a common, uniform and consistent application of Union Law,

(b) the EIOPA Report with number BOS -12/070 of 14th June 2012 on best practices in handling complaints by insurance undertakings,

(c) the EIOPA guidelines on complaints handling by insurance undertakings issued on 16 November 2012 in the Official Journal of the European Union,

(d) article 21(4) of the Laws on Insurance Services and Other Related Issues 2002-2013, which provides that with a decision by the Superintendent of Insurance published in the Official Journal of the Government, the Superintendent may specify the criteria that will apply in order for him to decide whether an insurance or reinsurance undertaking carries out its operations with sound insurance principles,

(e) article 31(1)(g) of the Laws on Insurance and Reinsurance Business and Other Related Issues of 2016, which has replaced the Laws on Insurance Services and Other Related Issues 2002-2013, and on that basis the Superintendent has the power, among others, to issue Orders according to Guidelines and Recommendations issued by EIOPA,

decided that the following Order, which he has specialized on the basis of the above mentioned Guidelines by EIOPA for the complaints handling by insurance undertakings, which have to be followed by the insurance undertakings.

ORDERS FOR THE COMPLAINTS HANDLING BY INSURANCE UNDERTAKINGS

For the purpose of the below Orders,

- Complaint means:

The complaint or a statement of dissatisfaction addressed to an insurance undertaking by a person relating to an insurance contract or the insurance services provided to him. Complaints-handling should be differentiated from claims-handling as well as from simple requests for execution of the insurance contract, information or clarification.

• Complainant means:

A person who is presumed to be eligible to have a complaint considered by an insurance undertaking and has already lodged a complaint e.g. a policyholder, insured person, beneficiary and a third party claimant.

Order 1 – Complaints management policy

(a) Insurance undertakings should put in place a “complaints management policy”. This policy should be defined and endorsed by the insurance undertaking’s Board of Directors, who should also be responsible for its implementation and for monitoring compliance with it.
(b) This complaints management policy should be set out in a written document e.g.as part of a “general fair treatment policy” (applicable to actual or potential policyholders, insured persons, injured third parties, beneficiaries etc.).
(c) The “complaints management policy” should be made available to all relevant staff of the insurance undertaking through an adequate internal channel.

Order 2 - Complaints management function

Insurance undertakings should have a complaints management function which enables complaints to be investigated fairly, as well as allowing for possible conflicts of interest to be identified and mitigated.

Within thirty (30) working days from the date of publication of this decision in the Official Journal of the Republic, insurance undertakings should proceed with the appointment of a person in charge of the complaints management function and notify immediately after his identity and contact details in writing to the Superintendent of Insurance. Any subsequent appointment in replacement of the person in charge should be immediately notified to the Superintendent.

The person in charge should be provided with all means and powers to be able to contact with the appropriate at each occasion persons or departments of the company to obtain any information necessary for the actual and fair investigation of the complaints.

Order 3 - Registration

Insurance undertakings should register, internally, complaints within three (3) working days of their receipt, in a central Register and in a corresponding separate file. After receiving the complaint, the undertaking should acknowledge in writing, to each complainant, within two (2) working days, the receipt of the complaint. All the documents related to the handling of the complaint, should be included in the corresponding file in chronological order.

Each complaints file should at least contain the following:

(a) document of the complaint’s submission and date of submission,

(b) personal data of the complainant,

(c) description of the complaint and cause of the complaint,

(d) insurance Business Class related to the complaint,

(e) result/outcome of the complaints-handling procedure, e.g. if the complaint was resolved and how, if it was not resolved and why, if it was brought to Justice and why,

(f) if the complaint occurred from a gap or lack of the internal processes of the insurance undertaking or from incorrect application of the internal procedures by persons directly or indirectly connected with the insurance undertaking,

(g) date that the case was closed.

Order 4 – Reporting

Insurance undertakings, if and when requested, should be in a position to provide the following information on complaints and complaints-handling received per year to the Superintendent of Insurance or other competent authority:

a) the total number of complaints received,

b) detailed statistical data on the number of complaints received per type of complaint, per cause and per class of insurance,

c) the number of complaints resolved, the number of unresolved complaints and the reasons for failing to be resolved, as well as the number of complaints brought to Justice and the reasons for it,

d) the average time required to process the settled complaints,

In addition, if and when requested, insurance undertakings should submit the following to the Superintendent of Insurance:

a) the number of complaints occurred from a gap or lack of the internal processes of the insurance undertaking and what was the corrective action taken,

b) the number of complaints occurred from incorrect use of the internal procedures and what was the corrective action taken.

Order 5 – Internal follow-up of complaints handling

Insurance undertakings should analyse, on an on-going basis, complaints-handling data, in order to ensure that they identify and address any recurring problems and potential legal and operational risks, for example, by:

(i) analysing the causes of individual complaints so as to identify the root causes common to each type of complaint,

(ii) considering whether such root causes may also affect other processes or products, including those not directly referred to in a complaint,

(iii) correcting, where reasonable to do so, such root causes.

The person in charge of the complaints handling should prepare a report to the Board of Directors of the insurance undertaking at least once a year or exceptionally if deemed necessary. In this report the data relating to the examination of complaints should be analyzed so that any recurring or systemic problems and potential operational hazards can be identified and addressed

Order 6 – Provision of information

Insurance undertakings should:

a) when acknowledging receipt of a complaint, provide written information regarding their complaints-handling process,

b) publish details of their complaints-handling process in an easily accessible manner, for example, in brochures, pamphlets, contractual documents or via the insurance undertaking’s website,

c) provide clear, accurate and up-to-date information about the complaints-handling process, which includes:

(i) details of how to submit a complaint (e.g. the type of information to be provided by the complainant, the identity and contact details of the person or department to whom the complaint should be directed),

(ii) the process that will be followed when handling a complaint (e.g. when the complaint will be acknowledged, indicative handling timelines for the completion of the process, the possibility to appeal to a competent authority, an ombudsman or alternative out-of-court mechanism, etc.),

d) keep the complainant informed about the course of the handling of the complaint.

Order 7 - Procedures for responding to complaints

Insurance Undertakings should:

a) seek to gather and investigate all relevant evidence and information regarding the complaint,

b) communicate with the interested parties in plain language, which is clearly understood,

c) provide a written response within fifteen (15) working days if a decision can be taken within this period, taking into consideration all the information relevant to each complaint. When an answer cannot be provided within the expected time limits, the insurance undertaking should inform the complainant in writing about the causes of the delay before the expiry of the deadline.

In addition they should indicate the time period within which the insurance undertaking's investigation is likely to be completed and ask for any additional evidence or information required for the completion of the investigation.

The additional time limit should not be more than thirty (30) working days from the expiry of the initial deadline of the fifteen (15) working days,

d) when providing a final decision that does not fully satisfy the complainant's demand, they should include a thorough explanation of the insurance undertaking's position on the complaint and set out explicitly the complainant's option to insist on the complaint and to appeal to any other out-of-court mechanisms which exist on the basis of specific legislations or to the Courts of Justice. Such decision should be provided in writing.

These Orders do not apply when an insurance undertaking receives a complaint in relation to:

(i) activities other than those regulated by the "competent authorities" according to article 4 paragraph 2 of Regulation no. 1094/2010 of 24th November 2010, for the establishment of EIOPA,
(ii) activities of another financial institution against which the particular insurance undertaking has no legal or regulated liability (as long as the said activities are the essence of the complaint).

However the particular insurance undertaking should respond, wherever possible clarifying its position on the complaint, if/and when needed, providing full details about the insurance undertaking or other financial institution relevant for the examination of the complaint.

INSURANCE COMPANIES CONTROL SERVICE

January 3,,2017