PLATINUM LIFE

CLAIMS HANDLING
MANAGEMENT FRAMEWORK

*This framework is intended for internal use only and may not be distributed unlawfully

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1. DOCUMENT CONTROL AND APPROVAL

1.1. Document Information

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Table 1: Document Information

1.2. Document Change Control

	Author	Document Version	Summary of Changes	Date
1	Alinda van der Merwe Raymond McIntyre	1.	First Draft	January 2019
2	Terisha Nareen Raymond McIntyre	2.	Amendment	September 2022

Table 2: Document Version Control

1.3. Definitions

Business Day:

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 Claimants' demand is valid.

Claim Outcome

shall relate to the following:

a) **"Accepted"** shall mean that the claim has been finalised 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 The Company to assume that the Claimant has so accepted. A Claim should only be regarded as accepted once any and all undertakings made by The Company to provide policy benefits wholly or in part have been met.

b) **"Rejected"** shall mean that the Claim has been wholly or partly rejected (or repudiated) and The Company regards the Claim as finalised 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 The Company 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.

c) **"Disputed"** shall mean the Claim is neither accepted nor rejected, but The Company disputes the Claim or the quantum of the Claim.

Claimant:

Means a person who makes a claim.

Clients:

A specific person or group of persons, excluding the general public, who is or may become the subject to whom a financial service is rendered intentionally, or is the successor in title of such person or the beneficiary of such service.

Escalated Claim

Shall refer to the following:

a) an extension of a Claim relating to the outcome of the initial Claim;
b) the Claim is complex or unusual that it requires intervention by an impartial senior functionary appointed to deal with escalated claims;
c) the referral of the Claim to a Claims Committee mandated and authorised to review the Claim and provide an outcome;
d) the resolution of the initial Claim is not to the Claimant's satisfaction and is then treated as a complaint and dealt with in terms of the Platinum Life Complaints Management Framework.

Exclusion:

Means the losses of risk events not covered under a policy.

FAIS:

Financial Advisory and Intermediary Services Act 37 of 2002 and all regulations, board notices and codes of conduct issued in terms of the act.

FSP:

Financial service provider authorised in terms of the Financial Advisory and Intermediary Services Act of 2002.

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.

LTIA:

Long-term insurance Act 52 of 1998 and all regulations and subordinate legislation issued in terms of the act.

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

Repudiate (Reject)

Any action by which an insurer rejects or refuses to pay a claim or any part of a claim, for any reason which includes but is not limited to 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 are not paid.

2. INTRODUCTION

Platinum Life has a claims management process that is transparent, visible and accessible to Policyholders through appropriate channels and that it does not impose any unreasonable barriers to claimants.

Platinum Life, 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. This framework has thus been developed to provide structure, guidance and direction on the management of insurance claims within Platinum Life. Supported by specific procedures which are documented separately to provide clearly defined steps, activities and decisions at different functional levels, this framework is the overarching guide which provides a broad overview of how Platinum Life approaches claims management. The framework incorporates specific practices, tools, methods, principles and standards in line with the requirements of Section 42 of the LTIA, referred to as the Policyholder Protection Rules (as amended). This framework seeks to ensure fair treatment of Policyholders and beneficiaries and will be reviewed regularly.

3. PURPOSE OF THIS FRAMEWORK

Whilst this framework sets the high-level standards for Platinum Life, Platinum Life has formulated and implemented detailed measures to proactively ensure compliance with these standards.

This framework is related to and must be read with the Platinum Life Claims Handling Process. The purpose of this Claims Management Framework is primarily to provide the framework of how insurance claims are processed and assessed in the rendering of financial services to Clients.

4. CUSTOMER JOURNEY

4.1. The claims management process provided to Policyholders will at least provide for:

4.1.1. Relevant objectives, key principles and the proper allocation of responsibilities for dealing with claims;

4.1.2. Procedures for the appropriate management of the claims process from the time the claim is received until it is finalised, including the expected timeframes for each of the stages and the circumstances under which any of the timeframes may be extended;

4.1.3. Information required from the claimant to support a claim and the manner in which it must be submitted;

4.1.4. Procedures setting out the circumstances in which interest will be payable in the event of late payment of claims, the process to be followed in such an instance and the rate of the interest payable;

4.1.5. Procedures which clearly define the escalation and decision-making, monitoring and oversight and review processes for claims, including the details of the applicable Guardrisk arbitrator noted below.

5. INTERNAL CLAIMS PROCESSES:

5.1. Platinum Life's internal claims process provides for the following:

5.1.1. For all claims to be recorded no later than the first business day after the date that the initial claim has been received.

5.1.2. For appropriate communication with claimants in line with the principles set out below.

5.1.3. For appropriate claims record keeping, monitoring and analysis of claims, and reporting (regular and ad hoc) to senior management on –

i. identified risks, trends and actions taken in response thereto; and

ii. the effectiveness and outcomes of the claims processes;

iii. appropriate, transparent communication with claimants and their authorised representatives on the claims processes and procedures;

5.1.4. Accurate, efficient and secure recording of all claims received, irrespective whether the claims are valid or not;

5.1.5. Appropriate performance standards and remuneration and reward strategies (if applicable) for claims management in general and specifically for claims assessment to -

i. prevent conflicts of interest and the incentivisation of behaviour which could threaten the fair treatment of Policyholders or claimants; and

ii. ensure objectivity and impartiality;

5.1.6. Processes to ensure that it accepts, repudiates or disputes a claim or the quantum of a claim for a benefit under a policy within a reasonable period after receipt of a claim;

5.1.7. Processes to ensure that we, within 10 days of taking any decision referred to above, notify the claimant in writing of our decision.

6. CUSTOMER COMMUNICATION

6.1. Platinum Life will ensure that all communications with claimants are in plain language.

6.2. Platinum Life will disclose to all claimants –

6.2.1. the type of information required from the claimant;

6.2.2. where, how and to whom a claim and related information must be submitted;

6.2.3. any time limits on submitting claims;

6.2.4. details of any administrative fee payable in relation to management of the claim; and

6.2.5. any other relevant responsibilities of the claimant.

6.3. A claim is deemed to have been received on the day that Platinum Life receives notification thereof and it will, within a reasonable time after receipt of a claim (within no more than 48 hours), acknowledge receipt thereof and inform a claimant of the process to be followed in processing the claim, including –

6.3.1. contact details of the person or department that will be processing the claim;

6.3.2. indicative timelines for finalising the claim; and

6.3.3. details of any outstanding requirements.

6.4. Claimants will be kept adequately informed of –

6.4.1. the progress of their claim;

6.4.2. causes of any delay in the finalisation of a claim and revised timelines; and

6.4.3. the decision made in response to the claim.

6.5. When a final payment or offer of settlement is made to a claimant, Platinum Life will clearly explain to the claimant what the payment or settlement is for and the basis used for calculation of the payment or settlement.

6.6. Funeral claims will be assessed within 2 business days after all required documents in respect of a claim have been received. Platinum Life will then –

6.6.1. authorise payment of the claim;

6.6.2. repudiate the claim; or

6.6.3. dispute the claim and notify the claimant of the dispute.

6.7. If a funeral claim is disputed, Platinum Life will, within 14 business days after expiry of the initial 2 business days–

6.7.1. further investigate the claim;

6.7.2. make a decision whether or not the claim submitted is valid; and

6.7.3. then pay or repudiate the claim.

6.8. Where a claim is repudiated or disputed, such communication will inform the claimant of the following:

6.8.1. the reasons for the outcome;

6.8.2. that the claimant has a period of not less than 90 (ninety) days from receipt of the outcome to make representations to the insurer in relation to the outcome;

6.8.3. the details of both Platinum Life and the insurer's escalation and review process;

6.8.4. that the claimant may refer the matter to the relevant Ombud office and such Ombud's contact details and any time limitations applicable will be included; and

6.8.5. that the claimant may refer the matter to its legal representative and will include any time limitations and prescription period applicable to the institution of legal action.

6.9. Should the claimant make representations in relation to the outcome of the claim, Platinum Life will, within 45 (forty-five) days of receipt of those representations, communicate the outcome to the claimant in writing. If the initial decision to repudiate or dispute is confirmed, such communication must inform the claimant of the following:

6.9.1. the reasons for the outcome;

6.9.2. the facts forming the basis of the outcome;

6.9.3. the details of the internal escalation and review process, details of the claimant's right to refer to the matter to the relevant Ombud or to a legal representative, including time limitations and prescription period (where applicable).

6.10. For claims that are accepted, any payment will be made without undue delay and within a reasonably agreed timeframe. Platinum Life will explain to the claimant what the payment is for and the basis used to formulate such payment.

6.11. All evidence, supporting documents, communication with the claimant and action taken will be recorded by Platinum Life.

7. CLAIMS DATA REQUIREMENTS

7.1. Platinum Life has systems and processes in place that provide for accurate, efficient and secure recording of all claims received, irrespective of whether the claims are valid or not and be able to extract claims data for reporting and analytical purposes.

7.2. The following will be recorded (electronically) in respect of each claim received –

7.2.1. all relevant details of the claimant and the subject matter of the claim;

7.2.2. copies of all relevant evidence, correspondence and decisions;

7.2.3. full and complete audit trail for every claim; and

7.2.4. progress and status of the claim, including whether such progress is within or outside any set timelines.

7.3. Platinum Life will maintain the following claims related data on an ongoing basis and for at least 5 years after the date of the last claims transaction –

7.3.1. number and quantum of claims received;

7.3.2. number and quantum of claims paid;

7.3.3. number and quantum of Repudiated claims and reasons for the Repudiation;

7.3.4. number of claims escalated by claimants to the internal claims escalation and review process and their outcome;

7.3.5. number of claims referred to an Ombud and their outcome;

7.3.6. total number of claims outstanding.

8. INTEREST ON LATE PAYMENT

8.1. Platinum Life endeavours to finalise all claims timeously.

8.2. In the event that a delay in payment occurs, and such delay on the part of Platinum Life is shown to have been unnecessary, Platinum Life will include an interest consideration in the payment of the claim which shall be equal to the prime lending rate plus 2% calculated and compounded monthly.

9. PROHIBITED CLAIMS PRACTICES

9.1. Platinum Life will not –

9.1.1. dissuade a claimant from obtaining the services of an attorney or adjustor;

9.1.2. deny a claim without performing a reasonable investigation; or

9.1.3. deny a claim based solely on the outcome of a polygraph, lie detector, truth verification or similar test or procedure referred to above.

10. ESCALATION AND REVIEW PROCESS

10.1. Where Platinum Life is unable to reach a decision on the claim, the internal escalation process will be followed. The process will not be unduly complicated or create an administrative burden on the claimant;

10.2. The escalation and review process will be balanced, whilst taking into consideration the interests of parties concerned including the fair treatment of claimants;

10.3. A claim will be escalated as follows:

10.3.1. To the internal claims committee

10.3.2. To the Insurer

10.3.3. To the reinsurer (where applicable)

10.4. The claimant will be provided with the opportunity to escalate a claim not resolved to its satisfaction;

10.5. The claim, if escalated, will be referred to the insurer's impartial arbitrator who is duly skilled.

10.6. The details of the insurer's arbitrators are as follows:

Guardrisk Life – Internal Arbitrator

Email: info@guardrisk.co.za