**USA Policyholders Complaints Handling Procedures Clause**

**(authority to handle complaints)**

1. The Coverholder shall establish, implement and maintain effective and transparent written procedures for the reasonable and prompt acknowledgement and handling of complaints which ensure compliance with all legal and regulatory rules for the handling of complaints. For these purposes, a complaint means any written communication where there is an expression of dissatisfaction with an insurance product or service. Complaints may be received directly from a complainant (“Direct Complaints”) or through a state Department of Insurance (or equivalent agency) (“DOI Complaints”).

2. The Coverholder must investigate complaints competently, diligently and impartially obtaining additional information as necessary and must assess fairly, consistently and promptly the subject matter of the complaint, whether the complaint should be upheld and what remedial action or redress (or both) may be appropriate.

[*Select one option for section 3 below and delete the other option, as applicable.*]

[3. All offers of redress or remedial action must be agreed with the Underwriters in advance.]

*Or*

[3. The Coverholder has the following authority to offer redress or remedial action on behalf of the Underwriters: [*insert details of the Coverholder’s authority*].

4. The Coverholder shall keep the Underwriters informed of the progress of each complaint. The Coverholder shall refer to the Underwriters any complaint where the Coverholder is in any doubt as to whether the complaint should be accepted or rejected or whether redress or remedial action should be offered.

5. The Underwriters may at any time withdraw or vary the Coverholder’s authority in respect of one or more complaints and in such circumstances the Underwriters shall be entitled to make any decisions or take any action with regard to the complaint which the Underwriters consider appropriate.

6. The Coverholder shall maintain a register of all complaints received and shall provide a copy of the same to the Underwriters upon request.

7. Lloyd’s has prescribed arrangements for the handling of complaints at Lloyd’s, which are set out in a note called: ‘*Handling US Complaints at Lloyd’s: Guidance for coverholders and TPAs*’. The Coverholder will follow and comply with the guidance and procedures set out in that note, as updated from time to time, including for reporting complaints.

LMA5269

08 September 2016