

MARKET BULLETIN

REF: Y4776

Title	Norway: New complaints handling procedure
Purpose	To inform the market of a new Lloyd's complaints handling procedure for establishment business in Norway
Type	Event
From	Jonathan May, Head Financial Control & Market Services + 44 (0)20 7327 5314, jonathan.may@lloyds.com
Date	26 February 2014
Deadline	1 April 2014
Related links	Crystal report for Norway

Summary

The regulator in Norway, the Financial Supervisory Authority (Finanstilsynet), has announced new requirements for the handling of complaints. The requirements apply to all complaints, regardless of whether the complainant is an individual person or a corporate entity, that relate to business written on an establishment basis.

Given the unique structure of the Lloyd's market, it has been necessary to introduce a new complaints handling procedure for Norwegian establishment business to ensure that underwriters comply with the new rules. It will also enable Lloyd's to meet the associated requirement to report all relevant complaints to the Financial Supervisory Authority on an annual basis, which will be done centrally.

Background

The Financial Supervisory Authority has implemented the EIOPA Guidelines on Complaints Handling by Insurance Undertakings¹ that were issued to EEA member state regulators in 2012. These Guidelines set out standards that member state regulators should apply to insurers in their territory in respect of how they handle and report complaints. Member state regulators were free to determine how the standards should be implemented in their

¹ EIOPA-BoS-12/069.

territory and had to respond by 15 January 2013. The Financial Supervisory Authority implemented the Guidelines through circular letter 4/2013 to insurers in February 2013. Please refer to Appendix 1 for the definitions of “complaint” and “complainant” used in the circular letter.

Lloyd’s complaints handling procedure

The new Lloyd’s procedure is set out in Appendix 2 and must be followed for complaints received with effect from 1 April 2014. It contains a two stage process that is similar to the procedure for handling complaints for UK personal lines business (see [Market Bulletin Y4683](#) for details of this) in order to provide an approach for the market that is as consistent as possible.

Provision of pre-contractual complaints information

Under Article 31 of EU Directive 92/49/EEC (Third Non-Life Directive) and Article 36 of the EU Directive 2002/83/EEC (Consolidated Life Directive) an insurer must, prior to inception, inform proposers for non-life mass risks and life risks where the proposer is a natural person of the arrangements for handling the policyholder’s complaints. However, Sections 2-1 and 11-1 of the Insurance Contracts Act of 16 June 1989 No. 69 state that such information should be provided to all proposers, for both non-life and life risks, prior to inception.

Lloyd’s has produced Complaints Notice LSW1852, which reflects the new complaints handling procedure in Appendix 2. LSW1852 must be given to all proposers where it is intended to write the risk on an establishment basis. It is available on the [Lloyd’s Wordings Repository](#) and should be used with effect from 1 April 2014.

Further information

If you require information regarding the regulatory requirements for underwriting or placing Norwegian business, please contact:

Lloyd’s International Trading Advice
Lloyd’s Desk, Ground Floor, Underwriting Room
Telephone: + 44 (0) 20 7327 6677
Email: LITA@Lloyds.com
www.lloyds.com/crystal

If you require information regarding the new complaints handling procedure for Norway, please contact:

Policyholder & Market Assistance department
Complaints Helpline Telephone: + 44 (0) 20 7327 5696
E-mail: complaints-enquiries@lloyds.com

APPENDIX 1

RELEVANT DEFINITIONS IN THE FINANCIAL SUPERVISORY AUTHORITY'S CIRCULAR LETTER 4/2013 OF FEBRUARY 2013

“complaint” means: A statement of dissatisfaction addressed to an insurance undertaking by a person relating to the insurance contract or service he/she has been provided with. Complaints handling is differentiated from claims handling as well as from simple requests for execution of the 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 in some cases, an injured third party.

The definition of “complainant” above refers to both individual persons and corporate entities.

APPENDIX 2

PROCEDURE FOR HANDLING COMPLAINTS RELATING TO ESTABLISHMENT BUSINESS IN NORWAY

Stage 1

1. The managing agent² receives a complaint.
2. As soon as practicable, the managing agent must acknowledge receipt of the complaint, in writing. The complainant must also be informed of the following information, in writing:
 - An acknowledgement of receipt of the complaint.
 - The complaint procedure that will be followed. This information must be clear, accurate and up to date.
 - That the final response will be available within eight weeks of the receipt of the complaint.
 - The contact details of the Complaints Board for Consumers in Banking and Finance Matters (Finansklagenemnda, FinKN), to whom the complainant can refer the matter at any time. (For details, please see the Complaints section of the Crystal report for Norway.) Note that a complainant may refer its complaint to the Complaints Board for Consumers in Banking and Finance Matters at any time during the complaint process and does not have to wait until it has received the insurer's final response.
 - The details of an available alternative dispute resolution method, if one is applicable to the policy contract concerned.
3. As soon as possible after receipt of the complaint, the managing agent must inform the Lloyd's General Representative for Norway that a complaint has been received together with the following information:
 - Date complaint was received.
 - Name and contact details of complainant.
 - Reason for the complaint. One of the following descriptions must be used: Sales process, Insurance agreement (e.g., policy terms and conditions), Premium and costs, Administration, Claims, Other.
 - Class of business that the complaint relates to. One of the following classes of insurance must be used: Accident and health, Motor, Household goods, Travel, Buildings, Credit, Life, Other.
4. Within two weeks of receipt of the complaint, the managing agent must advise the complainant of its decision, in writing, based on the outcome of the investigation. The managing agent must include the following statement in the letter.

² Reference to a managing agent in Appendix 2 includes reference to a coverholder or third party administrator (TPA) or legal representative that is authorised by a managing agent to adjudicate on a complaint on its behalf.

“Should you remain dissatisfied you may, if you wish, refer your complaint to the Lloyd’s General Representative for Norway, who will investigate and assess this complaint and provide you with a final response. The contact details are as follows:

*Espen Komnaes
Lloyd’s General Representative for Norway
Advokatfirmaet Sverdrup DA
Akersgaten 1
PO Box 1865 Vika
N-0124 Oslo
Norway
Tel: +47 22 42 27 00
Fax: +47 22 42 27 01
Email: espen.komnaes@sverdruplaw.no*

The above statement must be included in all letters where the managing agent provides its decision on the complaint, regardless of when the letter is sent. Lloyd’s expects that there will be very few occasions where a managing agent is not able to provide its decision to the complainant within two weeks.

A copy of this letter must be e-mailed to the Lloyd’s General Representative.

5. If the managing agent is not able to communicate its decision to the complainant within two weeks, it must notify the Lloyd’s General Representative that this is the case. The Lloyd’s General Representative will inform the complainant that he is now dealing with the complaint. The Lloyd’s General Representative will examine and assess the complaint and may request any relevant information, documents or records from the managing agent as may be necessary in order to provide a final response to the complainant.

Stage 2

6. Within eight weeks of receipt of the complaint by the managing agent, the Lloyd’s General Representative will make a decision on the complaint and issue a final response letter to the complainant confirming that the investigation has been completed. If the Lloyd’s General Representative is unable to issue a final response letter within eight weeks, e.g., due to a delay by the managing agent in providing relevant documents, he will inform the complainant in writing of the reason for the delay and the anticipated timeframe within which he hopes to resolve the complaint. If the complaint is not upheld in full, he will also advise the complainant of the reasons for this and his right to refer the matter to the Complaints Board for Consumers in Banking and Finance Matters or to use an alternative dispute resolution method (if applicable).