

LLOYD'S CANADIAN COMPLAINTS

Handling Canadian Complaints at Lloyd's: Guidance for coverholders and Delegated Claim Administrators

This guidance will provide a practical process for handling Canadian complaints received from Lloyd's policyholders on policies whose overall lead is a Lloyd's syndicate.

The process is intended to complement the procedures that coverholders and Delegated Claims Administrators (DCA) will already have in place for the proper handling of complaints in accordance with the applicable regulations.

These arrangements have been introduced to ensure Lloyd's underwriters can meet the regulatory expectations of the UK regulator, the Financial Conduct Authority (FCA) and are consistent with Canadian regulatory requirements. Lloyd's also believes that, by properly recording details of all complaints received, coverholders, DCAs and managing agents are provided with an invaluable source of business information that can be used to improve products and the service provided. This benefits policyholders and the businesses in the Lloyd's market, including coverholders and DCAs.

General Requirements

- Managing agents reporting more than 100 complaints per year to Lloyd's for UK and international complaints (including Australia and New Zealand) are required to exchange all data, documentation and case communication via secure API automated data exchange messages (DEX).
- The API messages are only able to exchange data between Lloyd's and managing agents' system and therefore all requests for documentation and information will be made via the managing agent rather than direct to a coverholder or delegated claims administrators.
- All emails (with the exception of notification spreadsheets) must only contain data relating to a single policyholder. Emails should only be used by managing agents not in scope for DEX.
- All email attachments must be password protected using the managing agent / coverholder standard password provided to Lloyd's Complaints team.
- Lloyd's Complaints team are not to be copied in to emails between managing agents and their representatives. Any additional documentation supplied that is not required will be deleted.
- Complaints where the overall lead is a company underwriter are not considered to be complaints about the Society of Lloyd's and so should not be handled under Lloyd's complaints processes.

- All documents including original complaints, investigation ongoing letters and stage one responses are to be submitted in pdf format. Local language documents may be provided as Word documents, for managing agents both in scope and out of scope for DEX, these can be provided via email.

What is a complaint?

Coverholders and TPAs must have in place procedures that allow complaints to be made by any reasonable means, including orally. The definition of a complaint in Canada is:

“A Reportable Complaint means any reproach or dissatisfaction expressed either in writing or verbally, in respect of a service or product offered by Lloyd’s Underwriters related to a policy or claim issued by Lloyd’s Underwriters Canada that could not be resolved immediate, nor a plan agreed with the party to resolve the matter at initial contact, to the satisfaction of the party voicing the concern.

Reportable complaints will follow the tier one/tier two processes.

The Market must apply judgment when determining if a complaint is reportable. In a case when it is unclear or there is doubt, the complaint must be treated as a reportable complaint.

Complaints are generally expressed in writing through correspondence, e-mail, fax or other form that allows a complaint to be kept on file. Where a consumer makes a complaint by phone or in person and the complaint is handled and examined by the person responsible for the examination of complaints and designated as such in the organization’s policy, the complaint must be documented so that it can be kept on file.”

Which complainants?

A consumer means all current and prospective customers of insurance products.

Coverholders/DCAs without complaints handling authority – process to be followed

Coverholders

- Not all coverholders have delegated authority to handle complaints. For example, complaints most often arise from claims handling and if the coverholder does not have authority to handle claims the managing agent may ask the DCA that handles claims to deal with any complaints that arise. Alternatively, the managing agent may deal with complaints in-house.
- In this case the coverholder should send to Lloyd’s underwriters (or the relevant DCA) details of all complaints received by the coverholder together with all documents relevant to the complaint. This may be done via the coverholder’s Lloyd’s broker. The coverholder should ensure that it has arrangements in place to identify complaints for onward notification.
- The parties may agree that the coverholder will send an acknowledgement to the complainant promptly and where possible within two business days of receipt of any complaint.

- To ensure consistency of approach, binding authority clause LMA 5299 (Canadian Policyholder Complaints Handling Procedure Clause (no authority to handle complaints)) should be used to give effect to the above.

DCAs

- Where DCAs do not have authority to handle complaints they should have arrangements in place for the forwarding of complaints to the managing agent of the lead Lloyd's syndicate in line with the arrangements described above for coverholders. The agreement between underwriters and the DCA should document the DCA's obligations with regard to handling complaints and LMA 5299, with appropriate modifications, may be a suitable basis for this.

I. Coverholders/DCAs with complaints handling authority – process to be followed

Coverholders

- Where coverholders have complaints handling authority Lloyd's underwriters will include in the binding authority agreement LMA 5298 – (Canadian Policyholder Complaints Handling Procedure Clause (authority to handle complaints)). This sets out the contractual obligation of the coverholder to handle complaints and specifies the level of authority given to the coverholder to offer redress or remedial action when responding to complaints. LMA 5298 is a standard contractual clause designed to ensure that underwriters do not seek to require that coverholders follow different arrangements.
- Coverholders will already have in place arrangements for acknowledging and handling complaints received from policyholders in accordance with the relevant Canadian laws and regulations and which meet Canadian best practice. The following timescales are intended to reflect current best practice:
- Complainants should receive a written acknowledgement of the complaint promptly and, where possible, within two business days of receipt of the complaint.
- Complainants should receive a stage one response to the complaint as soon as practicable and in any event within 20 calendar days of the complaint being acknowledged

Notifying complaints to Lloyd's

- Managing agents who are not in scope for DEX must, within two weeks of receipt of the complaint, the coverholder must complete the Lloyd's International Complaint Notification Template, which should be downloaded from www.lloyds.com/complaintshandling, with details of the complaint received. Coverholders must use the template provided by Lloyd's and should not create their own. The spreadsheet should be sent to Lloyd's Complaints team at complaints-notification@lloyds.com. The subject line of the email should state 'Notification Spreadsheet' unless the spreadsheet is automatically created by a complaint management database. The email should only contain the spreadsheet and no other documentation.
- Notification spreadsheets must be received by 16.45 GMT to be loaded on the day of receipt otherwise they will be loaded on the following working day.
- A copy of this email should be sent to the coverholder's Lloyd's broker for onward transmission to the managing agent of the lead syndicate. Alternatively, rather than notifying Lloyd's Complaints team directly, the coverholder can agree to provide this information to the managing agent of the lead syndicate for the managing agent to notify the complaint to Lloyd's.
- For managing agents who are in scope for DEX, the coverholder should always provide this information to the managing agent of the lead syndicate for the managing agent to notify the complaint to Lloyd's.
- For complaints made by a party other than policyholder, the details on the notification spreadsheet must be the complainant details and the covering email should provide details of the

policyholder. For managing agents in scope for DEX, the policyholder contact details should be provided to the managing agent so that they can be added to the managing agent system and will be provided to Lloyd's via API message.

- Complaints where the risk address differs to the correspondence address or the complainant is being represented by another party, for managing agents in scope for DEX, these details should be recorded on the managing agents system so they can be provided to Lloyd's via API message 'Contacts'.
- There is no need to include complaints which were brought to the attention of the managing agent or coverholder by Lloyd's Complaints team however complaints forwarded by Lloyd's Canada must be included.
- There is no requirement for a nil return where no new complaints have been received.
- On policies or binding authorities where there is more than one syndicate participating, Lloyd's expect the lead syndicate to notify the complaint.
- The following table explains how to complete the International Complaint Notification template. Completion of all fields is mandatory, with the exception of the address field. Coverholders should ensure that they provide the information in a way that is compliant with the applicable data protection laws.

Field	Comments
Submitting Company	This is the name of the managing agent or its representative, whichever of the two is completing the template.
Coverholder	If the policy was underwritten by a coverholder, insert the coverholder name in this field.
DCA	This is the name of the delegated claims administrator involved in the claim. This field is optional.
Complainant Surname	This is the name of the complainant. Either the surname or company name must be completed.
Complainant Company Name	This is the name of the complainant. Either the surname or company name must be completed.
Complainant Address	Insert a correspondence address for the policyholder. This field is optional.
Complainant Town	Insert a correspondence address for the complainant. This field is optional.
Complainant Zip / Postal Code	Insert the postal / zip code for the complainant. Completion of this field is required to facilitate identification of duplicate complaints.
Complainant Country	Select from drop-down list.
Policy Number	Either policy number or claim number must be entered.
Claim Number	Either policy number or claim number must be entered.

Year of Account	Enter in the format YYYY. This field is optional.
Complaint Process	This is the complaint process that is being followed. Select from drop down list.
Policyholder Country	Select from drop down list. If the complainant and policyholder are the same person, please enter same option as in complainant country.
Date Received	Insert the date the complaint was acknowledged by Lloyd's Canada Service Desk, managing agent or its representative, whichever is earliest
FCA Complaint code	Select from drop down list.
Product	Select from drop down list.
Placement	Select from drop down list.^
Syndicate Number	Lead syndicate on the coverage.* Select from drop down list.
Claims Related	Select Yes or No from drop down list.
Lloyd's UK Root Cause	Select from drop down list. This field is optional.
Managing Agent Name	Managing agent for the lead syndicate. Select from drop down list.
Managing Agent Reference	Enter reference from managing agent system. This field is optional.

*If written on a multi lead basis, please leave blank and set out in an email the lead managing agent/syndicate for each contract and the percentage share of the risk.

^ **Binder** – an agreement between a managing agent and a coverholder under which the Lloyd's managing agent delegates its authority to enter into a contract or contracts of insurance to be underwritten by the members of a syndicate.

Line slip - an agreement between a group of Lloyd's managing agent and a Lloyd's Broker where in a specific class of insurance business certain named or otherwise designated Underwriters or insurance companies within the group may accept Risks introduced by that Lloyd's Broker on behalf of all of the Members of the group in accordance with the terms of the agreement.

Master Policy - an insurance policy issued to a Master or Group Policyholder (the "Policyholder") who purchases the insurance to provide the benefit of insurance coverage for others, usually individuals (the "covered parties"). The individuals who are covered parties, however, are not parties to the insurance contract.

Open Market - Insurance business that may be offered to and placed with any Lloyd's managing agent that is willing to underwrite it on behalf of its managed syndicate. It excludes business that is underwritten pursuant to a binding authority.

- The spreadsheet should be named 'NotificationInternational' and saved as an .xls document, no additional columns should be added to the spreadsheet.
- No verification checks will be performed on the spreadsheet prior to upload and it will be loaded as received. In the event that the spreadsheet fails to load successfully, the spreadsheet will be returned to the managing agent, or their representative, with details of the records that have

failed. These incorrect records should be resubmitted on the next spreadsheet. NB The complaint will not be classed as logged for performance oversight purposes until the corrected spreadsheet is received and the complaint is successfully uploaded.

- The notification of complaints for managing agents in scope for DEX will be automatically provided to Lloyd's via the API message 'Notification' when loaded on to the managing agent system. Whilst it is not a requirement, it would be beneficial if a copy of the original complaint, in pdf format, is saved to the managing agent system at the same time so that this is provided by the API message 'Attachments' prior to the resolution of the case. If written on a multi lead basis, please provide details of each managing agent/syndicate and their percentage share via API message 'Case Communication'.
- Complaints will be entered onto the complaints monitoring database by Lloyd's Complaints team to enable effective monitoring and reporting to the relevant regulators.
- Lloyd's reserves the right to review and take over coordinating the response to individual complaints where, in the view of Lloyd's, this is appropriate in all the circumstances, including to meet local regulatory expectations of Lloyd's.

Acknowledgement of complaints

- All complaints are to be acknowledged promptly and, in writing. Lloyd's expectation is that acknowledgements are sent within 2 business days where possible.
- Complaints received in the first instance to Lloyd's UK Complaints team will be recorded and acknowledged by Lloyd's Complaints team. Once the relevant managing agent is identified the complaint will be notified to the individual nominated by the relevant managing agent, for a stage one review.

Response to complainant

- In all cases a stage one written response must be sent to the complainant within 20 calendar days of the complaint being received.
- Complaints of a serious nature (allegations of fraud, material misrepresentation, or misconduct) may be escalated directly to a tier two review. The CRCO may also, at their discretion, select complaints to review personally, (instead of the UK Lloyd's Complaints Team) which are deemed as exceptions.
- Where there is an obligation to respond to the regulatory body, the response will be managed by the CRCO.
- All stage one response letters, regardless of the resolution, must contain the internal and external escalation wording. Please see the template wording below:

*Should you remain dissatisfied with this response, you may request that we refer your complaint to: Lloyd's Complaints Department
Royal Bank Plaza South Tower
200 Bay Street*

Suite 2930
PO Box 51
Toronto
Ontario
M5J 2J2

Tel: 1-877-455-6937
Email: info@lloyds.ca

who will review the complaint and reply to you directly.

Also note that if your concerns are not addressed to your satisfaction, you have the right to continue to pursue the complaint with:

1. *General Insurance OmbudService (GIO): assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at: Toll free number: 1-877-225-0446 www.giocanada.org*
 2. *And/or, for Québec complainants: Autorité des marchés financiers (AMF): Toll Free: 1-877-525-0337 Québec: (418) 525-0337 Montréal: (514) 395-0311 www.lautorite.qc.ca*
- The stage one response should not be referred to as a Final Response and Lloyd's Canada must be copied in on all stage one responses.
 - The letter should set out details of any redress or remedial action being offered. This includes:
 - Payments to put the complainant back into the position the complainant should have been in had the act or omission complained about not occurred, including any claim payments.
 - Amounts paid for distress and inconvenience.
 - Goodwill payments and goodwill gestures.
 - Interest on delayed settlements.
 - Waiver of an excess.
 - For managing agents not in scope for DEX, a copy of the response together with a copy of the original complaint must be emailed to complaints-notification@lloyds.com within two business days after the response is sent to the complainant. There is no requirement for these documents to be translated to English; this will be arranged by Lloyd's. The subject line of the covering email should state 'Stage One Response – policyholder name'. The body of the email should confirm:
 - policy / claim number used to notify the complaint to Lloyd's
 - stage one decision (justified or not justified)
 - if justified, the grounds for justification and action taken, using Lloyd's standard options
 - redress payable
 - root cause of complaint (if not provided on notification spreadsheet)

- Cancellation / refund
 - Claim – coverage / terms and conditions
 - Claim – customer service
 - Claim – delay
 - Claim – quantum
 - Claim – standard / duration / delay of repair
 - Customer Service – non-claims related
 - Other (we would expect this option to be rarely used)
 - Product suitability
 - Underwriting / Premium Issues
- coverholder (if not provided on notification spreadsheet)

For complaints received via the telephone, a copy of the call or a transcript must be provided.

- For managing agents in scope for DEX, a copy of the full response together with a copy of the original complaint must be emailed to the managing agent within two business days after the response is sent to the complainant to allow them to upload the complaint to their system for onward transmission to Lloyd's via an API message. A copy of the original complaint, if not already provided, and stage one response, both in pdf format, must be provided.

DCAs

- DCAs with the authority to handle complaints should follow the process outlined above for coverholders. The agreement between underwriters and the DCA should document the DCA's obligations with regard to handling complaints and LMA 5298, with appropriate modifications, may be a suitable basis for this.

Further Information

For further information on Lloyd's arrangements for complaints handling, coverholders should contact their Lloyd's Broker and DCAs should contact their appointed managing agent. Alternatively enquiries can be sent directly to Lloyd's at complaints@lloyds.com.

Information about Lloyd's arrangements for complaints handling in Canada can be found at www.lloyds.com/complaintshandling in the International Complaints Section.