

# Treating Customers Fairly Policy

Board Approved | v5 | updated May 2025



## INTRODUCTION

This policy is drafted in terms of the Financial Advisory and Intermediary Services Act of 2002 (FAIS), the Policyholder Protection Rules (PPR) made under the Short-Term Insurance Act 53 of 1998, the Insurance Act No 18 of 2017, the relevant Governance and Operational Standards for Insurers (GOI), the Governance and Operational Standard for Insurance Groups (GOG) as well as any subsequent guidance issued by the PA.

The scope of this policy is applicable to New National Assurance Company Limited (NNAC) as a legal entity and as controlling company to which it has interests and participation in its subsidiaries.

Treating Customers Fairly (TCF) is an outcome based regulatory approach that seeks to ensure that specific, clearly articulated, fairness outcomes for financial service consumers are delivered by regulated firms.

The management of NNAC took a decision to formally adopt the TCF outcomes into our business. We have also ensured that our Binder holders and brokers adopt the TCF policy. Our focus on client satisfaction has become deeply entrenched in our business philosophy, ethos, and culture. The focus is boldly demonstrated through the integration and embedding of the principles of Treating Customers Fairly (TCF) at NNAC and our relationship with stakeholders.

The responsibility in ensuring that the principles of TCF are always practiced, in any form of client engagement vests with every employee within NNAC and each binder holder that we contract with.

We are a client-based business with the end customer being the forefront of all decisions and product development.

## 1. THE FSCA AND TCF

The Financial Services Conduct Authority (FSCA) formed the basis of the TCF framework. All organisations, specifically those authorised under the the FSCA, are required to embed the TCF principles in governance processes, frameworks and furthermore to demonstrate that they measure their behaviour against these key principles, to manage conduct risk and protect their clients.

## 2. THE OUTCOMES OF TCF

The six TCF principles have been adopted within NNAC across all business practices, governance and day to day processes.

### Outcome 1:

The client can be confident that they are dealing with a company which has embedded the fair treatment of clients into its culture.

### Outcome 2:

Products and services marketed and sold are designed to meet the needs of identified client groups and are targeted accordingly.



### Outcome 3:

Clients are provided with clear information and kept appropriately informed before, during and after the point of sale.

### Outcome 4:

Where advice is offered, the advice is suitable and takes into account the client's individual circumstances and needs.

### Outcome 5:

Clients are provided with products that perform as they have led to expect, and the associated service is at an acceptable standard and what they have been led to expect.

### Outcome 6:

Clients will not face unreasonable post-sale barriers to change products, switch providers, submit a claim or make a complaint.

## 3. IMPLEMENTATION OF TCF

<b>OUTCOME 1</b> <b>The client can be confident that they are dealing with a company which has embedded the fair treatment of clients into its culture.</b>
<ul style="list-style-type: none"> <li>We ensure fair treatment of all clients and will continue with this existing client service culture throughout its business.</li> <li>All staff will treat clients as they would want to be treated.</li> <li>Through its client interaction and service delivery, we will ensure that we render services to the client that is honest and fair, with skill, care, and diligence and in the best interests of the client and integrity of NNAC.</li> <li>We have an updated complaints process which gives our clients the platform to raise their complaints with the expectation that they will receive an independent assessment and fair outcome of the complaint.</li> </ul>

<b>OUTCOME 2</b> <b>Products and services marketed and sold are designed to meet the needs of identified client groups and are targeted accordingly.</b>
<ul style="list-style-type: none"> <li>NNAC has made changes to simplify the product and policy wording.</li> <li>Our representatives ensure that they understand the client's financial product need by performing a needs analysis for each client in order to obtain information from the client regarding their financial position, product need and objectives.</li> <li>Our products target specific markets.</li> <li>Monitoring tools inform us if a product has shortcomings which we then address immediately.</li> <li>We ensure that all representatives have a thorough knowledge of the products offered. We further ensure that all new representatives are trained in the products offered.</li> </ul>

### OUTCOME 3

**Clients are provided with clear information and kept appropriately informed before, during and after the point of sale.**

- Clients are fully informed of all pertinent policy terms and conditions.
- Our representatives are encouraged to explain products using plain language to avoid confusion, provide information which is factually correct and adequate and appropriate in the circumstances.
- We have addressed excess structures which were previously raised as an issue. We have also introduced excess alternatives, i.e., option to reduce or excess waiver.
- Clients are provided with a comprehensive policy pack which includes the policy schedule and wording.
- Records of the sale proposal are maintained by the broker and monitored by NNAC.

### OUTCOME 4

**Where advice is offered, the advice is suitable and takes into account the client's individual circumstances and needs**

- We ensure that all staff, within NNAC and in the employ of our brokers and binder holders are properly trained and have the competence to sell and provide advice on our products.
- Telephone calls are recorded which enables us to review the advice given to clients and ensure that it is in keeping with TCF.
- Product training is held to ensure that brokers understand our product and ensure that it is sold properly.
- Our registered representatives must always understand the client's needs and their financial situation, to ensure that we are able to make appropriate recommendations.
- We are also committed to ensuring that our representatives meet the requirements set out in section 7 (1) (b) of the FAIS Act as well as any fit and proper requirements prescribed under the FAIS Act, including but not limited to the FAIS product knowledge and competency requirements.
- We also have processes in place to conduct due diligence before contracting with a new intermediary to ensure that they are licensed as financial service providers and authorised to render financial services in respect of the policies that will be offered.
- This is done in accordance with section 8 of the FAIS Act to satisfy ourselves that the independent intermediary and, where applicable, any person's rendering services as intermediary on the independent intermediary's behalf meet the FAIS product knowledge competency requirements.

### OUTCOME 5

**Clients are provided with products that perform as they have led to expect, and the associated service is at an acceptable standard and what they have been led to expect.**

- We ensure that products that are sold to the client perform in accordance with the advice given to the client.
- We will monitor the service offered by our representatives and ensure that it is to the satisfaction of the client.
- We have a complaints process which is assessed regularly to ensure that solutions are provided where necessary.
- NNAC also conducts annual reviews on Binder holders to ensure that they remain compliant with the applicable legislation and to ensure that the products and services offered remain acceptable and suitable for the target market concerned.
- To ensure that clients are not provided with misleading information or misrepresented facts, we have policy documents in place which serves as a guide. The policy document has been drafted in relation to the Policy holder Protection Rules for Short term insurance.

<p style="text-align: center;"><b>OUTCOME 6</b></p> <p style="text-align: center;"><b>Clients will not face unreasonable post-sale barriers to change products, switch providers, submit a claim or make a complaint.</b></p>
<ul style="list-style-type: none"> <li>• At NNAC, we strongly believe that our client experience throughout their journey must be of a standard and quality which does not prejudice the client in any manner whatsoever.</li> <li>• Our distribution channels are broker centric and therefore we ensure that the broker has easy access to NNAC.</li> <li>• We ensure that our policy documents include who we are and how clients can contact us directly.</li> <li>• Our policy document also outlines our complaints process which details a step-by-step process on how to report a dispute or complaint directly to us.</li> <li>• Our Complaints procedure ensures that clients are not treated unfairly, we are fully transparent with our clients and ensure that we provide suitable channels for clients to contact us if they have complaints or queries.</li> <li>• Complaints are monitored in order to identify any trends or poor client service as well as to implement corrective measures to ensure that clients do not face any post sales barriers when dealing with us or our stakeholders.</li> </ul>

#### 4. TCF CULTURE FRAMEWORK

NNAC has acknowledged that the TCF outcomes are applicable to every aspect of its business and will remain active participants in cultivating the TCF culture.

TCF is owned by management and the board, senior management and middle management will provide direction and monitor the outcomes of TCF. Management will be held accountable to ensure the delivery of the TCF outcomes.

We have introduced the TCF principles by holding workshops with its external brokers and binder holders in Durban and Johannesburg and, thereafter, rolling out these workshops to all staff members in order to train and educate each staff member on the principles of TCF.

We have TCF posters displayed in each department in order to create awareness amongst the staff.

All staff are given appropriate material to assist with their treating of customers fairly.

