

## ENDORSEMENT TO THE MODEL BINDING AUTHORITY AGREEMENT FOR CANADIAN COMPLAINTS - FULL AUTHORITY

*(For use with LMA Binding Authority Agreements)*

The provisions of this endorsement are to be read in conjunction with Section 22 (Complaints or Proceedings).

The Coverholder has full authority to handle Complaints against Underwriters and to offer Redress up to and including {CAD } in order to resolve such Complaints.

### 1. Process

- 1.1. Upon receipt of a Complaint against underwriters from a Complainant below, the Coverholder must comply with the procedures as set out below. The Coverholder has full authority to resolve Complaints within 10 business days following the date the Complaint is received. Underwriters may at any time withdraw or vary this authority in respect of one or more Complaints and in such circumstances Underwriters shall be entitled to make any decisions or take any action regarding the Complaint which Underwriters consider appropriate.
- 1.2. 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.
- 1.3. The Coverholder must acknowledge the Complaint in writing. The acknowledgement letter must be issued within two business days following receipt of the Complaint. An acknowledgement letter is not required if the Complaint was originally received by Lloyd's Canada.
- 1.4. The Coverholder must then notify both Underwriters and Lloyd's Complaints Team within two weeks of receipt of the Complaint by using the Notification Template located at: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling) and sending it to {Insert Underwriters' email address} and Lloyd's Complaints Team at [internationalcomplaints@lloyds.com](mailto:internationalcomplaints@lloyds.com). Complaints received from Lloyd's Canada must also be notified to Lloyd's Complaints Team.
- 1.5. The coverholder must then investigate the Complaint and issue a stage one response within 10 business days of receipt of the Complaint.
- 1.6. A copy of the stage one response must be sent to the insured and copied in to Lloyd's Canada at [info@lloyds.ca](mailto:info@lloyds.ca).
- 1.7. In addition, a copy of the stage one response along with a copy of the original Complaint must be sent to both the Lloyd's broker and Underwriter. Lloyd's Complaints Team within 10 business days of receipt of the Complaint. The covering email must identify the root cause and any Redress paid (if any).
- 1.8. If the Coverholder is unsure of how to resolve a Complaint or the appropriate Redress amount exceeds {CAD } then the Coverholder must immediately pass the Complaint, along with all relevant documentation, to Underwriters using the following email address: {Insert Underwriters' email address}
- 1.9. Following the resolution of the Complaint, Lloyd's Canada will contact the Complainant, and if the Complainant remains dissatisfied, Lloyd's Complaints Team will request a copy of the file from the Coverholder. The Coverholder must send the requested file to [internationalcomplaints@lloyds.com](mailto:internationalcomplaints@lloyds.com) within 3 business days as a single PDF document.
- 1.10. The Coverholder will assist Underwriters where Lloyd's are involved.

## 2. Additional Responsibilities:

In addition to the above the Coverholder will:

- 2.1. Ensure that all members of staff that may receive Complaints in relation to any operations under this Binding Authority Agreement are trained in Complaint identification to a level appropriate to their position and role within the organisation and are aware of the above procedure;

## 3. Record Keeping

3.1 The Coverholder shall maintain a register of all Complaints.

3.2 The register should include the following information:

- a) Name of Complainant;
- b) Name of Complainant's representative (if applicable);
- c) Address of Complainant;
- d) Address of Complainant's representative (if applicable);
- e) Date Complaint received;
- f) Date acknowledgement issued;
- g) Date stage one response issued;
- h) Date notified to Underwriters/Lloyd's;
- i) Date referred to Underwriters/Lloyd's;
- j) Policy number;
- k) Claim reference (if applicable);
- l) Unique market reference;
- m) Product;
- n) Customer type;
- o) Root cause;
- p) Outcome;
- q) Action taken;
- r) Redress paid.

- 3.1. The Coverholder must provide a copy of the register to Underwriters, or their representatives, promptly upon request.

## 4. Additional Guidance

- 4.1. In the event additional guidance is required please contact Underwriters on: **{Insert Underwriters contact details here}**
- 4.2. Lloyd's has prescribed arrangements for the handling of complaints at Lloyd's, which are set out in a note called: 'Handling Canadian Complaints at Lloyd's: Guidance for coverholders and TPAs'.
- 4.3. Lloyd's also provides further guidance at: [www.lloyds.com/complaintshandling](http://www.lloyds.com/complaintshandling). Or, the Coverholder could contact Lloyd's directly on: [complaints-enquiries@lloyds.com](mailto:complaints-enquiries@lloyds.com) or +44(0)20 7327 5696.

## 5. Definitions

- 5.1. The definition of a 'Complaint' is:

The expression of at least one of the following elements that persists after being considered and examined at the operational level capable of making a decision on the matter:

- A reproach against an organization;
- The identification of a real or potential harm that a consumer has experienced or may experience;
- A request for remedial action.

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 organisation's policy, the Complaint must be documented so that it can be kept on file.

The initial expression of dissatisfaction by a consumer, whether in writing or otherwise, will not be considered a Complaint where the issue is settled in the ordinary course of business. However, in the event the consumer remains dissatisfied and such dissatisfaction is referred to the person who is responsible for the examination of complaints and designated as such in the organisation's policy, then it will be considered as a Complaint.

However, organisations must refrain from any undue delay in referring a matter to a higher level solely for the purpose of avoiding reporting requirements.

Where a consumer remains dissatisfied after a reasonable attempt has been made to settle the issue, organisations without a multilevel Complaint examination structure are then considered to have received a Complaint.

#### 5.2. A Complainant is defined as:

All current and prospective customers of insurance products (known under Canadian law as a Consumer), who makes a Complaint.

#### 5.3. The definition of 'redress' is as follows:

Redress is any monetary award made as a result of the complaint and should include the following:

- a) Amounts paid for distress and inconvenience;
- b) A free transfer of cover to another provider which would otherwise normally be paid for;
- c) Goodwill payments and goodwill gestures;
- d) Interest on delayed settlements;
- e) Waiver of an excess on an insurance policy; and
- f) Payments to put the consumer back into the position they would otherwise have been in had the act or omission not occurred (including claim payments).

LMA5298

31 January 2018