

Lloyd's Insurance Company S.A.



Operational Guidance - Complaints Handling for CH/DCA audience January 2024

Version: 3.0

This guidance document is owned by Lloyd's Insurance Company S.A. (referred to below as 'LIC'). The purpose of the document is to provide guidance on the complaints handling procedures set up by LIC for Coverholders and Delegated Claims Administrators

Whilst Lloyd's Insurance Company S.A. endeavours to ensure that all the information included in this document are relevant and functional to its purpose, Lloyd's Insurance Company S.A. may amend and/or update its content at any time without notice.

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Document control

The Operational Guidance - Complaint handling (updated to provide guidance to Coverholders and Delegated Claims Administrators) is part of the suite of Operational Guidance owned by Lloyd's Insurance Company S.A. (LIC), Corporate & Legal Department and will be reviewed and updated as and when necessary. Any requests or queries should be directed to the Head of Complaints department.

Version History

Version	Publication Date	Distribution	Author(s)	Comments
1.0	27 January 2021	CHs/DCAs	Elisabeth De Dobbeleer and Simone Garipoli	Fist published version for CHs/DCAs
2.0	23 September 2022	CHs/DCAs	Olga Plop and Lucia Knapikova	Second published version for CHs/DCAs - update of BAU and integration of information
3.0	15 January 2024	CHs/DCAs	Florin Caras and Lucia Knapikova	Third published version for CHs/DCAs - update of BAU and integration of information: <ul style="list-style-type: none"> Useful resources Recommendations for a customer-oriented communication with complainants Availability of translations for leaflet, acknowledgment letters, final responses in all EEA languages (on each country webpage) Complaints processes updates Timescales updates for different countries

Key contacts

Contact person/department	Related topics	Email
Christophe Clerens Head of Complaints department	All communications related to LIC complaints in general and escalations	christophe.clerens@lloyds.com
LIC Complaints Team	All LIC complaints communications	lloydseurope.complaints@lloyds.com
LIC Italian Office (LIO)	Italian complaints written on a Freedom of Establishment basis or with an Italian resident and escalations	lloydseurope.servizioreclami@lloyds.com Lloydseurope.servizioreclami@pec.lloyds.com (Certified email address)

LIC Spanish Office (LSO)	Spanish complaints written on a Freedom of Establishment basis and escalations	lloydseurope.madrid@lloyds.com
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Useful resources

Resource	Link
Complaints notices per country	https://www.lloydswordings.com/search/simple
Complaints regulatory information as well as the LIC complaints guidance document	https://crystal.lloyds.com/Search
Complaints information & templates for market participants	Link
Complaints information for complainants	Link
Workday Learning	link
LIC complaints training videos	link

1 Introduction

1.1 LIC's Complaints handling model

LIC provides insurance services to its policyholders. Whilst we believe that the majority of policyholders will have a positive Customer Experience, it is inevitable that some complaints will arise. When they do, LIC aims to resolve complaints from complainants (policyholders, assureds or third parties) fairly and promptly. Having an effective complaint management procedure in place helps to ensure the efficient handling of complaints, control the risks related to complaints and provides LIC with an opportunity to turn a complaint into a positive experience.

LIC's complaints handling model is designed to ensure that:

- A high standard of complaints handling is maintained by the implementation and distribution of an efficient and effective process to its stakeholders;
- During complaints handling, all regulatory requirements are met under each regulatory scheme provided by the EEA countries, UK LIC branch and Monaco and those regulatory requirements that LIC has to comply with, in its role as an Insurance Company authorised and regulated by the National Bank of Belgium and capitalized under Solvency II rules.

LIC outsources services to Lloyd's Managing Agents (MAs) for complaints investigation under the terms of an Outsourcing Agreement (MAOA). The MAs will conclude agreements with Coverholders (CHs) and Delegated Claims Administrators (DCAs) for handling complaints. Depending on MA's analysis and decision, the authority to handle complaints is either granted to a CH/DCA or not.

CHs/DCAs are required to handle complaints in accordance with:

- Coverholders Appointment Agreement (CAA) and Delegated Claims Appointment Agreement (DCAA).
- LIC Operational Guidelines (including this Guideline) and LIC's EEA complaints handling video trainings available on Workday Learning.
- CHs/DCAs' internal processes, procedures and service levels agreed with the MA.

LIC will monitor its complaints function through a combination of:

- Management information derived from its complaints data;
- Oversight by the LIC Complaints Team;
- Quarterly Complaints Discussion Group with MAs;
- Individual Performance meetings with MAs on a risk-based approach;
- Any additional information requested to address issues or concerns identified.

The LIC Head of Complaints has primary responsibility for the oversight of the LIC complaints function, and adherence to these Guidelines, and reports to the LIC Chief Corporate and Legal Officer. In overseeing the complaints function, the LIC Head of Complaints will place reliance on the skills and resources of the LIC Complaints Team and expertise of the Lloyd's local offices within EEA and LIC UK branch.

1.1.1 LIC complaints handling and Lloyd's Corporation complaints handling

The LIC complaints handling model is designed to deal with all complaints arising in respect of policies underwritten by LIC in the European Economic Area (EEA), Monaco and LIC UK branch in its role as an Insurance Company authorised and regulated by the National Bank of Belgium and capitalized under Solvency II rules.

LIC complaints handling model reflects the necessity to have a structured complaints handling procedure capable to comply, on each occasion, with any regulatory requirements placed on insures by each EEA country's legislation. LIC complaints model is set up to reflect these requirements, and therefore it is substantially different from the Lloyd's Corporation model.

As a result, it is of primary importance for all Lloyd's stakeholders to understand that complaints related to LIC policies must be handled by the relevant authorised entities who, under EEA regulations, are responsible for complaints handling.

Therefore, MAs/CHs/DCAs must not refer, under any circumstances, complaints which fall under LIC responsibility to the Lloyd's Corporation for handling.

The above constitutes the general rules of complaints triaging, which also provides the basis of the triaging rules applicable to the Part VII transfer.

LIC UK branch was established in 2021 to allow market participants based in the UK to write business in the EEA (a “reverse branch”) and to write UK risk-located business. The LIC UK complaint process is described under 6.6.

1.1.2 Complaints on Part VII business

The Lloyd's Market has transferred all in-scope EEA risks (incepting from 1993 up to 12 April 2019 for Direct business and up to the end of 29 October 2020 for Inwards German Reinsurance business) to LIC for continued servicing following the UK's decision to leave the EU. The transfer, known as a Part VII transfer, transferred the insurance liabilities of the in-scope EEA business to LIC with the effective date of 30 December 2020.

As a result, from the 30 December 2020, LIC is responsible as the insurer for any further servicing of the business and complaints relating to the activity conducted post transfer date.

The Part VII transfer excluded the transfer of conduct liabilities. The impact of this exclusion is that the MA (from whom the business transferred from) remains the responsible party for the conduct and, by extension, any complaint related to an activity conducted pre-transfer (prior to 30 December 2020).

The nature of the transfer has therefore introduced additional complexity in the handling of complaints on transferred Part VII business. Special care must be taken when receiving complaints on this business to ensure the appropriate complaint handling process and reporting requirements are followed.

LIC has developed additional complaint handling requirements for LIC's outsourced partners conducting complaint handling activities. These requirements must be followed in the case of all complaints in relation to Part VII business.

1.2 Purpose of guidelines

The purpose of this document is to explain the LIC complaints handling model to CHs and DCAs. CHs and DCAs are required to comply with these Guidelines when handling complaints on behalf of LIC. The Guidelines highlight the key complaints provisions in the Coverholder Appointment Agreement (CAA) and the Delegated Claims Administrator Agreement (DCAA) and should be read as a companion of those agreements. It also identifies additional requirements of CHs and DCAs.

This document will be kept under regular review and will be amended as necessary to ensure complaints handling processes and procedures remain efficient and effective.

2 Regulatory and LIC complaint requirements

2.1 Definitions

Any definitions related to complaints handling shall follow, where applicable, the definitions provided by the regulation of each EEA country. The definitions for each EEA country are available under the Lloyd's Europe Complaints section on Crystal and on the webpage [Complaints handling at Lloyd's Europe \(lloydseurope.com\)](http://lloydseurope.com).

The definitions of complaint and complainant in the EIOPA Guidelines will be applicable for all those countries where no local definitions are available.

Definition	Complaint	Complainant
EIOPA Guidelines definition (BoS 12/069 14 June 2012)	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 should be differentiated from claims handling as well as from simple requests for execution of the contract, information or clarification.	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 complainant, insured person, beneficiary and in some jurisdictions, injured third party). Lloyd's understands that this applies to individual persons and commercial entities.

2.2 GDPR requirements

LIC requires that all complaints data is handled and stored in compliance with GDPR regulation.

In this regard, it is important that private data is only handled or stored when a privacy notice is sent to the complainant (this includes third parties) and that sensitive data is only handled after having received a consent from the complainant.

Personal data may only be kept in a form that permits identification of the individual for no longer than is necessary for the purposes for which it was processed. As a general reminder, any documents containing personal and/or sensitive data must be shared or sent in a secure way (encrypted, password-protected).

2.3 Requirements for notification, acknowledgment and complaint response

LIC requires that all communications related to complaints handling are issued in compliance with the requirements that LIC has set up in accordance with the regulations set by the EEA countries and the guidelines provided by EIOPA.

2.3.1 Notification

As the Insurer, LIC will ensure all regulatory reporting is provided to the relevant regulators in the EEA countries.

LIC requires that all complaints, **eligible and not eligible**, whatever the reason, related to policies underwritten by Lloyd's Insurance Company are notified to LIC. LIC will ensure eligible complaints are handled as per the country specifics. Please note that in order to determine if a complaint is eligible, the local definition (of complaint and complainant) of each EEA country and the UK (only for the LIC UK branch complaints) must be followed as included under Section 2.1. In cases where no local definition exists for an EEA country, the EIOPA definitions must be followed. Non-eligible complaints will be investigated and provided with a final response. However, they may not be eligible for the EDR escalations (based on local definitions of a complainant).

LIC has created a notification spreadsheet with multiple fields that must be accurately and completely filled out in order to notify a new complaint. Incorrect or incomplete notification sheets will be rejected by the Managing Agent and/or LIC. You should not alter any cells (manual input or over-ride of the drop-down cells for example) and always make

sure that send it in a secure way. You can ask the Managing Agent or LIC Complaints Team (by emailing Lloydseurope.complaints@lloyds.com) for the most recent version of the notification sheet or you can download it from our website [Complaints handling at Lloyd's Europe \(lloydseurope.com\)](http://Complaints handling at Lloyd's Europe (lloydseurope.com)).

An explanation of all fields related to the notification template is included in Appendix A. If the notification sheet is missing and/or some information within the notification sheet provided to LIC is incomplete and/or incorrect, the complaint will not be processed by the LIC Complaints team. In order to process the complaint, the complete information will be requested from the MA/CH/DCA.

In order to ensure efficient complaint handling, each complaint received by a CH/DCA must be notified by the MA via this LIC complaints notification template.

LIC should receive the notification from the MA within 7 or 2 business days of receipt depending on (respectively) whether or not the CH/DCA has complaints handling authority respectively.

Therefore, the CH/DCA, for its part, is requested, once a complaint is received, to promptly notify the MA (who will then notify LIC) within the above timescale by providing all the relevant documentation. The MA may request, on this purpose, the CH/DCA to provide copy of the related complaints notification sheet.

LIC will send back to the MA confirmation of receipt including a unique LIC complaint reference number for every new complaint. This complaint reference shall be used in every communication related to the complaint.

Complaints will be entered onto the complaints monitoring database by LIC to enable effective monitoring and regulatory reporting.

2.3.2 Acknowledgement letter and leaflet

Once the complaint is received, the CH/DCA with complaints handling authority must send to the complainant a communication informing them that the complaint has been safely received. The communication must include specific reference to the relevant timescale that the local regulation requires for responding to the complaint (e.g. a *decision will be provided to you in writing within 14 business days of receipt of the complaint being made*).

In this regard, LIC has created an acknowledgement letter template that contains all the information to be provided to the complainant, such as the complaint reference number and timescale to respond to the complaint. The acknowledgement letter template, in all EEA languages is available on [Complaints handling at Lloyd's Europe \(lloydseurope.com\)](http://Complaints handling at Lloyd's Europe (lloydseurope.com)) (within each country page).

To comply with the requirement within the EIOPA guidelines, LIC has created and published a leaflet explaining the complaint process, which should be sent together with the acknowledgement letter¹. The leaflet in all EEA languages is available on [Complaints handling at Lloyd's Europe \(lloydseurope.com\)](http://Complaints handling at Lloyd's Europe (lloydseurope.com)) (within each country page).

2.3.3 Final response letter

Following a complaint investigation between MA and CH/DCA, a final response, containing all regulatory and internal requirements, has to be issued to the complainant within the timescale required by the relevant local regulation. The final response must include or adhere to the following requirements:

- **EDR referral rights:** a reference to the possibility for the complainant to escalate the complaint to the relevant External Dispute Resolution (EDR) service in accordance with the applicable local regulation.
- **Legal referral rights:** a reference to the possibility for the complainant, regardless of the outcome of the final response, to initiate legal action in respect of the matter related to the complaint.

¹ This will not apply to the Spanish FOE complaints process as the regulation requests the insurer to provide the complainant with the Operation Regulation, see section 6.4.1

- **ODR referral rights:** a reference to the possibility for the complainant in case the policy subject to the complaint has been purchased online and the complainant is resident in one of the EU countries, to file a complaint via the EU Online Dispute Resolution platform www.ec.europa.eu/odr.
- **Communication in local language (except when the complaint was received in English):** all communications must be sent to the complainant in the local language. It is important that in case the complaint has been investigated and handled in English, the translation of the final response (or draft response) provided meets the quality standards. In this regard, we recommend MAs to ensure proper translation is assured by cooperating with the EEA CH/DCA or a translation company.

All communication should be written in a customer-oriented approach way by following these recommendations:

- Begin the response by summarizing the key points of the complaint and actions taken to investigate and resolve the issue.
- Ensure all of the policyholder's concerns are addressed in your response, providing clear explanations and offering viable solutions where possible.
- If the company was at fault, apologize sincerely and express regret for any inconvenience or distress caused (show empathy).
- Offer a clear and concise explanation of the steps taken to resolve the complaint and the rationale behind the reached resolution.
- The outcome should be clearly stated by mentioning the complaint has been upheld/rejected.
- If compensation is appropriate, it is offered in a fair and reasonable manner.
- Maintain professionalism, provide contact information, and express gratitude for their business and bringing the complaint to our attention.

We recommend following the dedicated chapter about Complaints and Customer Experience on our training video module for more details and useful tips (please see link on page 5).

LIC has created a final response template, which contains direct references to the internal and regulatory requirements to be included in the final response, such as EDR referral rights, Legal referral rights and ODR referral rights. The final response letter template in each EEA language are available on [Complaints handling at Lloyd's Europe \(lloydseurope.com\)](http://Complaints_handling_at_Lloyd's_Europe_(lloydseurope.com)) (within each country page).

2.3.4 Holding letter

In some countries, local regulations require the insurer to provide, under specific circumstances (e.g., delay in responding to the complaint), communication in writing to the complainant updating on the status of the complaint to reassure we are still taking care of. In such circumstances, the CH/DCA with complaints handling authority will issue a holding letter to the complainant. In case of CH/DCA without complaints handling authority, LIC will send the holding letter to the complainant. The MA should provide LIC with drafted holding letter.

The countries in which the issuance of a holding letter is a regulatory requirement are as follows:

- 1) Belgium
- 2) Ireland
- 3) Cyprus
- 4) Lithuania
- 5) Norway
- 6) Poland
- 7) Portugal
- 8) The United Kingdom

The content of the holding letter will reflect the requirements of the local regulations. Information regarding holding letters is available on Crystal under the LIC complaints section of each regulation. LIC has included an overview of deadlines by country, including deadlines for sending a holding letter, in Appendix B.

2.4 Timescales by country

To ensure complaints are responded to within the local regulatory deadline, LIC refers to the local regulatory deadlines included under the LIC section on Crystal and Complaints Notices published in the Lloyd's Wording Repository (LWR). LIC has included an updated overview of deadlines by country, for acknowledging and responding to complaints, in Appendix B. Please always check Crystal and/or LWR for the most recent and updated information.

3 Appointing third parties to handle complaints

This chapter sets out the specific requirements in respect of appointing third parties to handle complaints. It should be noted that this chapter applies to both; business written on a business as usual basis, and to Part VII business.

3.1 Communications with complainants

Only EEA intermediaries with complaints handling authority granted are entitled to issue communications to complainants on behalf of LIC except for the complaints falling under the Spain FOE and Italy FOE or Italy FOS with an Italian resident processes where communications are issued by the LIC Spanish Office (LSO) or LIC Italian Office (LIO). The complaints handling authority is granted by MA to CHs and DCAs through the Coverholder Appointment Agreement (CAA) and the DCAA respectively. It's in CH/DCA's responsibility to make sure that they handle complaints in compliance with CAA/DCAA.

To avoid any delays, LIC will ensure that all complaint related communications will be responded to or, where appropriate, forwarded to relevant parties within 2 working days of receipt. LIC will expect MAs/CHs/DCAs to do likewise.

3.2 Appointment of CH or DCA

3.2.1 Authorised entity

Complaints handling is an Insurance Distribution Directive (IDD) activity across the EEA. Only CHs/ DCAs that have the required EEA authorisation can undertake complaints handling activities under a CAA where complaints handling authority is granted. The CH/DCA must also meet any licensing requirements that apply in the territory where the complaints handling services are provided.

3.2.2 Complaints handling authority following the Part VII

Countries across the EEA have adopted the EIOPA Recommendations issued to the insurance sector in light of the UK withdrawing from the European Union. Recommendation 9 is EIOPA's interpretation of the Insurance Distribution Directive (IDD) and has been taken as requiring EU national regulators to ensure that where both the policyholder and risk location is in the EU (cumulative test), all intermediaries are authorised to undertake IDD activities by the appropriate EU regulatory authority.

Complaints handling is a regulated IDD activity and therefore intermediaries conducting complaints activity within the EEA must have the appropriate EU regulatory authority to continue undertaking these activities. Following the UK withdrawing from the EU, UK based CHs / DCAs will lose their authorisation to conduct IDD activities within the EEA.

The establishment of the LIC UK Branch allows the market participants based in the UK to write business in the EEA (a "reverse branch") and to write UK risk-located business.

The below is a summary of Recommendation 9 and the changes impacting CH / DCA complaint authorisation:

CH / DCA Location pre-transfer(30 December 2020)	Business impacted / not impacted by Recommendation 9	Authorisation to provide complaint handling services on a delegated basis following the transfer (30 December 2020)
UK based CH /DCA	Business impacted by Recommendation 9 (Policyholder and Risk location in the EEA)	<p>CH / DCA cannot continue to provide complaint handling.</p> <p>Authority to handle complaints reverts to:</p> <ul style="list-style-type: none"> • To MA for complaints on pre-transfer activities • To LIC for complaints on post-transfer activities
	Business not impacted by Recommendation 9	No change - can continue to provide complaint handling services on a delegated basis.
EEA based CH / DCA	Business impacted by Recommendation 9 (Policyholder and Risk location in the EEA)	<p>No change - can continue to provide complaint handling services on a delegated basis.</p> <p>Complaint handling authority would follow the agreement which was in place pre-transfer with the MA. LIC requires CHs/ DCAs to confirm their complaint handling authority status at the point of complaint notification.</p>
	Business not impacted by Recommendation 9	Handling of complaints would follow the process as documented in section 5 and 6.

4 Contractual information

4.1 Complaint notice

MAs/CHs should ensure that when a policy is administered on behalf of LIC, the correct LIC complaint notice(s) is/are included in the policy.

Information about which complaints notice should be used in respect of an EEA/EU territory is on the LIC part of Crystal, under the Pre-contractual information and Insurance documents sections. The complaints notices are published on Lloyd's Wordings Repository.

In case the CH does not have access to the Lloyd's Wording Repository, please contact the MA.

The complaint notice must be correctly featured in the policy wording and cannot be altered. If any guidance is needed from LIC, please contact the Complaints team. In particular, CHs should consider the following key rules for this purpose:

- Only LIC complaint notices can be included to ensure policyholders are addressing their complaints to the correct intermediary. Lloyd's of London complaint notices are not acceptable;
- The complaint notice can never include any referral rights to the MA;
- LIC complaint notices do not include any stage 2 complaint process. Complainants can escalate their complaint directly to the EDR after the final response is issued or if a final response was not sent within local timeframe;
- The complaint notice should include the contact details of the entity who, under each EEA legislation and in accordance with the LIC agreements, is responsible for the complaints handling (CH/DCA, LIC, LIC Italian Office or the LIC Spanish Office if applicable). In particular, if the CH has complaints handling authority granted, the complaint notice should include the contact details of the CH. If the CH has not complaints

handling authority granted the complaint notice should include the contact details of LIC, LIC Italian Office or LIC Spanish Office as required.

5 Part VII complaint identification and handling

5.1 Identifying complaints that relate to transferred Part VII business

MA/CHs and DCA's must ensure that there are processes in place to identify any complaints that relate to transferred Part VII business. These checks should be applied to all complaints received on business pre-12 April 2019³. Complaints raised on business placed after 12 April 2019 are not required to be checked for a Part VII transferring status.

As part of the transfer, all impacted MA/CHs and DCA's have been issued with a "Master List" of impacted business, which contains the transferring status of all written policies, based on the information provided by MA/CHs to Lloyd's during the Part VII programme. Each policy is allocated a single transferring status, as follows:

Status	Treatment depending on Master List Status
Transferring	Business is classed as transferred Part VII business, complaints raised in relation to this business should be considered in line with this LIC procedure.
Not transferring	Business has not transferred to LIC and remains the Managing Agent's responsibility.
Mixed	Business includes parts which have / have not transferred. Prior to proceeding with the complaint, the triage rules must be applied to identify if this has been included in the Part VII transfer.
Unknown	Status of the business is unable to be determined at the time of Master List creation. The triage rules must be applied to identify if this has been included in the Part VII transfer.

³ German Reinsurance business has been excluded from this as complaints generated on this business would concern commercial policyholders and therefore not eligible complainant.

Where the business has a status of either mixed or unknown, the triage rules must be applied in order to determine the Part VII transfer status. The triage rules established by the Part VII are detailed below:

	ID	Description	Policyholder Domicile	Risk Location	Transferring Status	Implication
Direct	1	If risk location is regulated Canada, South Africa, Australia, Switzerland, Singapore or Hong Kong business	N/A	Any regulated Canada, South Africa, Australia, Switzerland, Singapore or Hong Kong business	Non-Transferring	Agreed regulated jurisdictions drive exclusions
	2	If binder or bulking lineslip bordereaux is non-EEA	N/A	N/A	Non-Transferring	Confirmed via the bordereaux
	3	If binder or bulking lineslip bordereaux is EEA	N/A	N/A	Transferring	
	4	If Policyholder Domicile or Risk Location is definitively EEA	EEA	N/A	Transferring	Transferring by virtue of sole EEA presence in one field
	5	If Policyholder Domicile and Risk Location is definitively Non-EEA	Non-EEA	Non-EEA	Non-Transferring	Definitive confirmation of Non-EEA status
	6	Contact the broker / underwriter / CH for further information on the transaction		No definitive confirmation of EEA or Non-EEA presence on the transaction; will require manual intervention to identify the correct transferring status for the transaction	To be determined	Will require transaction by transaction input

Where a complaint is related to transferred Part VII business, the complaint will need to be routed and handled in line with the Part VII complaints section of this procedure.

5.2 Routing of complaints raised on Part VII business

The Part VII transfer excluded the transfer of conduct liabilities, meaning that the MA⁴ (from whom the business transferred from) remains the responsible party for the conduct and, by extension, any complaints relating to activity conducted pre-transfer (prior to 30 December 2020).

For complaints notified on transferred Part VII business, the party receiving the complaint would need to identify if the activity the complaint related to occurred before or after 30 December 2020 and route the complaint accordingly:

Date when the activity the Complaint relates to Occurred	Complaint Notification and Handling	Complaint Final Response	Compensation for the Complaint	Complaint Reporting
Pre-30 December 2020	Complaint must be notified to the MA for handling under their own and Lloyd's Corporation Complaint Procedures	MA (or CH / DCA acting under their authority) would prepare and send the final response	MA is responsible for any complaint compensation awarded	MA would be required to report the complaint within their complaints system and to Lloyd's Corporation
Post-30 December 2020	Complaint must be notified to LIC and follow the complaints handling process as detailed within this procedure	LIC (or CH / DCA acting under their authority) would prepare and send the final response, as detailed within this procedure	LIC is responsible for any complaint compensation awarded	LIC would be required to report the complaint within LIC Caresmart

⁴ For transferred business that was conducted on a Freedom of Establishment basis in Italy it is the responsibility of LIC Italian Office, not the MA to respond to the complaint as the LIC Italian Office is the local representative of this business.

All references to MAs in this section must be taken as referring to the LIC Italian Office.

Date when the activity the Complaint relates to Occurred	Complaint Notification and Handling	Complaint Final Response	Compensation for the Complaint	Complaint Reporting
Mixed – includes both activities pre and post-30 December 2020	Complaint must be notified to LIC and Lloyd's Corporation and will be investigated in line with the process' detailed within the LIC complaints guidance for LICs portion and under the MAs and Lloyd's Corporation complaint procedures for their portion	<p>Following the complaint investigation, a final response will be drafted in the name of the party(s) who have been identified as responsible for the activity that caused the complaint</p> <p>In case the CH/DCA has complaints handling authority, the draft of the final response must be sent by the CH/DCA to the MA.</p> <p>All final responses must be sent to LIC for review copying Lloyd's Corporation. LIC will send both final responses to the complainant to ensure that the complainant receives one consolidated reply on behalf of all parties.</p>	MA and LIC are responsible for any complaint compensation awarded	<p>Complaint needs to be reported to both Lloyd's Corporation and LIC for the relevant portion of the complaint.</p> <p>The MA will be required to log two separate complaints on their system one for the Lloyd's Corporation and one for LIC for their relevant portion.</p>

Date when the activity the Complaint relates to Occurred	Complaint Notification and Handling	Complaint Final Response	Compensation for the Complaint	Complaint Reporting
Unable to identify at the point of complaint notification	<p>Complaint must be notified to LIC and will be investigated in line with the process' detailed within this procedure.</p> <p>If the activity relating to complaints relates to pre-transfer acts (in part or full) the MA must notify Lloyd's Corporation about the complaint once the MA responsibility has been determined.</p>	<p>Depending on the outcome of the investigation, it will become clear who the responsible party is (LIC, MA or mixed).</p> <p>If the activity relating to complaints relates to pre-transfer acts (in part or full) LIC must provide a summary cover letter alongside the final response from the MA.</p> <p>If the activity relating to complaints relates to pre-transfer acts (In part or full) LIC must provide a summary cover letter alongside the final response from the MA.</p> <p>This is covered in greater detail in section 5.3</p>	<p>Compensation awards must follow the above options depending on the outcome of the investigation</p>	<p>Reporting must follow the above options depending on the outcome of the investigation</p> <p>If the activity relating to complaints relates to pre-transfer acts, the MA will be required to amend the responsible party from LIC to MA.</p> <p>If the activity relating to complaints relates to pre- and post-transfer acts, the MA will be required to log two separate complaints on their system where the complaint has mixed responsibility; one for the Lloyd's Corporation and one for LIC for their relevant portion.</p>

If greater clarity is required on the correct routing at the point of complaint notification on Part VII business, contact the Complaints Team at LIC who can provide further guidance on the determination.

5.3 Mixed or unknown complaint routing final responses

Where a complaint has resulted from both pre-and-post-transfer activities, or where the date of the activity is not able to be determined upon notification of the complaint, the complaint must always be provided to LIC for handling. The complaint investigation will then follow the LIC process as detailed in section 5 of this procedure, up until the issuance of the final response.

In these instances, the final response must always be provided to LIC. LIC will review and send the response to the complainant directly. Where the response is from the MA due to pre-transfer activity LIC will provide a cover letter to accompany the response.

Complaint Activities are Pre / Post-transfer	Managing Agent Final Response	LIC Final Response / Cover letter
Pre-30 December 2020	Final response provided by MA, sent to LIC for review and issuance	<p>Cover letter issued by LIC referring the complainant to attached final response from the MA.</p> <p>The final response also needs to be provided to the Lloyd's Corporation</p>
Post-30 December 2020	No response required	<p>Final Response provided by LIC</p> <p>In case the CH/DCA has complaints handling authority granted, the draft of the final response must be sent by the CH/DCA to the MA who will provide the draft to LIC.</p>
Mixed – includes both activities pre and post-30 December 2020	Final response provided by MA, sent to LIC for review and issuance for their portion of the complaint	<p>LIC issues a final response for their portion and includes cover letter referring the complainant to the attached final response from the MA for their portion of the complaint⁵</p> <p>The final response which relates to the pre-30 December 2020 portion of the complaint also needs to be provided to the Lloyd's Corporation.</p> <p>In case the CH/DCA has complaint handling authority granted, the draft of the final responses must be sent by the CH/DCA to the MA for LICs portion and, to the MA under the MAs and Lloyd's Corporation complaint procedures for their portion.</p>

⁵ For transferred business that was conducted on a Freedom of Establishment basis in Italy two letters will need to be drafted; one on behalf of the Lloyd's Italian Office and the other on behalf of Lloyd's Insurance Company S.A.

To avoid confusion for the complainant, it is proposed that the letter formats should have different formatting and be signed by different persons from the office.

5.4 Guidance on identifying the date the activity occurred

To assist with determining the correct complaint routing, the following guidance has been established to support the identification of the date on which the activity which the complaint relates to occurred. The following has been established based on the most frequently seen complaint types and should be used as a guide to those receiving complaints to assist in determining the correct routing.

Other complaint types will exist in addition to the below, prior to routing this table must be reviewed and if further guidance is required LIC Complaints Team should be contacted.

Subject of the Complaint	Date to determine when the activity occurred	Expected point of being able to establish activity occurrence
Claim declinature	Date of claim declinature	At the point of complaint notification
Claim settlement amount	Date of the settlement	At the point of complaint notification
Delay in handling of a claim	Period that a delay in the handling of the claim occurred	<p>Either period that the complainant has alleged a delay was caused in their complaint communication</p> <p>Or, if no specific allegation is made</p> <p>Period that any delay was caused as established by the investigation</p>
Customer service (incl. Claims services) or any other complaint, for example cancellation of policy	Period that poor customer service or other act resulting in the complaint occurred	<p>Either period that the complainant has alleged poor service or activity that resulted in the complaint</p> <p>Or, if no specific allegation is made</p> <p>Date that poor customer service was provided or other act resulting in the complaint occurred</p>

If greater clarity is required on the correct routing at the point of complaint notification on Part VII business, contact the Complaints Team at LIC who can provide further guidance on the determination.

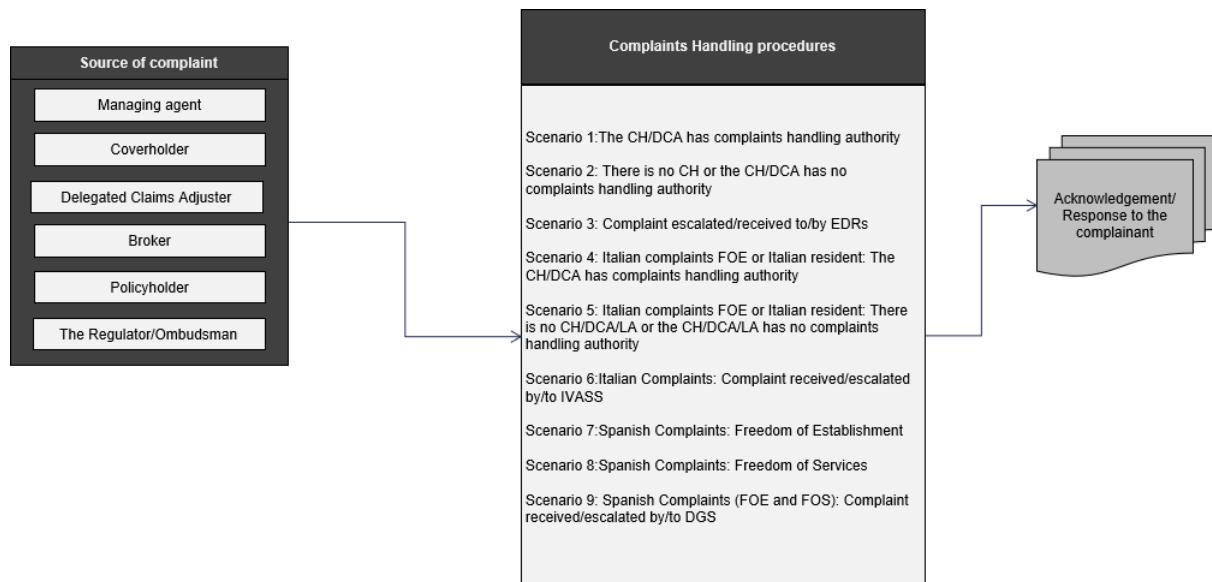
6 Complaints handling processes

This section sets out the general processes and procedures for the handling of complaints notified regarding policies written by LIC, no matter the cause.

6.1 Overview

LIC may receive complaints directly from the policyholder, assured, third party (or their representatives), and broker or be notified by MAs in respect of complaints received by CHs and DCAs who, in their turn, have directly received the complaint. In addition, a complaint can be received by a Regulator/Ombudsman operating in an EEA country who received a request from the complainant to deal with the complaint.

After the complaint is received, the procedure through which the complaint will be acknowledged and dealt with will mainly depend upon whether a CH or DCA with complaints handling authority is present or not. The procedure might also depend on whether the complainant is received via the Regulator/Ombudsman.



The following two scenarios depict the process in which complaints are expected to be handled in all the countries within the EEA, with the exception of Italian and Spanish complaints written on a Freedom of Establishment basis which will have slightly different procedures to comply with due to specific local regulatory/compliance requirements. In Workday Learning, in the dedicated training videos for LIC EEA Complaints process handling, you will find a dedicated chapter for these processes.

6.2 LIC complaints handling process – all EEA countries except Italy and Spain FOE

6.2.1 Scenario 1: The CH/DCA has complaints handling authority

Where a CH/DCA has complaints handling authority, the CH/DCA shall notify of the new complaint the relevant MA within agreed SLAs. LIC shall be notified by the MA of a complaint received within 7 business days, by receiving the LIC Complaints Notification Sheet (available on demand at lloydseurope.complaints@lloyds.com) together with a copy of the original complaint. This allows the LIC Complaints Team to record the complaint and ensure its effective oversight.

Under this scenario, the MA shall coordinate the complaints handling of the CH/DCA and liaise accordingly with the LIC Complaints Team in order to assure that each complaint is handled in accordance with the regulatory requirements

requested by each local legislation and the procedures included in this guidance.

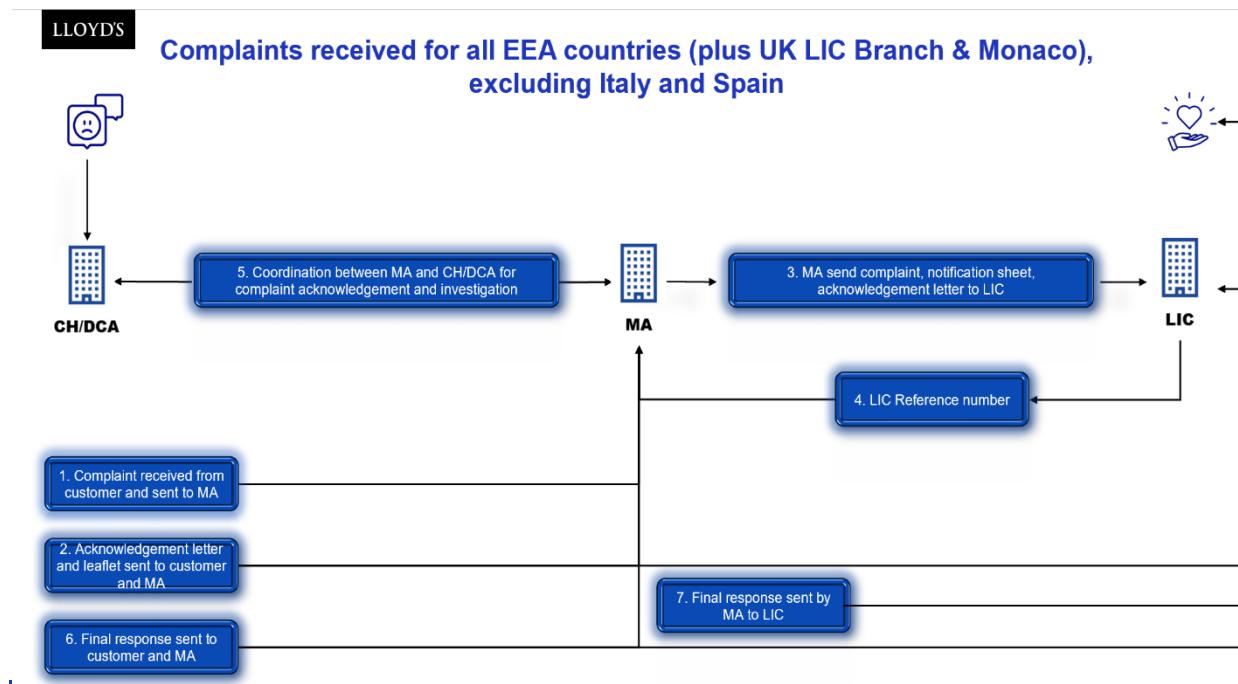
The complaints handling activity for the CH/DCA falling under this scenario shall consist of (but is not limited to) the following main actions:

- **Complaint Acknowledgment:** once a complaint is received, the CH/DCA should send, within the timescale specified by the local regulation, a written acknowledgment with the leaflet to the complainant, confirming receipt of the complaint. Once issued, LIC expects to receive from the relevant MA, a copy of the acknowledgment. Ideally, a copy of the acknowledgment should be sent together with the Complaint Notification Sheet, the original complaint letter and the policy wording at the point of notification.
- **Leaflet:** “Your Complaint – How we can help” should be sent to the complainant together with an acknowledgement of a complaint. It provides the complainant with more information about the LIC complaints process.
- **Complaint Final Response:** within the timescale specified by the local regulation, the CH/DCA should send a final response, which will include all the local regulatory requirements such as EDR referral rights, legal rights and ODR referral rights. A copy of the final response and the translation in English (if necessary) should be sent to the relevant MA who, in their oversight role, is responsible for the investigation and content of the letter. A copy of the letter(s) must be forwarded to LIC by the MA. The response must be provided in the local language unless the complaint was made in English, in which case the response can also be sent in English. If the response does not conform to the required standards or does not provide correct EDR escalation rights, LIC will ask the MA that the CH/DCA issues a further response. LIC will expect MA to provide LIC with a copy of the final response 5 or 10 business days (depending on whether the deadline is less than/equal to or more than 30 business days respectively) before the deadline, in order to oversee the quality of complaints handling by the CH

In order to maintain a standard format for complaint communications, the CH/DCA should use the templates (available in each EEA language, within each country's page) on the LIC website at [Complaints handling at Lloyd's Europe \(lloydseurope.com\)](http://Complaints handling at Lloyd's Europe (lloydseurope.com)).

If appropriate, LIC will consult with the local Country Manager to better understand cultural traditions that may affect the outcome and/or compensation given to the complainant.

If the complainant is not happy with the resolution or did not receive a response within the agreed timeframe, the complainant has the option to appeal to the External Dispute Resolution scheme (EDR). If the CH/DCA or MA is informed by the complainant about the intention to appeal to the EDR, the MA should inform LIC as soon as possible.



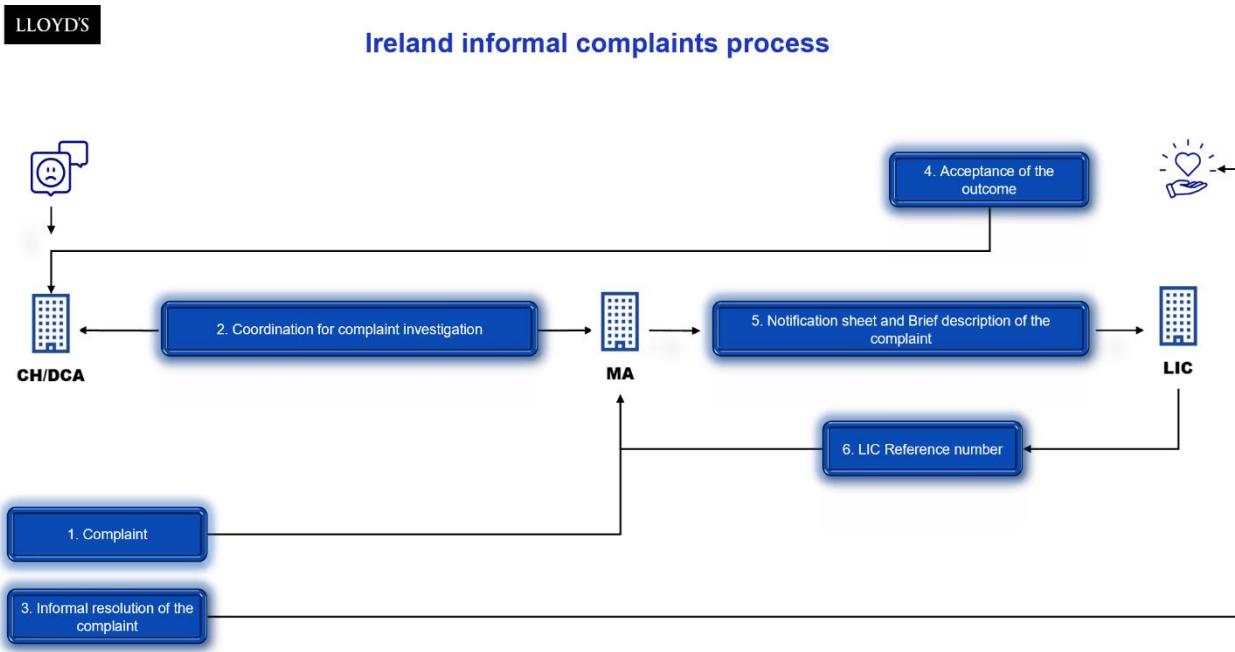
6.2.1.1 Informal complaints handling – Ireland

Irish regulation allows for a complaint to be resolved informally if the complaint is closed within five business day from receipt.

In such cases, the complaint will usually be resolved during a telephone call or a meeting with the complainant. A final response is not required by the regulator in these circumstances.

LIC is still required to report these complaints to the Irish regulator, therefore the CH/DCA must promptly notify these complaints to the MA. The MA should notify LIC by providing the Complaint Notification Sheet (selecting as complaint process “Ireland informal process”), together with a brief description of the complaint including the following information:

- Received date;
- Resolved date;
- Policy number;
- Decision;
- Claim number (if applicable);
- Ground for justification (if applicable);
- Action taken;
- Redress amount (if applicable);
- Redress date (if applicable).



6.2.1.2 Informal complaints handling – UK (LIC Branch)

This section covers complaints falling under the UK complaints process for which the regulation allows for a complaint to be resolved informally if the complaint is closed within the 3-business day following complaint receipt and the complainant has indicated acceptance with the outcome.

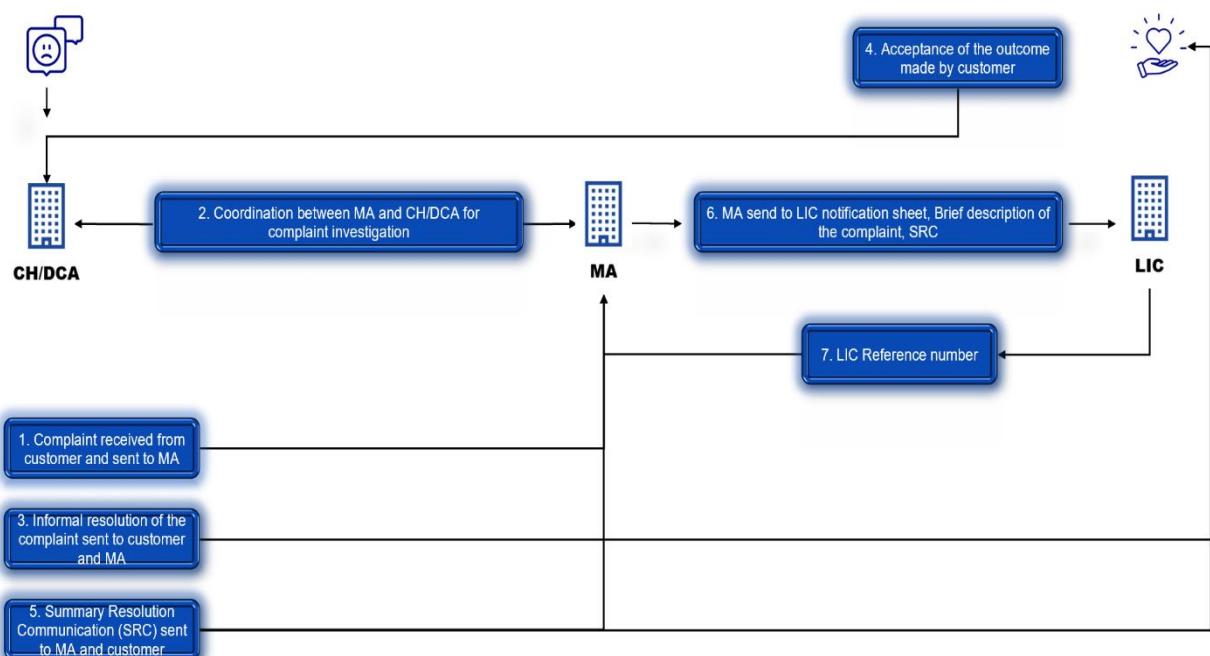
Where a CH/DCA with complaints handling authority considers a complaint to be resolved within 3 business days from complaint receipt, the CH/DCA must promptly send the complainant a ‘Summary Resolution Communication’ (SRC) which complies with DISP 1.5.4R of the FCA handbook (please refer to the FCA handbook for more information).

The CH/DCA will need to notify the relevant MA about the ‘Informal’ complaint received. MA will notify LIC by providing the Complaints Notification Sheet together with a brief description of the complaint including the following information:

- Received date:
- Resolved date:
- Policy number:
- Summary Resolution Communication Date:
- Summary Resolution Communication Decision:
- Claim number (if applicable):
- Summary Resolution Communication Ground for justification (if applicable):
- Summary Resolution Communication Action taken:
- Summary Resolution Communication Redress amount (if applicable):
- Summary Resolution Communication Redress date paid (if applicable).

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UK (LIC Branch) informal complaints process



6.2.2 Scenario 2: There is no CH/DCA or the CH/DCA has no complaints handling authority

Due to regulatory restrictions on the ability of MAs to have contact with complainants without triggering a requirement for them to be authorised in the EU/EEA, the complaints process needs to be conducted through LIC rather than directly with the MA. Where there is no CH/DCA, or the CH/DCA has no complaints handling authority, the MA will conduct the investigation and prepare the draft response.

Within 2 business days from when a complaint is received by the MA/CH/DCA, the MA must notify the complaint to LIC using the relevant Complaint Notification Sheet, including the original complaint, policy wording and drafted acknowledgement letter.

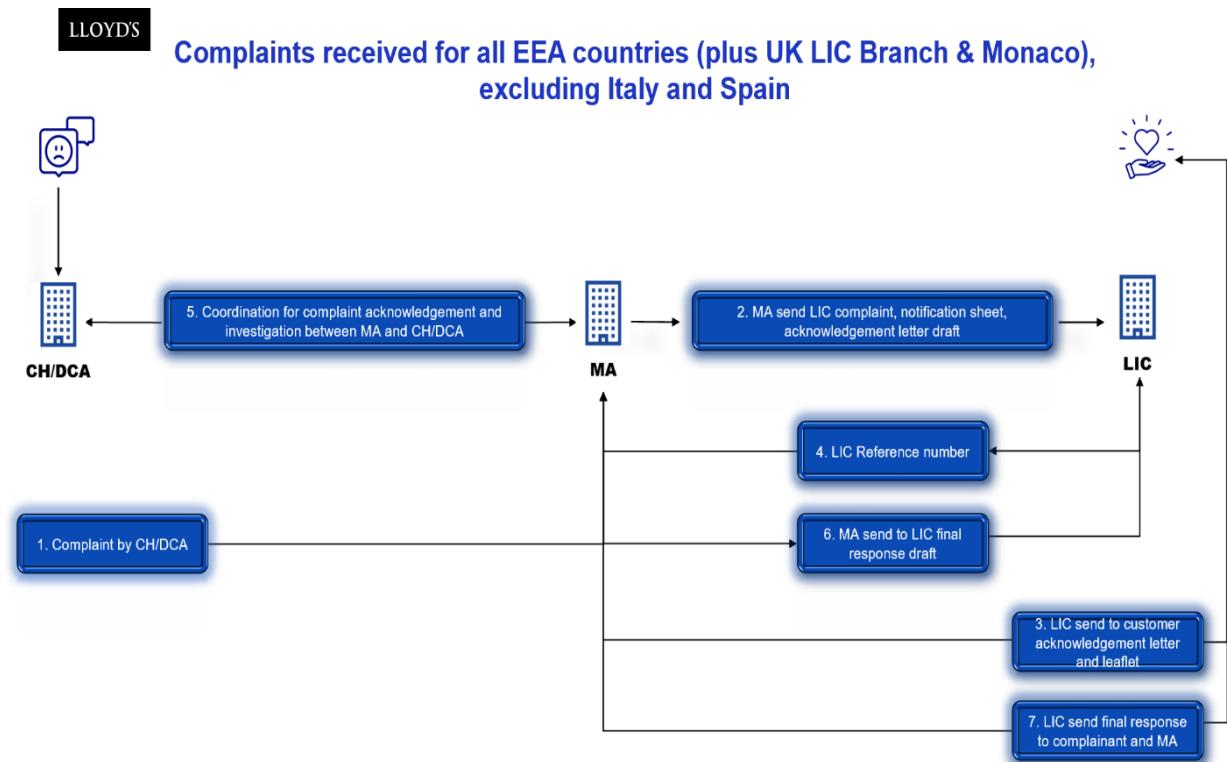
As the CH/DCA has no complaints handling authority, the LIC complaints team will acknowledge the complaint to the complainant. Copy of the acknowledgement sent out will then be forwarded to the MA for their records.

The MA shall provide LIC with a draft of the final response to be sent to the complainant in the local language unless the complaint was made in English, in which case the response can also be sent in English. LIC will review the draft response to check whether all relevant information has been provided and that standards have been met. Thereafter LIC will send the final response to the complainant. If LIC decides to change the response provided by the MA, they will give the MA an opportunity to comment (unless the changes are not substantive) before issuing the final response. Once issued, LIC will also send a copy of the final response to the MA for their records.

LIC expects that all draft responses are provided in a comprehensive and customer friendly language unless there is a specific need to use technical language, as well as meeting all regulatory requirements. The use of the LIC standard template in English and all EEA languages are suggested for this purpose on [Complaints handling at Lloyd's Europe \(lloydseurope.com\)](http://lloydseurope.com).

If the complainant is not happy with the resolution, they have the option to appeal to the External Dispute Resolution scheme (EDR). If the CH or MA is informed by the complainant about their intention to appeal to the EDR, the MA should inform LIC as soon as possible.

As required, LIC will consult with the local Country Manager to better understand cultural traditions that may affect the compensation given to the complainant.



6.2.3 Scenario 3: Complaint escalated to/received by EDRs

Regardless of the complaints handling authority granted to a CH/DCA, in cases where a local External Dispute Resolution (EDR) service is involved in the complaint process, LIC must approve any communications (including the final response) before issuance to the EDR and/or the complainant.

There are three main scenarios in which an External Dispute Resolution service may be involved in a complaint:

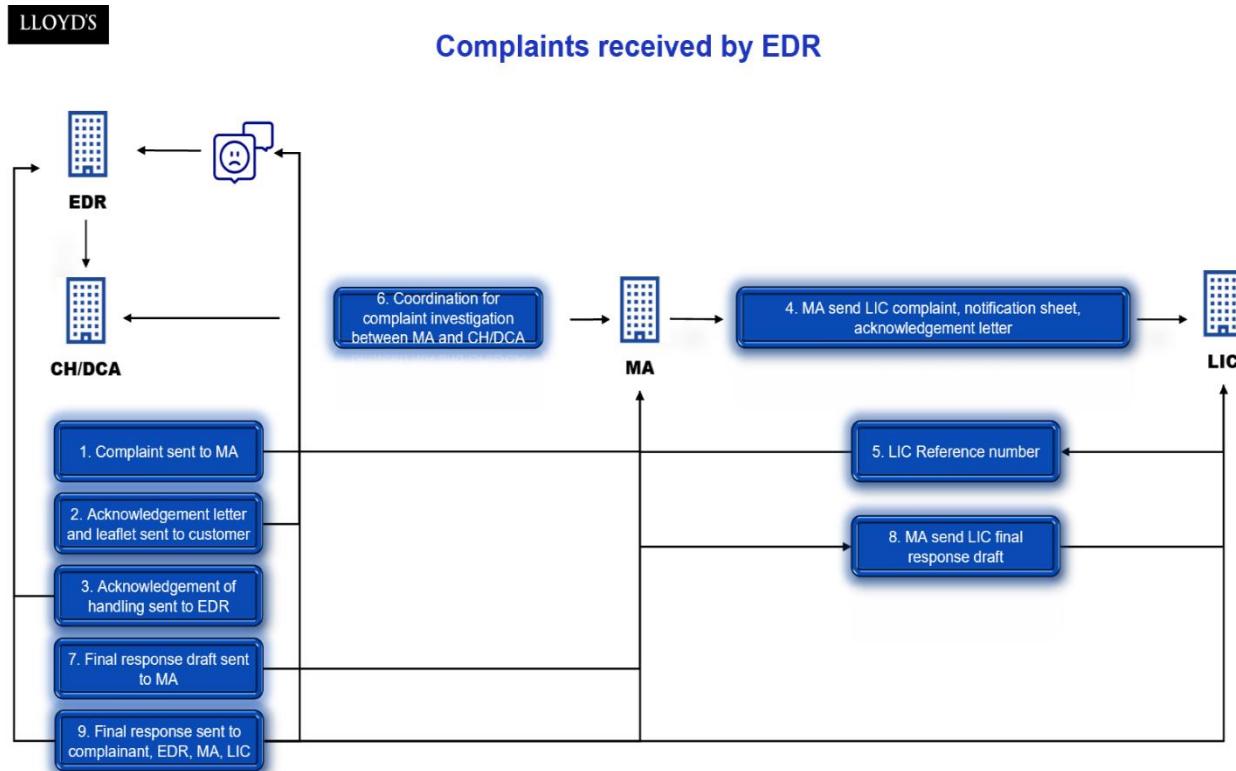
Complaint received by the EDR: The complainant initially makes their complaint to the relevant local EDR, who requests LIC/CH/DCA to handle the complaint and issue a final response to the complainant. See below flowcharts Scenario 3a for CHs/DCAs with complaint handling authority and 3b for CHs/DCAs without complaints handling authority.

Complaint escalated to the EDR: Following an unsatisfactory outcome of a complaint and/or not responding to the complaint within the regulatory timelines, the complainant escalate the matter to the local EDR for review. See below flowchart Scenario 3c.

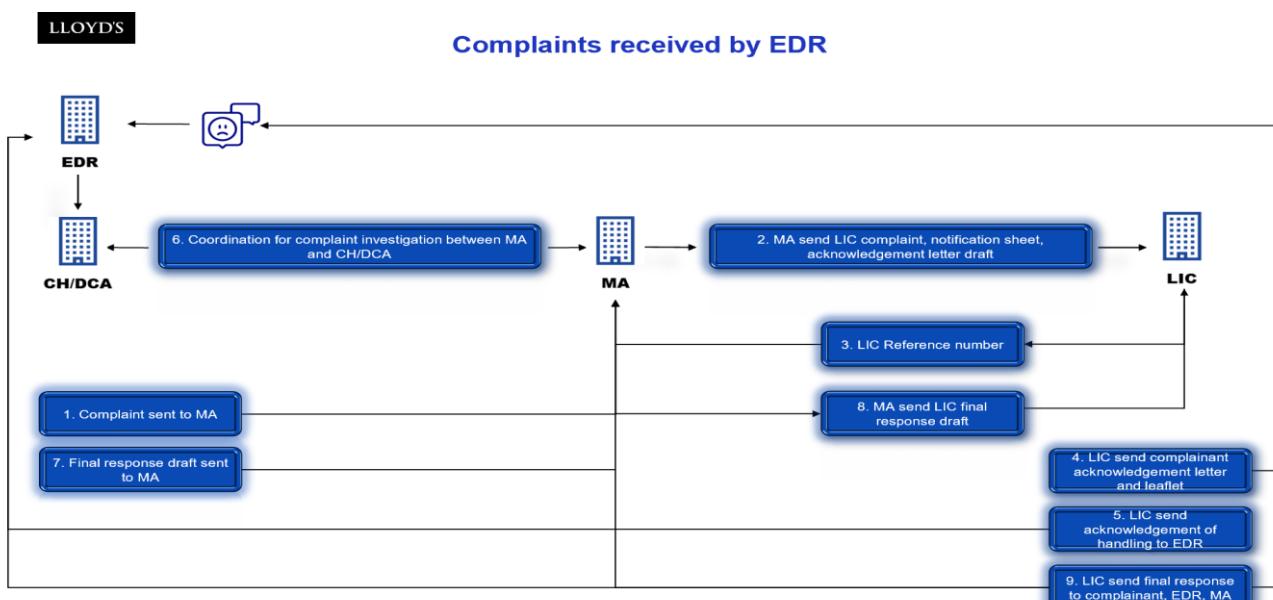
Scandinavian Complaint escalated to the EDR: Following an unsatisfactory response on a claim, the policyholder escalates the matter to the local EDR. EDR will accept the claim denial as a response from the insurer and request a file for review. This scenario happens in Scandinavian jurisdictions, France and Lithuania but is not common in other EEA countries. For better understanding of the process, see below flowchart Scenario 3c. For specific guidelines on this process LIC Complaints Team can assist further.

Under these scenarios, LIC Complaints Team, following any requests from the EDR regarding complaints handling (e.g. request for information, case files, clarification on a specific point, final response etc.) expects to receive and approve a draft from the MA/CH/DCA to then be sent to the EDR. Once approved, the communication will be issued by LIC, unless, due to specific circumstances, LIC decides that the CH/DCA with complaints handling authority can issue the communication to the EDR directly.

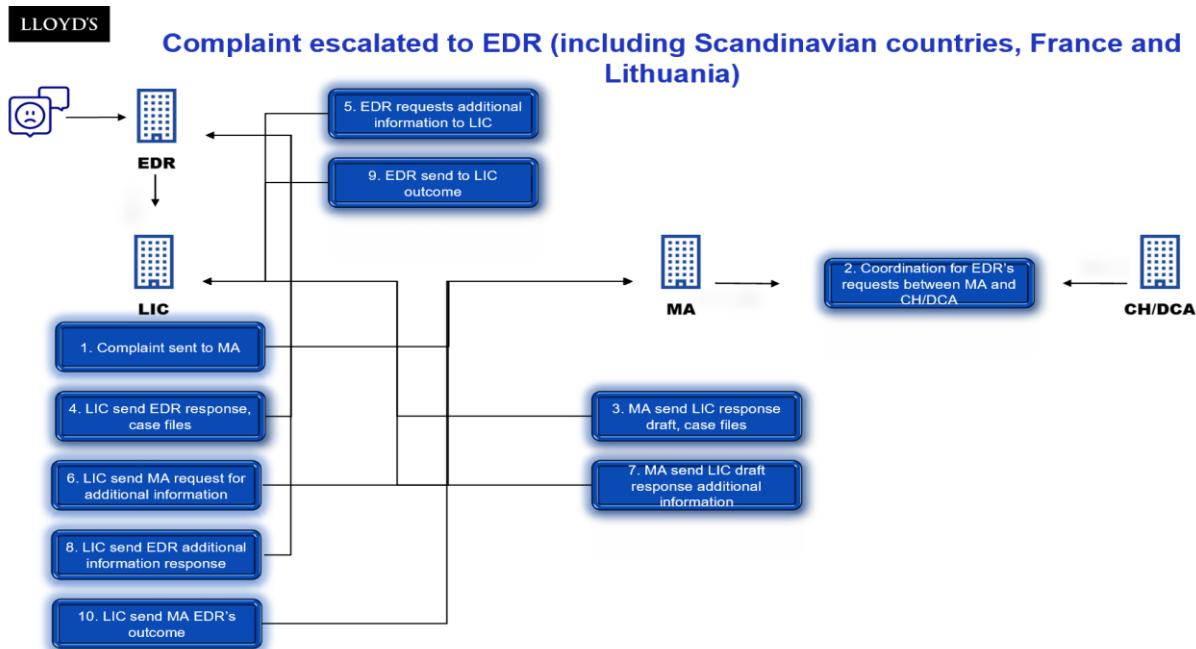
6.2.3.1 Scenario 3a: Complaint received by EDR – CH with complaints handling authority



6.2.3.2 Scenario 3b: Complaint received by EDR – There is no CH/DCA or CH/DCA has no complaints handling authority



6.2.3.3 Scenario 3c: Complaints escalated to EDR (including Scandinavian countries, France and Lithuania)



6.3 LIC complaints handling process – Italy

6.3.1 Italian complaints: Freedom of Establishment (FOE) and Freedom of Service (FOS)

All the following Italian complaints need to be notified to LIC's Italian Office (LIO), who will handle or oversee the complaints on behalf of LIC:

- All Italian complaints falling under the Freedom of Establishment (FOE) complaints process; and
- All Italian complaints falling under the Freedom of Service (FOS) complaints process and having a complainant who is an Italian resident.

The above complaints must be notified to the LIO mailbox which is provided under Section Key Contacts (page 5).

- Italian complaints falling under Freedom of Service (FOS) complaints process and having a complainant who is NOT an Italian resident are handled as described in Section 6.2.

Alternatively, if the complainant is resident in any other EEA country, the Italian FOS complaint must be notified to LIC mailbox which is provided under Section Key Contacts (page 5).

The complaints handling procedure related to policies underwritten through an Italian FOE business, or where the complainant is resident in Italy, will follow the guidelines provided by this document with exception of some variations which reflect the specific requirements of the Italian regulations.

6.3.2 Scenario 4: Italian complaints FOE and/or Italian resident: The CH/DCA has complaints handling authority

Where the complaint is related to an Italian FOE policy and/or the complainant is resident in Italy, LIO will most likely receive the complaint directly from the complainant.

In such scenario, once the complaint is received, LIO will then inform the MA and the CH/DCA with complaints handling authority of the complaint by providing a copy of it.

Granted that the acknowledgment of receipt of a complaint is not a requirement in Italy LIO shall however send an acknowledgment letter which contains the Privacy Notice. In case the complaint includes sensitive data (valid both for third party or insured) LIO asks for the consent to be signed and sent back by the complainant. The main objective of this action is providing copy of the privacy notice and collect the third party written consent that enables LIO managing data (especially as far as particular data is involved). Privacy matters are indeed a GDPR requirement and LIO will not be able to handle any complaint failing to receive the relevant consent.

Alternatively, if the complaint is received by the CH/DCA, we recommend the complaint to be notified to LIO by the relevant MA within 2 business days of receipt (but not later than 7 business days) by sending the Complaint Notification Sheet together with the original complaint and policy wording (for FOS with Italian resident complaints). LIO will then open a complaint file, send to the MA the LIC reference number and monitor the deadline for regulatory purposes.

The CH/DCA shall respond to the complaint by issuing a final response to the complainant within 45 calendar days of receipt. As per regulatory requirements, the final response must include a reference to the possibility of the complainant escalating the matter to the Italian regulator, IVASS.

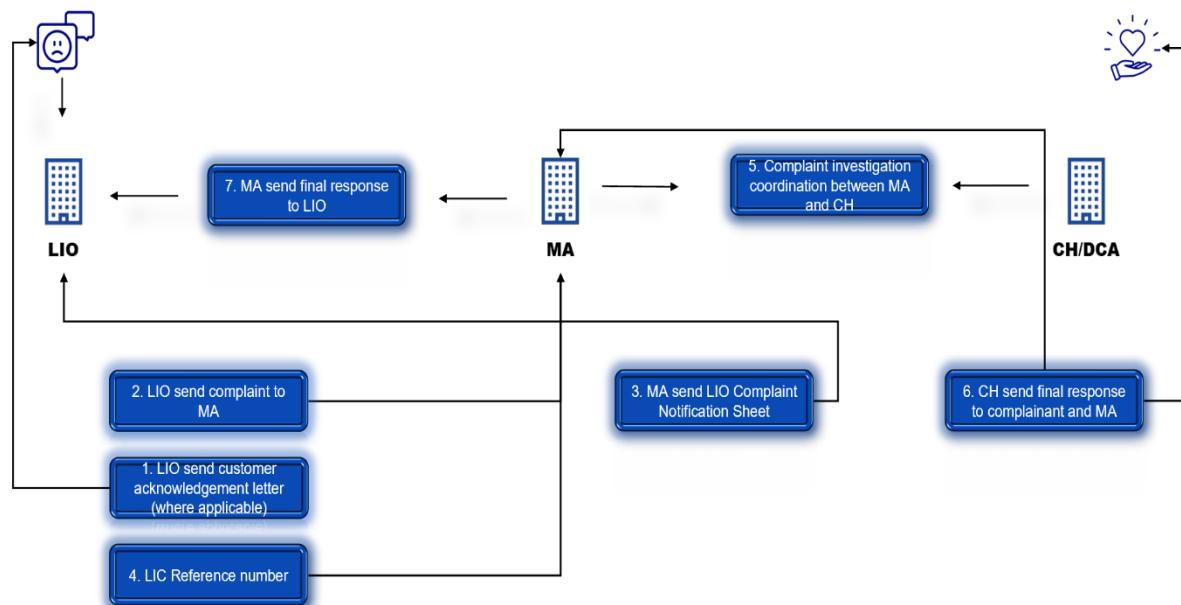
A copy of the final response should be sent to the relevant MA who, in its role as coordinator, will forward a copy to LIO. The response must be provided in Italian and it must meet the Italian regulatory requirements provided by IVASS Regulation 24 regarding complaints handling. Therefore, it is required that the final response will include the IVASS referral rights.

It should be highlighted that any response provided by a CH/DCA with complaints handling authority granted is written in the name and on behalf of LIC, therefore it is binding for the Company; this may impact a possible escalation of the same complaint with IVASS.

In exceptional cases, where the response does not conform to the required standards, or does not provide the IVASS escalation rights, LIO will request the MA that the CH/DCA issues a further response.

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Italian FOE and/or Italian FOS where LIO receive the complaint and the complainant is resident in Italy



6.3.3 Scenario 5: Italian complaints FOE and/or Italian resident: There is no CH/DCA or the CH/DCA has no complaints handling authority

Where the complaint is related to an Italian FOE policy and/or the complainant is resident in Italy, LIO will most likely receive the complaint directly from the complainant.

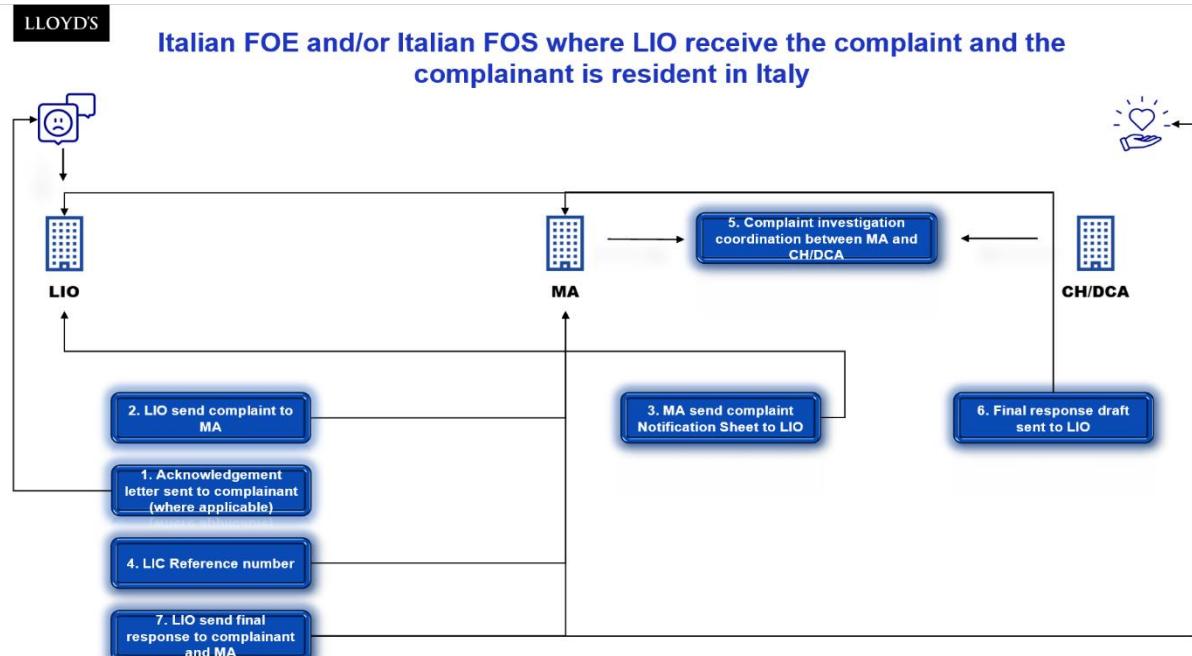
In this scenario, when a complaint is received and the CH/DCA does not have complaints handling authority, LIO will then inform the MA of the complaint by providing a copy of it.

Granted that the acknowledgment of receipt of a complaint is not a requirement in Italy, LIO shall however send an acknowledgment letter which contains the Privacy Notice. In case the complaint includes sensitive data (valid both for third party or insured) LIO asks for the consent to be signed and sent back by the complainant. The main objective of this action is providing copy of the privacy notice and collect written consent that enables LIO managing data (especially as far as particular data is involved). Privacy matters are indeed a GDPR requirement and LIO will not be able to handle any complaint failing to receive the relevant consent.

If the complaint is received by the CH/DCA, the relevant MA will immediately (or no later than 2 business days from receipt) notify LIO by sending the Complaint Notification Sheet together with the original complaint and policy wording (for FOS with Italian resident complaints).

LIO will then open a complaint file, provide the MA the LIC reference number and monitor deadline for regulatory purposes.

As the CH/DCA does not have complaints handling authority, the MA shall provide LIO with a draft of the final response to be sent to the complainant in Italian. The MA will ascertain that the draft response is sent to LIO in a timely fashion to allow LIO reviewing it and possibly ask clarifications or amend the draft itself. LIO will indeed ascertain that the response meets the regulatory standards required (see section 2.3.3). Once approved, LIO will issue the final response to the complainant and provide a copy of it to the MA.



6.3.4 Scenario 6: Italian complaints: complaint received/escalated by/to IVASS

In cases where the Italian regulator, IVASS, is involved in a complaint (complaint received by IVASS or escalated to IVASS, see section 5.3.3), regardless of whether the CH/DCA does or does not have complaints handling authority granted, LIO will issue to IVASS and/or to the complainant all communications related to the complaint.

Usually, when IVASS is involved, LIO will receive the complaint or the escalation from IVASS directly. Once received, LIO will inform the MA by providing all relevant information regarding the complaint as well as any specific requests from IVASS. In this regard, it is important to note that IVASS, in the first instance, may request that LIO provide only certain

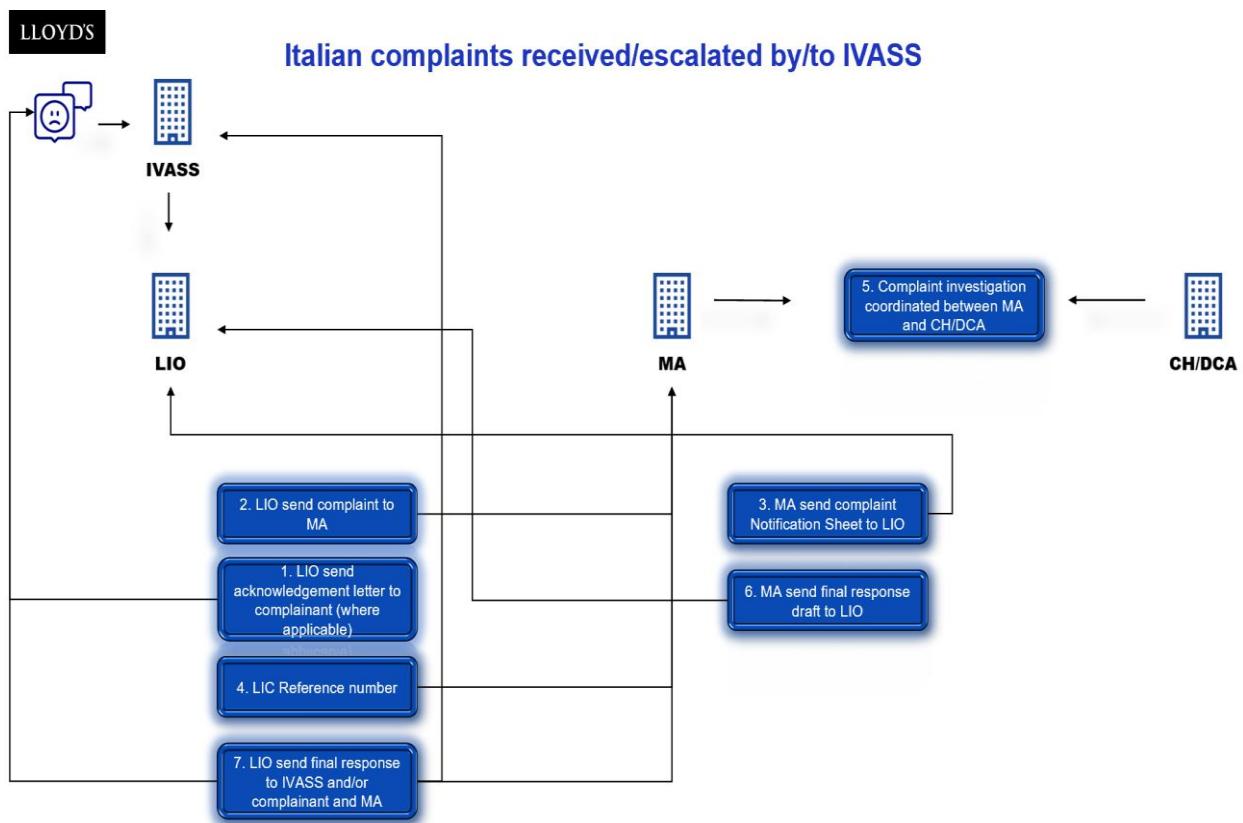
information/documentation before requesting a final response to be issued to the complainant.

Following the request from IVASS, LIO expects the MA to provide a draft, within the requested deadline, of the communication to be issued to IVASS and/or to the complainant, including all relevant documents and information that IVASS may require. If appropriate, the MA can request the CH/DCA to assist with the preparation of the draft to be sent to LIO.

LIO will ensure that the communications issued to IVASS fully comply with the regulatory requirements requested by the Italian regulation and address the requests from IVASS and/or the complainant. A copy of the communication issued to IVASS and/or the complainant will be forwarded to the MA.

In addition, since such responses must be signed by the General Representative (or his proxy), it is essential that LIO reviews the draft response to check whether all relevant information has been provided and that standards have been met, before responding back to IVASS.

IVASS can go through a single complaint several times at its discretion: LIO expects that the MAs provide their full cooperation in the shortest period of time, directly or via their instructed CH/DCA.



Intermediaries enrolled in section "A" of the RUI (Italian Intermediaries register) and CHs (regardless of the kind of registration in the RUI) will bring to the Managing Agent's attention any complaint filed in regard of their conduct. This is irrespective of whether or not the CH/DCA has complaints handling authority.

The process for handling such complaints is the same as outlined in Scenario 5.

6.4 LIC complaints handling process – Spain

6.4.1 Scenario 7: Spanish complaints: Freedom of Establishment (FOE)

All Spanish complaints falling under the Freedom of Establishment (FOE) complaints process will be handled and overseen by LIC's Spanish Office (LSO) on behalf of LIC.

The complaints handling procedure related to policies underwritten on a Spanish FOE basis will follow the guidelines provided by this document, with the exception of some variations related to the specific requirements of the Spanish regulations.

Where the complaint is related to a Spanish FOE policy, regardless of whether the CH/DCA does or does not have complaints handling authority, once a complaint is received, the relevant MA shall notify LSO in a secured way within 2 business days, by sending the Complaint Notification Sheet together with the original complaint and policy wording.

LSO will provide the MA with confirmation of receipt and the complaint reference number and CC in the CH/DCA in the correspondence issued.

As per the Spanish regulation, only LSO is entitled to issue any communications related to complaints handling.

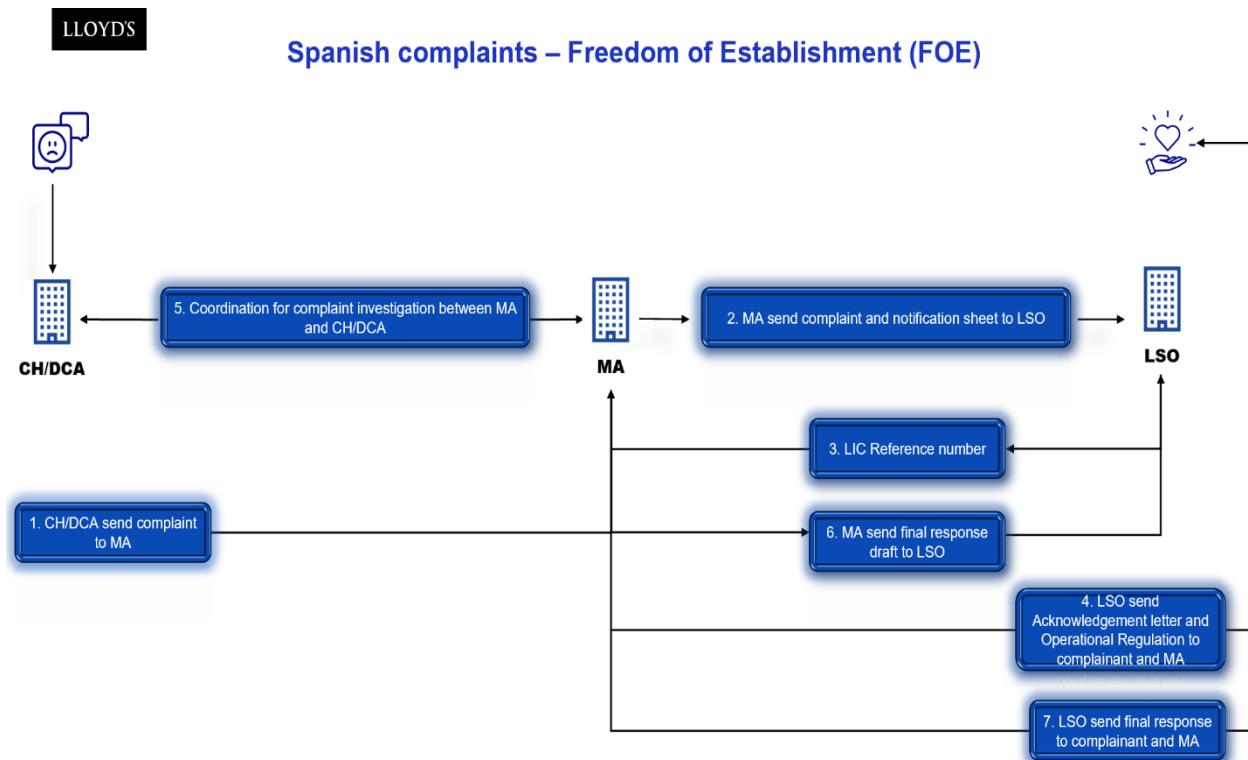
LSO will therefore acknowledge the complaint by sending a letter to the complainant which will then be forwarded to the MA and the CH/DCA.

The MA shall provide LSO with a draft of the final response to be sent to the complainant in Spanish and LSO will then review the draft response to check whether all relevant information has been provided and all the internal and regulatory requirements have been met. If appropriate, the MA can request the CH/DCA to assist with the preparation of the draft to be sent to LSO.

Once approved, LSO will issue the final response to the complainant and provide a copy of the final response to the MA and the CH/DCA.

If LSO decides to change the response provided by the MA, LSO will give the MA the opportunity to comment (unless the changes are not substantive) before sending the final response to the complainant.

For practical purpose, LSO may directly contact the CH/DCA for any complaints handling related communication copying in the relevant MA.



6.4.2 Scenario 8: Spanish complaints: Freedom of Services (FOS)

All Spanish complaints falling under the Freedom of Services (FOS) complaints process will remain within the scope of LIC and they will follow the mentioned procedures in this guidance (see Section 6.2.1 Scenario 1 and Section 6.2.2 Scenario 2).

6.4.3 Scenario 9: Spanish complaints (FOE and FOS): complaint received by/escalated to DGS

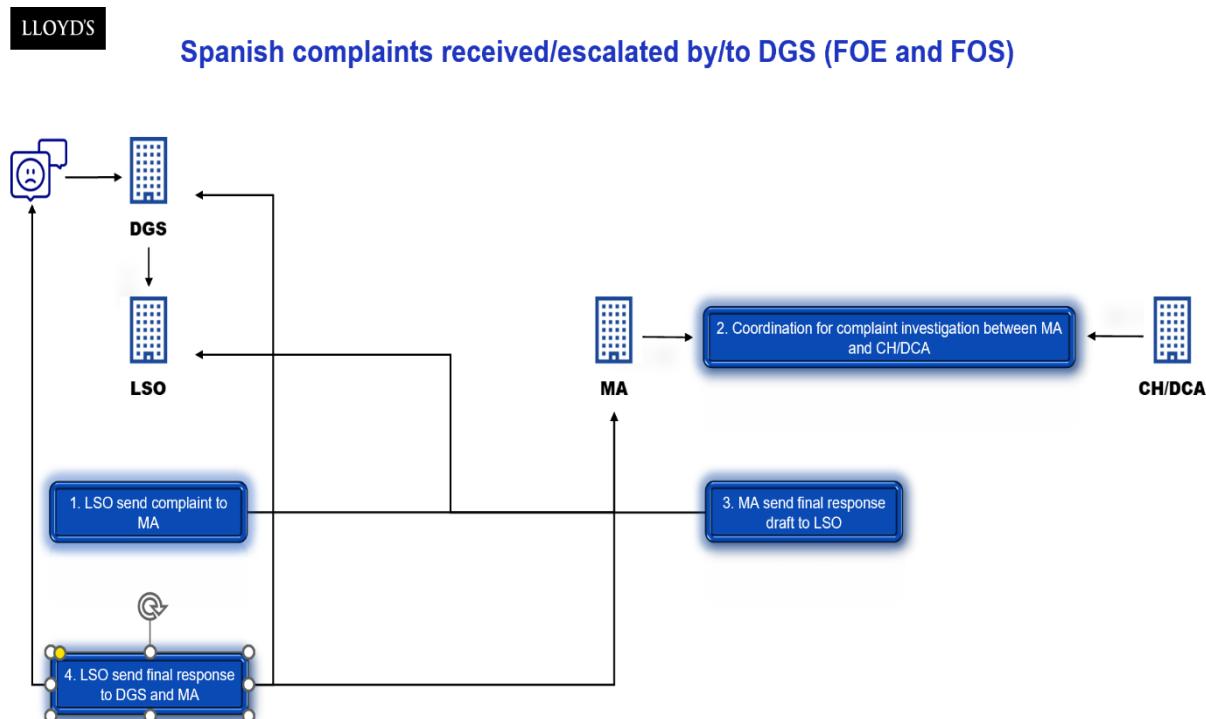
LIC's Spanish Office (LSO) will deal with all complaints where the Spanish regulator, DGS (Direccion General de Segurros), is involved. This criterion will apply for all Spanish complaints, both FOE and FOS, and whether or not the CH/DCA has complaints handling authority.

When a complaint is received/escalated by/to the DGS, LSO will receive, via the DGS Portal, directly the complaint/escalation.

Once received, LSO, will inform the MA and the CH/DCA in a secured way on the complaint/escalation received in order to allow them to investigate the case accordingly. LSO will issue all communications to the DGS.

Consequently, following any request from the DGS, LSO expects to receive and approve a draft from the MA to then be sent to the DGS.

Before issuing the communication to the DGS, LSO will ensure that all communications comply with the Spanish and the internal regulations. Once issued, a copy of the communication to DGS and/or the complainant will be forwarded to the MA.



6.5 Scenario 10: Part VII complaints – mixed and unknown liability

Where a complaint arises in respect of a policy subject to the Part VII transfer, and where there is a mixed liability or it is not possible to identify liability, at point of notification, the complaints handling procedure will follow specific rules tailored to these exceptional scenarios (see section 5).

In such cases, LIC expects the MA to contact the LIC Complaints Team directly, who will advise on the best course of action to be followed.

6.6 LIC complaints handling process – UK

Since the establishment of LIC UK branch, LIC can underwrite policies for customers with the risk located in the UK. If a complaint arises from such a policy, the LIC Complaints Team will treat such complaints as per the process described under section 6.2.

Complaints arising from the UK LIC branch are subject to the UK regulatory requirements as set by the Financial Conduct Authority (FCA). Complainants also have the right to refer to the EDR scheme in the UK, the Financial Ombudsman Service (FOS) under the compulsory jurisdiction.

7 UK FOS Voluntary Jurisdiction

LIC is a participant in the Financial Ombudsman Service (FOS) Voluntary Jurisdiction in the UK. Being a participant allows eligible complainants to access the UK external dispute resolution scheme in cases where the activity is undertaken in the EEA, and certain eligibility criteria has been met. Complainants on LIC business may therefore have access to both a local External Dispute Resolution (EDR) scheme and the UK FOS Voluntary Jurisdiction.

Access to the FOS Voluntary Jurisdiction does not mean that the complaint is always a UK complaint which falls under the UK complaint handling rules, only that the complainant has the ability to appeal to the UK dispute resolution scheme where they are not happy with the resolution of their complaint. The complaint handling rules for the jurisdiction in which the business activities have been conducted must continue to be followed.

MA's / CH's or DCAs notifying complaints to LIC are required to identify all relevant EDR schemes at the point of complaint notification. Identification of all relevant EDR schemes will always include an assessment of whether the complainant meets the criteria for FOS Voluntary Jurisdiction referral.

Where a complaint meets the criteria for being eligible for FOS Voluntary Jurisdiction, the following steps must be taken in all cases:

- 1) Complaint notification email to LIC must confirm that the complainant has access to the FOS Voluntary Jurisdiction.
- 2) LIC will select the strictest response periods within Caresmart when recording the complaint, this will determine the handling time period requirements. Where the response times are the same, LIC will select the most relevant scheme within Caresmart based on the complaint location.
- 3) When providing a final response, all applicable EDR schemes that the complainant is considered eligible for must be referred to. The complainant can then choose where they refer their case for further action.

7.1.1 FOS Voluntary Jurisdiction criteria

The following are the criteria tests that MAs / CHs or DCAs must apply when considering if the complainant has access to the UK FOS Voluntary Jurisdiction. A decision flow diagram is included in Appendix C at the end of this document.

Test	Criteria
Is the complainant an “eligible complainant” under the UK complaint handling rules?	<p>Complaints may only be dealt with by the FOS if the complaint is brought on behalf of an eligible complainant. An eligible complainant may be either the customer (potential, current or historic) or the beneficiary under the policy.</p> <p>An eligible complainant is defined in UK Dispute Resolution rules section 2.7 as a:</p> <ol style="list-style-type: none"> 1) Consumer, or; 2) Micro-enterprise; <ol style="list-style-type: none"> a. in relation to a complaint relating wholly or partly to payment services, either at the time of the conclusion of the payment service contract or at the time the complainant refers the complaint to the respondent; or b. otherwise, at the time the complainant refers the complaint to the respondent; or 3) A charity which has an annual income of less than £6.5 million at the time the complainant refers the complaint to the respondent; or 4) Trustee of a trust which has a net asset value of less than £5 million at the time the complainant refers the complaint to the respondent; or 5) A Credit buy-to-let business in relation to a buy-to-let credit agreement where; <ol style="list-style-type: none"> a. A person is acting outside their trade, business or profession, or b. A borrower under a buy-to-let credit agreement 6) A small business at the time the complainant refers the complaint to the respondent; or 7) A guarantor. <p>Please refer to the UK FCA Handbook for definitions of the above and complainant eligibility.</p>
Does the complainant have access to the Compulsory FOS jurisdiction?	<p>Complaints can only be referred to the FOS Voluntary jurisdiction where the complainant does not have access to the FOS Compulsory jurisdiction.</p> <p>Complainants would have access to the FOS Compulsory Jurisdiction where the activity is conducted from an establishment within the UK that is subject to the UK FCA DISP rules. For example, UK Coverholder or business conducted via the LIC UK Branch.</p>
Was the business activity conducted directed at the UK (wholly or in part)?	<p>The business would be directed wholly or in part at the UK where either:</p> <ol style="list-style-type: none"> 1) The policyholder is located in the UK, regardless of the risk location; or 2) The policyholder is based anywhere other than the UK, but the complaint relates to a claim for a UK based risk where the claimant is based in the UK.

Test	Criteria
Is the contract governing the activity (or, in the case of a potential customer, would have been) made under the law of England and Wales, Scotland or Northern Ireland?	The legal jurisdiction of the policy (or in cases of potential customers, the jurisdiction the policy would have been concluded under) would need to be the law of England and Wales, Scotland or Northern Ireland, for this condition to have been met.
Has LIC notified the appropriate regulators in its Home State of its intention to participate in the Voluntary Jurisdiction?	LIC has completed the notification to its home state regulators, the National Bank of Belgium (NBB) and Financial Services and Markets Authority (FSMA), of its participation in the FOS Voluntary Jurisdiction.

8 Oversight by LIC

LIC will monitor its complaints function through a combination of:

- Management information derived from its complaints data and reported quarterly to the LIC's Executive Committee
- Oversight by the LIC Complaints Team through quality assessments and sample checking
- Quarterly Complaints Discussion Group with MAs
- Individual meetings with MAs on a risk-based approach
- Any additional information requested to address issues or concerns identified
- Via the lead MA with regards to CHs/DCAs

8.1 CHs/DCAs coordination by lead MAs

For CHs/DCAs, with and without complaints handling authority, MAs will have overall responsibility for coordination of complaints handling. Therefore, in the first instance, CHs/DCAs must align with the lead MAs and should not raise via LIC.

8.2 Complaint handling performance metrics

LIC performance metrics are designed to monitor Managing Agent's adherence to LIC complaint standards and EEA local regulatory requirements. They focus on both the efficiency of the process and the appropriateness of the claim and/or complaint decision.

Please find below a summary of the most important timescales that will be used to measure the Managing Agent's adherence to the LIC performance metrics. As these metrics are important in a MA's performance review, you will see below that CHs/DCAs have a direct contribution. Beside LIC's performance metrics, you should also follow any SLAs agreed with your MA.

Measures	Turnaround time
Time by which a MA should notify LIC that a complaint has been received	CHs/DCAs with complaints handling authority: Within 7 business days of receipt of the complaint by the MA, CH or DCA. No CHs/DCAs or CHs/DCAs without complaints handling authority, complaints received/escalated by/to the EDR: Within 2 business days Except for Spain FOE complaints where only the 2 business days apply.
Time by which CHs or DCAs should acknowledge the complaint to the complainant	All complaints (except the UK or Irish Informal complaints), received by CHs/DCAs should be acknowledged to the complainant within the local deadline. This metric will be measured based on the 'complaint received date'.
Time by which MAs should get back to LIC with a draft response	All draft responses should be received 10 business days before the local deadline (where the deadline is greater than or equal to 30 days), or 5 business days before the local deadline (where the deadline is shorter than 30 days). This metric will be measured based on the 'complaint received date and the 'local deadline' of the complaint.
Time by which MAs should provide LIC with a draft response related to complaints received/escalated by/to the EDR	All draft responses should be provided within the deadline requested by LIC (Or LIC's Italian Office or LIC's Spanish Office on behalf of LIC).
Time by which a CHs or DCAs should respond to the complainant with their final response	All complaints (except the UK or Irish Informal complaints), should be responded to by the CH /DCA 5 business days before the local deadline. This metric will be measured based on the 'complaint received date and the 'local deadline' of the complaint.
Request for files for a full sample checking or an EDR complaint	Files are to be provided within 3 business days and should be provided in PDF format in chronological order.

8.3 Quality Assessment

LIC will monitor complaints handling to ensure regulatory compliance, review complaint response times and the final responses to ensure that "Customer" standards are met.

For each complaint handled by LIC, a quality assessment (QA) is performed to ensure that the investigation and handling of the complaint meet LIC quality standards and regulatory requirements. The QA consists of a set of questions split into the following areas:

- Completeness of the file:
 - ✓ Notification sheet fully and correctly completed;
 - ✓ Original complaint shared;
 - ✓ Privacy notice included in acknowledgement letter;
 - ✓ Declaration letter in case any representative involved in complaint;
 - ✓ Documentation shared in a secure way.

- Accuracy of key details and dates:
 - ✓ Date of complaint raised matching date in acknowledgement letter;
 - ✓ Correct complaint process identified/followed;
 - ✓ Acknowledgement letter referred to correct timescales;
 - ✓ Letter/correspondence sent to the correct address and addressed to correct person (in case of representative).
- The decision (final response):
 - ✓ Address all the complaint points raised by complainant;
 - ✓ Mention whether the complaint was upheld or rejected;
 - ✓ EDR rights provided (correct address, contact details and website);
 - ✓ Amount of redress if complaint is upheld (where applicable);
 - ✓ ODR details if policy was brought online;
 - ✓ Legal rights to legal action provided;
 - ✓ When no complaints handling authority is granted, the draft final response must be written as LIC complaints team;
 - ✓ Make reference to the correct dates (when the complaint was raised, when the acknowledgement letter was sent);
 - ✓ English translation provided (when written in a language different than English).
- Communication with complainant and LIC:
 - ✓ Communication comprehensible (from a customer point of view) & jargon free;
 - ✓ Correct language used (as per the complaint's process).

In case where there are any issues detected following the QA, LIC will provide immediate feedback to the MA so that any potential failure, where possible, will be rectified and the related risk mitigated. In addition, it will help MA to enhance the procedures for future complaints.

Based on the outcome of QA, an overall score is generated as Green, Amber or Red. The result of each complaint will be populated automatically in the LIC complaints dashboard. LIC foresees to start sharing the dashboards with Managing Agents through 2024.

The key criteria on which the score is generated can be summarized as follows:

- If any of the regulatory or legal requirements have not been met, the section will be marked down in the Quality Assessment (e.g., EDR referral rights, legal rights).
- If any of the internal timeframes and procedures have not been met, the section will be marked down in the Quality Assessment (e.g., language used).

If all the internal and regulatory requirements have been met and the complaint has been handled as expected, the Quality Assessment will reflect that. The scoring average of all complaints handled by the MA must be **equal to or above 90%** in order to pass as green, based on the Quality Assessments conducted by LIC.

8.4 Sample checks

LIC might perform end to end file reviews and investigations for a selected sample of the closed complaints handled by a CH or a DCA.

In this regard, once the candidate's samples have been selected LIC will contact the relevant MA in order to request the complaint case-files. The case-files must be provided by the MA within 3 business days from the request and must be sent in PDF format and in chronological order.

The main objective is to monitor if complaints are being investigated fairly, efficiently, in line with LIC's processes and in accordance with regulatory requirements, and with a customer-oriented approach.

The sample checks are only performed on closed complaints. Sample checks will help to oversee and improve overall complaints management.

The sample checks will be conducted to evaluate the quality of delegated complaints handling authority, as well as usual regulatory and compliance requirements, complaints response timeliness and adherence to LIC standards.

Feedback will be shared with the MA once the sample check has been completed.

The scoring average of all complaints handled by the MA, on which a sample check is conducted, must be equal to or above 90%, based on the Sample Check conducted by LIC.

8.5 The CH is not meeting LIC complaints handling standards

If LIC finds a CH has fallen below the standard of complaints handling, based on the controls carried out, LIC will inform the relevant MA and the LIC Delegated Authority team of the results obtained. Furthermore, upon an evaluation of the data collected and any potential risks related, LIC may deem it necessary to withdraw the delegated complaints specific to another third party. LIC may consider appropriate, under circumstances, to take over the complaints handling authority from the CH and require the MA to delegate it.

9 Glossary

Conduct Liability	means liability created as a result of a company's activity falling below the standards of behaviour expected or required by regulation.
Crystal	a database containing international regulatory and taxation requirements for over 200 territories, for both Lloyd's underwriters and Lloyd's Europe.
Insurance Liability	means the responsibility to meet claims and insurance provisions under the terms of the agreed contract of insurance.
Local Deadline	means the local regulatory deadline to acknowledge or send out the final response to the complainant. Where no local regulatory deadline is available, the acknowledgement deadline is set to five Business Days and the final response deadline is set to eight weeks. Guidance on the local regulatory deadlines can be found on the LIC complaints webpage on Crystal.
Quality Assessment	means a quality assessment conducted by the LIC to measure the quality of the complaint handling. The Quality Assessment include checks such as completeness of the file, accuracy of key details and dates, the decision and communication with the complainant. This list is not exhaustive and can evolve over time.
Sample Check	means an audit check conducted by LIC's Complaints Team on a percentage of complaints, with the objective to verify if complaints are being investigated fairly, efficiently, in line with the LIC's processes, with adherence to regulatory requirements, and with the client in mind.

10 Abbreviations

- CH: Coverholder.
- DCA : Delegated Claims Administrator.
- DGS: Dirección General de Seguros y Fondos de Pensiones.
- EDR : External Dispute Resolution scheme.
- IVASS: Italian institute for insurance supervision.
- LA : loss adjuster.
- LIC: Lloyd's Insurance Company S.A.
- LIO: LIC's Italian Office.
- LSO : LIC's Spanish Office.
- RUI: Italian Intermediaries register.
- MA : Managing Agent.

Appendix A: Complaints notification templates

LIC Complaints notification template

Applicable to all countries within EEA including the UK (LIC Branch)

The standard complaint notification template for LIC contains the following fields:

Field	Mandatory	Additional logic	Comments
Submitting Company	Yes		This is the name of the company, or its representative, who is completing the template.
Coverholder	Yes*	Only mandatory if the policy was underwritten by a CH	If the policy was underwritten by a CH, select the CH name from the drop-down list.
Delegated Claims Administrator (DCA)	Yes*	Only mandatory if the complaint is handled by a DCA	If a DCA is involved, select the DCA name from the drop-down list.
Complaints handling authority	Yes		Indicate whether the CH/DCA receiving the complaint has complaints handling authority. Select from drop down list.
CH/DCA Email address	Yes*	Only mandatory for complaints handled by a CH or DCA.	Insert the email address of the CH/DCA to whom LIC can send the unique reference number of the complaint
Type of complainant	Yes		Select from the dropdown list
Complainant Surname	Yes*	Either the complainant surname or Complainant company name field must be completed.	This is the name of the insured individual.
Complainant First name	Optional		This is the first name of the insured individual
Complainant Email Address	Yes*	Either the Complainant Email Address or the Address field must be completed.	This is the email address of the complainant
Complainant Company Name	Yes*	Either the complainant surname or Complainant company name field must be completed.	This is the name of the insured entity.

Field	Mandatory	Additional logic	Comments
Company Tax Number	Yes*	Only mandatory for Spanish complaints	
Company House	Yes*	Only mandatory for Spanish complaints	
Address	Yes*	Either the Complainant Email Address or the Address field must be completed.	Insert a correspondence address for the complainant.
Post Code	Yes	Completion of this field is required to facilitate identification of duplicate complaints.	Insert the complainant's postcode.
UMR	Yes		Unique Market Reference
Policy Number	Yes*	Either the Policy Number or the Claim Number field must be completed before resolving the complaint	Please ensure that the Policy Number detailed on the spreadsheet is referenced on the complaint response.
Complaint Process	Yes		The territory in which the insured is located. Select from drop down list
Date Received	Yes		Insert the date the complaint was received by the CH or the DCA.
Product details	Yes		Select from the drop down list
Placement Type	Yes		Select from the drop down list
Managing Agent	Yes		Select from the drop down list
Managing Agent Email	Yes		Please insert the email address of the Managing Agent.
Syndicate number	Yes		Select from the drop down list. This is the Lead syndicate on the coverage
Claims related	Yes		Select from drop down list
Root cause	Yes		Select from drop down list
Part VII	Yes		Select from drop down list

Applicable to Italian complaints FOE or Italian resident (refer to scenario 3,4 and 5):

In Italy, most of the complaints are received directly by LIO. However, if a MA or a CH/DCA receives a complaint, they must report it to LIO using the above described EEA notification sheet within 2 business days of receipt. This includes, but is not limited to, all complaints that are subject to the local regulatory complaint handling rules or where the complainant has a right of referral to IVASS.

MA or CH/DCA must include the original complaint when reporting complaints to LIO.

MA or CH/DCA should be aware that as well as the notification sheet, LIO must receive the following information regarding a complaint. LIO expects MA or CH/DCA to check the complaint for missing information before sending it to LIO. Therefore, it is highly recommended that when a complaint does not include the information mentioned in the following table, the missing information is added to the email before forwarding the complaint to LIO. If some of the information is missing, LIO shall contact the MA or CH/DCA to provide the missing information as soon as possible.

MA or CH/DCA should ensure that they provide the information in a way that is compliant with the applicable data protection laws.

Information to be provided	Comments
Third party claimant (individual)	Name and surname of the individual (person) filing the complaint
Third party claimant (company)	Name of the company filing the complaint
Third party claimant address (Optional)	Address of the individual/company filing the complaint
Third party claimant post code	Post code of the individual/company filing the complaint

Appendix B: Local deadlines by country for acknowledging and responding to complaints

The following table indicates the local deadlines by country for acknowledging and responding to complaints. For the most up to date deadlines please refer to Crystal and the latest Complaints Notices in the LWR.

Country	Timescale for acknowledging complaints	Timescale for responding to complaints	Holding Letter
Austria	5 business days	8 weeks	
Belgium	3 business days	1 month	2 weeks (to align with Assuralia, Belgian market practises)
Bulgaria	5 business days	1 month	
Croatia	5 business days	8 weeks	
Cyprus	2 business days	15 business days and 45 business days if additional time is necessary	15 business days
Czech Republic	5 business days	8 weeks	
Denmark	3 business days	8 weeks	
Estonia	5 business days	15 calendar days	
Finland	5 business days	8 weeks	
France	10 business days	2 months from the date of receipt of the complaint	
Monaco	5 business days	8 weeks	
Germany FOE	5 business days	6 weeks	
Germany FOS	5 business days	6 weeks	
Greece	5 business days	50 calendar days	
Hungary	5 business days	30 calendar days	
Iceland	5 business days	4 weeks	
Ireland	5 business days	40 business days	20 business days
Italy	5 business days	45 calendar days	
Latvia	5 business days	20 calendar days	

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Liechtenstein	5 business days	8 weeks	
Lithuania	5 business days	15 business days and 35 business days in exceptional cases	15 business days
Luxembourg	5 business days	8 weeks	
Malta	5 business days	15 business days	
Netherlands	14 calendar days	8 weeks	
Norway	5 business days	35 business days	15 business days
Poland	5 business days	30 calendar days and 60 calendar days for complex complaint cases	30 calendar days
Portugal	5 business days	30 business days	20 business days
Romania	5 business days	8 weeks	
Slovakia	5 business days	8 weeks	
Slovenia	5 business days	30 business days	
Spain FOE	5 business days	1 month	
Spain FOS	5 business days	2 months	
Sweden	5 business days	14 calendar days	
Switzerland	5 business days	8 weeks	
UK	5 business days	8 weeks	4 weeks
Non-EEA	5 business days	8 weeks	

Appendix C: FOS Voluntary Jurisdiction Decision Tree

The below is the decision tree which shows the routing of the tests to establish the relevant FOS jurisdiction. See section 7 for details of the criteria which applies at each decision point.

