

# TREATING CUSTOMERS FAIRLY

APBCO BUSINESS TCF POLICY STATEMENT



APBCO Centurion (Pty) Ltd - FSP 13786  
APBCO Versekeringsmakelaars (Kaap) (Pty) Ltd - FSP 13776  
APBCO Lynnwood (Pty) Ltd - FSP 45843  
APBCO Cynell (Pty) Ltd – FSP 46856  
APBCO Durban (Pty) Ltd - FSP 13781

**Introduction**

The APBCO Group of Companies is fortunate to have Directors and senior staff of generous heart and stout courage, infusing the company with their dedication and sense of purpose. The implementation of formalized strategies and efficient processes is testament to their energy and enthusiasm are. The customer’s needs and expectations are and will always be the Association’s driving force and these diverse requirements are of paramount importance.

Our credo is to do things correctly the first time to the satisfaction of our clients and with the necessary professionalism. Welcoming change, we encourage innovation in product design and service processes while developing the creative abilities of our personnel.

We also believe that strong and healthy relationships with our underwriters, clients and suppliers are imperative for a true partnership in trust and we take extraordinary care to foster sound and long-lasting relationships.

The ethical standards that we have set for ourselves and our business associates are of the highest order and our integrity and beliefs are demonstrated uncompromisingly. We are constantly enhancing our corporate culture while relentlessly maintaining and extending our shared beliefs.

The APBCO Group of Companies is committed to ensuring that the FSB Principle of Treating Customers Fairly (TCF) is applied to all business activities engaged in by the APBCO Group of FSP’s. The latter offers a wide range of insurance products and services and have an enviable reputation within the industry for providing excellent customer service.

The APBCO board and management recognize that fair treatment of customers and excellent provision of customer service is essential to the success of the APBCO Group of FSP’s. The following mission statement and code of practice and principles are therefore instituted:

**Mission Statement**

To be the undisputed leader in our niche markets.  
To satisfy our respected clients’ needs with dedicated support, attention and empathy, offering innovative insurance and financial service products.

**TCF outcomes**

All FSP’s must demonstrate consistent delivery of fair outcomes to consumers. Senior management’s responsibility is to ensure that staff at all levels perform in accordance with the established code of ethics, principles and practices.

This policy statement has been prepared in order to document the various controls and processes that exist. This enables the APBCO Group of FSP’s to demonstrate compliance with the six desired outcomes of the FSB’s TCF of which principle 6 is emphasized namely: “A firm must pay due regard to the interests of its customers and treat them fairly”.

**The outcomes are:**

1. Consumers can be confident that the fair treatment of customers is central to the corporate culture of the group of companies
2. Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups.
3. Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.
4. Advice given to customers must be suitable and in consideration of their circumstances.
5. It is imperative that consumers are provided with products that perform in accordance with what they were led to believe and to expect. The associated service must also comply with the customer’s expectations.
6. Consumers do not tolerate unreasonable post-sale barriers imposed on them by firms. These include a change of product, switching of providers, the submission of a claim or when lodging a complaint. Following the launch of any new product, the APBCO group closely monitors sales and analyze expected claims ratios. This is done to ensure that performance is in line with expectations. Discussions include TCF implications as well as related product matters including optimal target market selection, projected and realized sales levels and distribution considerations and incentives.

**Practices and Principles**

- Stability.
- Rewarding long-standing relationships.
- Judicious selection of trading partners.
- Assistance comparable to what one expects from a friend.
- Prepared to walk the extra mile for our clients.
- To do what needs to be done right, the first time.
- To pay dedicated attention with the necessary boldness to get things done.
- To be totally committed to provide service excellence.
- A passion for excellence resulting in outstanding customer experience.
- To provide market leading support to our business partners.
- To consider employees as the greatest asset. Their effort and commitment is at the heart of our culture.

**TCF Governance**

TCF is central to the group’s culture. The APBCO Group of FSP employees and representatives are encouraged to take responsibility for TCF in the course of performing their individual roles. A TCF Compliance Officer is appointed to be actively involved in promoting and facilitating TCF throughout the APBCO Group of FSP’s. TCF initiatives also apply to every key individual in the FSP who deals with staff. Compliance with TCF objectives is monitored in the APBCO Group.

**TCF Management Information (MI) Reporting, Review and Escalation**

APBCO generates a list detailed MI reports. These reports are produced in intervals from a daily to a monthly basis. Key individuals of the APBCO group’s FSP’S meets on a weekly basis with staff to discuss these reports. The results are analyzed and managed as part of the Compliance Monitoring Program with appropriate input from the business areas where issues or anomalies are identified. This ensures an adequate “bottom up” review of the TCF data.

A summary of data is then presented to APBCO Group of FSP’s management meetings on a monthly basis. A further report is submitted to the board, which includes non-executive directors, on a quarterly basis as a standing agenda item. This enables robust “top-down” challenges and a review of the APBCO group of FSP’s performance against TCF outcomes.

**Policy Literature / Marketing Promotions**

It is essential that policy literature and marketing promotions issued by APBCO Group of FSP’s are clear, fair and not misleading. It must accurately reflect the product being offered. APBCO’s management ensures that all policy literature and marketing promotions are signed off and that product literature is written in an understandable way with significant and unusual exclusions and limitations clearly highlighted. Policy fulfillment literature is subject to thorough quality assurance processes and is reviewed regularly. In doing so the APBCO Group of FSP’s ensures that an outcome-based approach to TCF is adopted and that various regulatory and statutory obligations are adhered to.

**Advice**

The APBCO Group of FSP’s will, at all times, render financial services honestly and fairly, with due skill, care and diligence, and in the interests of clients and in consideration of the integrity of the financial services industry. APBCO representatives render advice and service to its clients on a personal, one to one basis while ensuring transparency. Steps are taken to ensure that a proper needs analysis is undertaken followed by a comprehensive record of the advice given whilst assisting the client in the decision -making process. The suitability of product and appropriate disclosure guidelines are also followed at the point of sale.

**Business Partners and Outsourced Activities**

The APBCO Group of FSP’s use dedicated key individuals for each product sold by representatives via selected underwriters and insurance companies. Sales are followed up through appropriate and diligent assessments. The FSP’s in collaboration with the key individuals, continually review data including sales volumes against expectations, sales processes, claims experience and complaints. This enables remedial action to be taken swiftly, if issues are identified.

**Incentive Schemes**

The APBCO Group of FSP’s seeks to avoid incentive schemes that could breach the principles of TCF and could be to the

Ad hoc reviews of TCF are carried out by the group's compliance officer to ensure that TCF processes continue to be appropriate and TCF MI remains "fit for purpose".

### **Product Design and Development**

The APBCO Group of FSP's sells products of various underwriting and insurance companies. The group's main focus is on in-house products designed in collaboration with Legacy Underwriting Managers. The latter is responsible for the group scheme business of the APBCO group of FSP's. APBCO's group scheme products are specifically designed to meet its target market's needs.

### **Claims**

The APBCO Group of FSP's sells the products of respected insurance companies and underwriting companies. The Group works together with Legacy Underwriting Managers to offer claims services to its clients. APBCO refers to this business as in-house or scheme business. Not all business is written on the Legacy platform. Such claims (also referred to as non-scheme business) is undertaken by the specific insurer and/or underwriting manager. APBCO demands the very best service for its clients. Regular meetings are conducted to insure smooth and seamless handling of claims to The APBCO Group of FSP's clients.

### **Complaints: Root Cause Analysis and Outcomes Testing**

The APBCO Group of FSP's has detailed complaints handling procedures, guidelines and training programs in place. These ensure that all customer service employees and representatives are able to identify the reason behind complaints. Complaints handlers investigate complaints competently, fairly and consistently in line with APBCO's complaints manual. Outcomes testing is carried out on a sample of cases each month to ensure good consumer outcomes with remedial action taken where necessary. The complaints handling areas of the APBCO Group of FSP's also provide detailed reports each month which contain information on number of complaints received and outcomes. These reports are analyzed by a Group Compliance Officer as part of the TCF requirement on MI. The results are submitted to Management for review. Trends are recorded and discussed to determine if any remedial action is required, either against individuals, products or policy wording of processes.

detriment of consumers. For example, individual advisers and representatives are not rewarded for the volume of sales they achieve or for any sales of general insurance.

### **Conflicts of Interest**

The APBCO Group of FSP's is committed to ensuring that business is conducted in a way which is legal, professional, fair and in accordance with the best interests of its customers. Potential conflicts of interest between the APBCO Group of FSP's and its customers or between a customer and another client, are constantly monitored. The APBCO Group of FSP's operates according to a Code of Conduct Policy, of which the application is regularly monitored and reviewed. The policy provides guidance and sets out various requirements for all employees regarding the offering and receiving of gifts and hospitality offers. It also includes an oversight of relationships with customers and suppliers.

### **Training and Competence**

To ensure success and the provision of excellent customer service, management, employees and representatives receive appropriate training. All members of staff attend an extensive induction course following their appointment. Annual training and testing also takes place via in house and outsourced training modules, inclusive of TCF. It is a requirement that every staff member pass these tests and exams.

### **Customer Services**

The APBCO Group of FSP's enforce demanding but achievable service level agreements for employees. The above is drawn up in collaboration with APBCO's Business Partners. Performance is constantly monitored to ensure that customers receive the level of service they expect and deserve. Exceptional results are achieved as a result of fully trained and dedicated employees. The importance of providing excellent customer service is well understood. It is also clear to all employees that excellent customer service contributes to uphold the reputation of the APBCO Group of FSP's, Regular external validation ensures that the APBCO group meets and exceeds customer service levels.

	<p><b>Employee Feedback</b></p> <p>The APBCO Group of FSP's undertakes "a happy customer" survey each year based on TCF requirements. Employee satisfaction is measured as well senior management integrity and ability to deliver excellent service. This includes the APBCO Group of FSP's customers. The survey results are consistently positive and compares favorably to the APBCO Group of FSP's peers within the industry.</p> <p>Employees are also encouraged to provide feedback on any concerns, observations or suggestions they have regarding TCF (amongst other matters) to enable improvements to be implemented across the business. This feedback can be provided to Management, or directly via a staff suggestions scheme. The APBCO Group of FSP's rewards its employees for the most innovative suggestions.</p>
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