



TREATING CUSTOMERS FAIRLY MODEL OF CP

Insurance Agent Workshop
By Emily Pherry

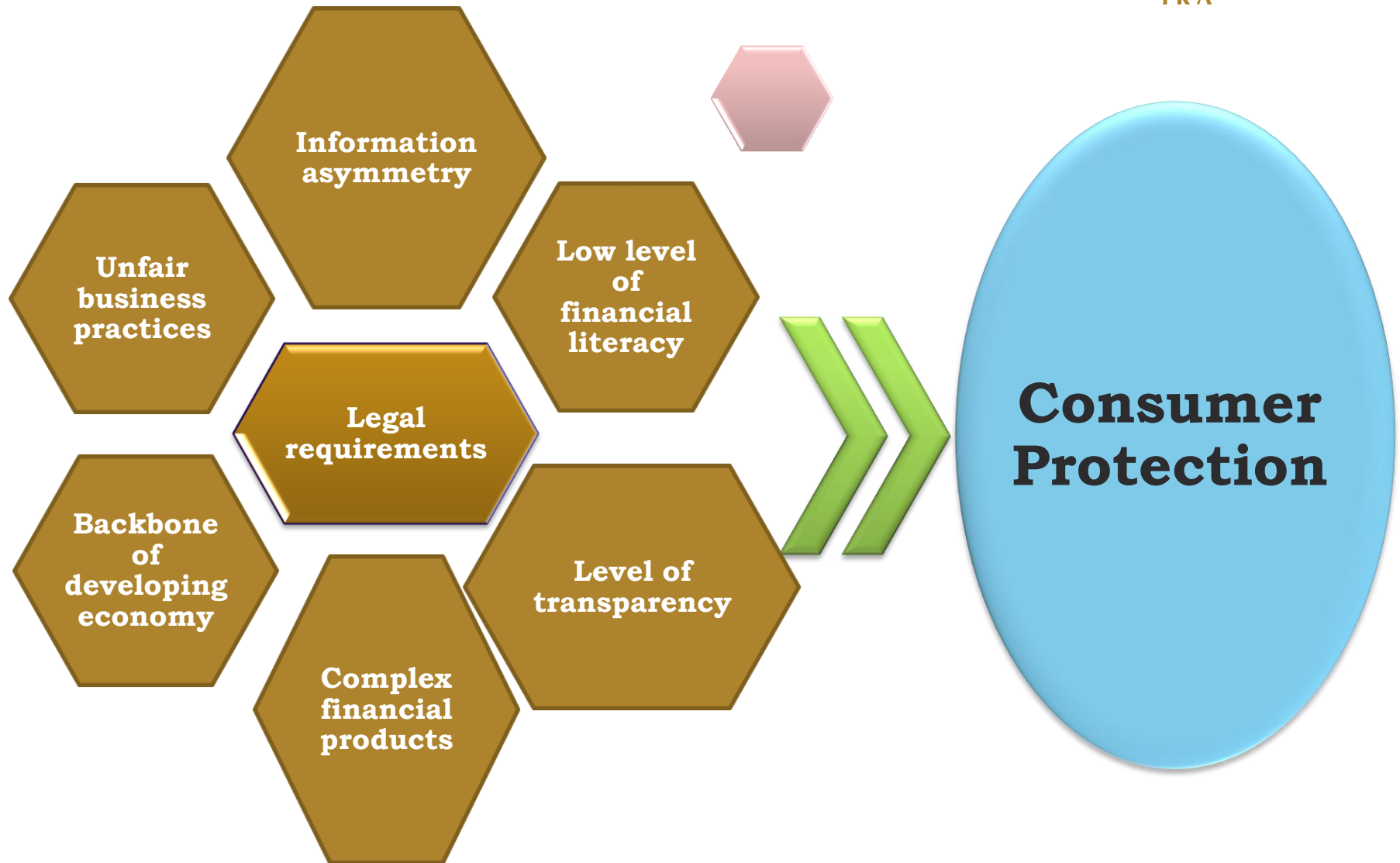
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Who is Customer?

- CONSUMER
- INSURED
- POLICY HOLDER
- COMPLAINANT
- CLIENT
- A PERSON
- USER
- MAN ON THE TREAT

Why Consumer Protection?



Regulatory framework for CP

Constitution of Kenya 2010

- Article 46 (consumer rights)
Goods/service of reasonable quality
- information to gain full benefits from goods/services
- Article 35 (right to information)
- Article 47 (fair administrative procedure)
- Article 22 (enforcement of bill of rights)

Consumer Protection Act 2012

Section 3 (4) on purpose of the Act:

- Promoting fair and ethical business practices
- Protecting consumers from improper trade practices
- Improving consumer awareness and informed consumer choices and behavior
- Promoting consumer confidence and empowerment

Insurance Act 2013

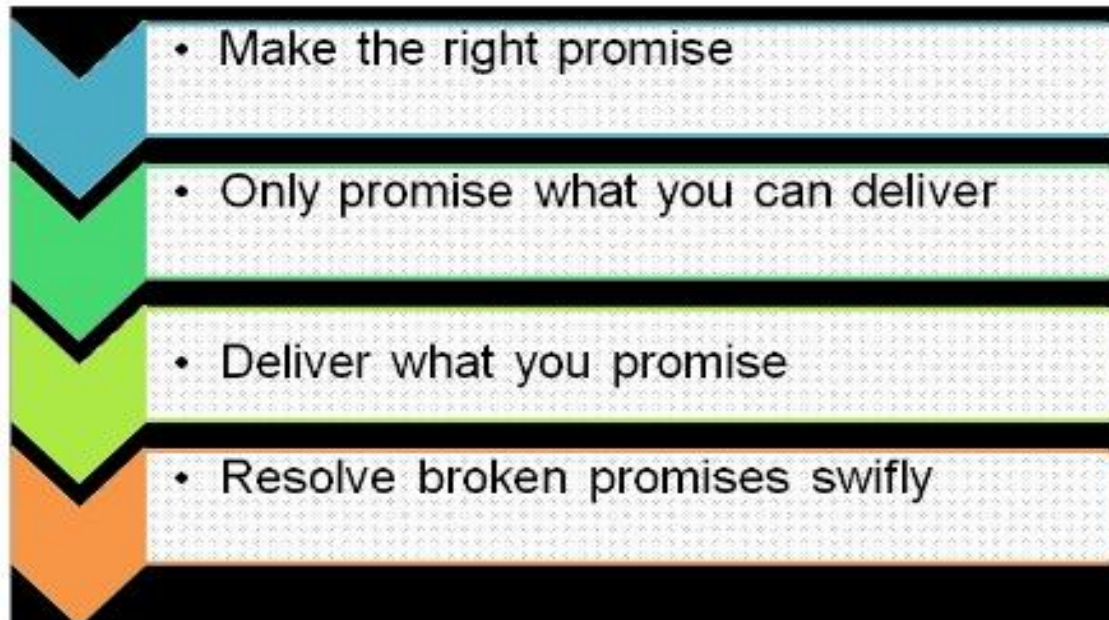
The provisions run through the Act including:

- 3, IRA's mandate
- 5, contracts
- 74 & 75, rates
- 76, right to pay
- 77, defaults of insurer, broker agent
- 80, policy docs
- 87, cooling off
- 114, T & A
- 120, winding up
- 156, premiums
- 164, adverts
- 179, PCF
- 196A, register
- 203, claims

Competition Act 2010

- One of the objectives of the Act is to protect consumers from unfair and misleading market conduct.
- Creates the following offences:
 - = False and misleading representations
 - = Unconscionable conduct in business practices

What is treating customers fairly?



Source: Winzest Consulting

 **winzest** consulting
Improved performance. Better regulatory compliance

What is TCF?

- TCF is an **outcome based** regulatory approach.
- It is intended to ensure fair treatment of policyholders & beneficiaries/Clients
- It's instrument of self assessment is intended to promote continuous improvement in service delivery and consumer confidence
- Increase insurance penetration

Continuation..

The approach requires regulated entities to demonstrate with *EVIDENCE* fair treatment of their customers at all stages of their relationship from product design and marketing, through to the advice before point-of-sale, at the point-of-sale and after-sale stages.

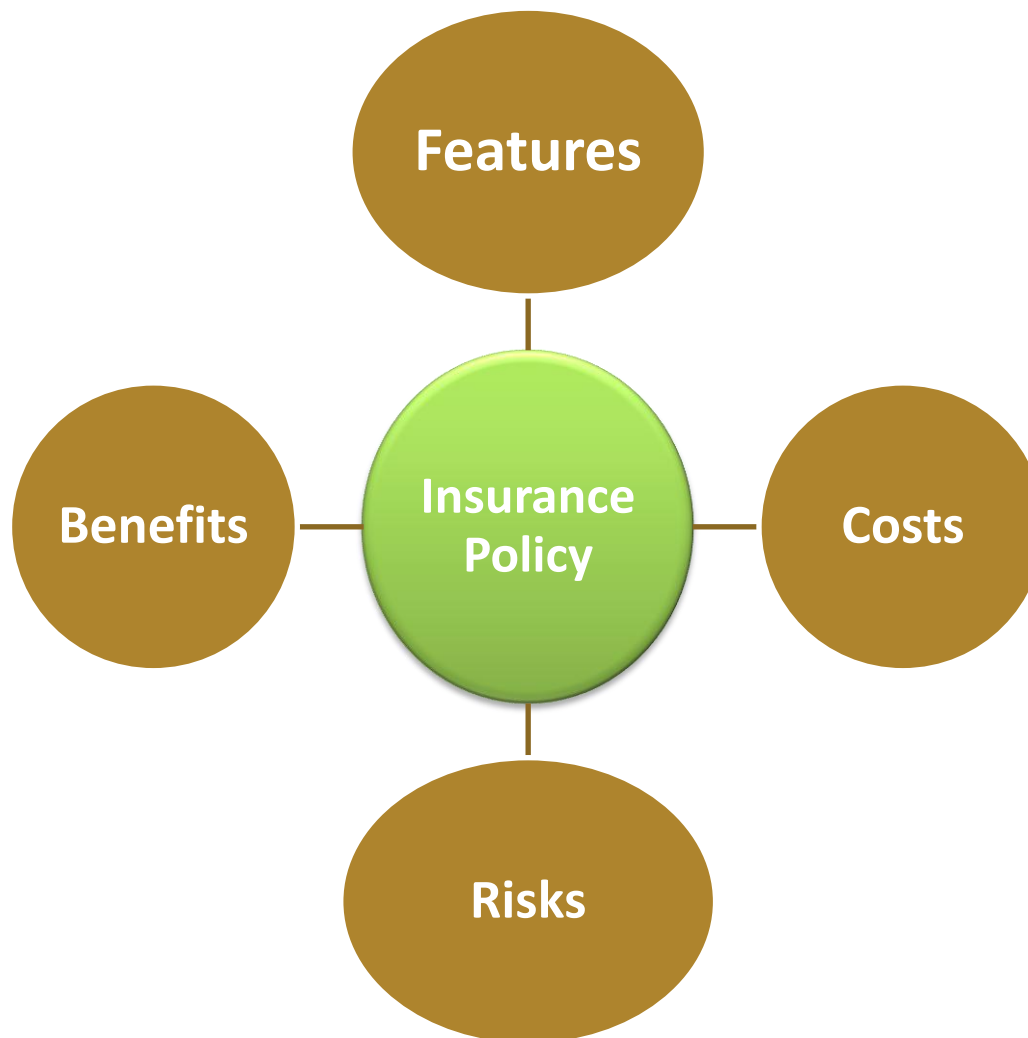
TCF....understanding

**TCF ensures customers fully
understand the**

- **features**
- **benefits**
- **risks and**
- **costs of**

the insurance products they buy.

TCF promotes customers awareness



TCF Outcomes/Principles.

Outcome 1. TCF culture.

Outcome 2. Products design and services

Outcome 3. Clear information

.

Outcome 4. Advice to customers

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Outcome 5. Products & Services perform as promised.

Outcome 6. Claims & Complaints handling

Outcome 1-Culture

Customers are confident that they are dealing with firms where TCF is central to the firms culture

TCF is everyone's responsibility; board, management, staff, intermediaries, service providers

Culture; simply put is how we do things around here.

Culture has to do with; values, rules, standards and principles that guide our actions in day to day lives

Adherence to professional code of ethics also influence culture

Culture -Core Ethical Values

1.Responsibility

- Reliable and trustworthy
- No blame shifting
- Considering consequences and accepting responsibility for action or inaction.
- Our actions do have effects on clients, health & wealth

2.Integrity

- Sound moral principles
- Risking anything for the sake of being honest
- Concealment whether intentional or negligent
- Fraud
- Failure to remit insurance premiums

Culture -Core Ethical Values

3. Due Care

- Considerate, kind, sharing
- Not being manipulative
- Misleading terms
- Deceptive sales practices, disclosures on identity product, company

4. Selflessness

- Service to others
- Serving others' best interest

5. Courageous

Stand for what you believe in

Responsibility for action/inaction

Culture -Core Ethical Values

6.Excellence

- Being the best
- Opposite of excellence is mediocrity
- Quality of service
- Outstanding

The purpose of a business
is to create a
customer who
creates
customers.

(Shiv Singh)
POSITIVEMOTIVATION.net

Outcome 2- Product Design

Product and services marketed and sold are designed to meet the needs of identified customer groups .

- **Suitability of information for specific consumer groups.**
- **The cost, benefits and limitations of product**
- **Restrict sale to the identified customer groups**
- **Where personal recommendation is made, it should be in the best interest of the customer.**

Outcome 3- Clarity of Information

Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.

▪ *Etiquette*

Approach, Appearance, Respect, politeness, courtesy

- **Assess the clarity, appropriateness and fairness of product information provided to customers.**
- **Every agent should conduct himself in a way that improves customer situation**
- **Misleading, unclear, untruthful information amount to mis-selling**
- **Maintain accurate, retrievable and secure records of all information you have provided to customers or any other material interaction**
- **After sales follow up, KYC**
- **Confidentiality**

Outcome 4- Customer Advice

Where customers receive advice, the advice is suitable and takes account of their circumstances.

- **Appropriate skills and competence**
- **Seek to understand before you are understood**
- **Adequate training on the specific products**
- **Feedback in relation to any aspects of products or services which inhibit your ability to provide suitable advice.**
- **Insurers terms not any other, Any material changes or variations to in the contract**
- **Consequences of early termination, lapse of policies**
- **Formal as opposed to informal/casual correspondence**

Outcome 5- Meeting Expectation

Customers are provided with products that perform as we have led them to expect

- **Clear service standards processes are communicated customers**
- **Keep your word**
- **Help in risk mitigation give precautionary advise to customers**
- **Have a win-win attitude. When client wins, I win and my company wins by having sustainable business**

Outcome 6- Post Sale Service and Follow-up

Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.

- **Facilitation of documentation**
- **Inform customers of how to submit a claim and what information will be required to process the claim.**
- **Importance of fair and complete disclosure of facts and consequences of such non disclosure**
- **Efficient communication of insurers decision**
- **Reliable contact physical, mobile and email contacts**
- **Inform customers of how to submit complaints and take action to eliminate the root cause.**
- **Value addition**

Desired TCF outcomes.

Immediate outcomes :

TCF culture,
Clear information,
Promise

Product design ,
Advice
Claims & complaints.

Intermediate outcomes

Improved customer confidence,
Appropriate products and services,
Enhanced transparency and discipline.

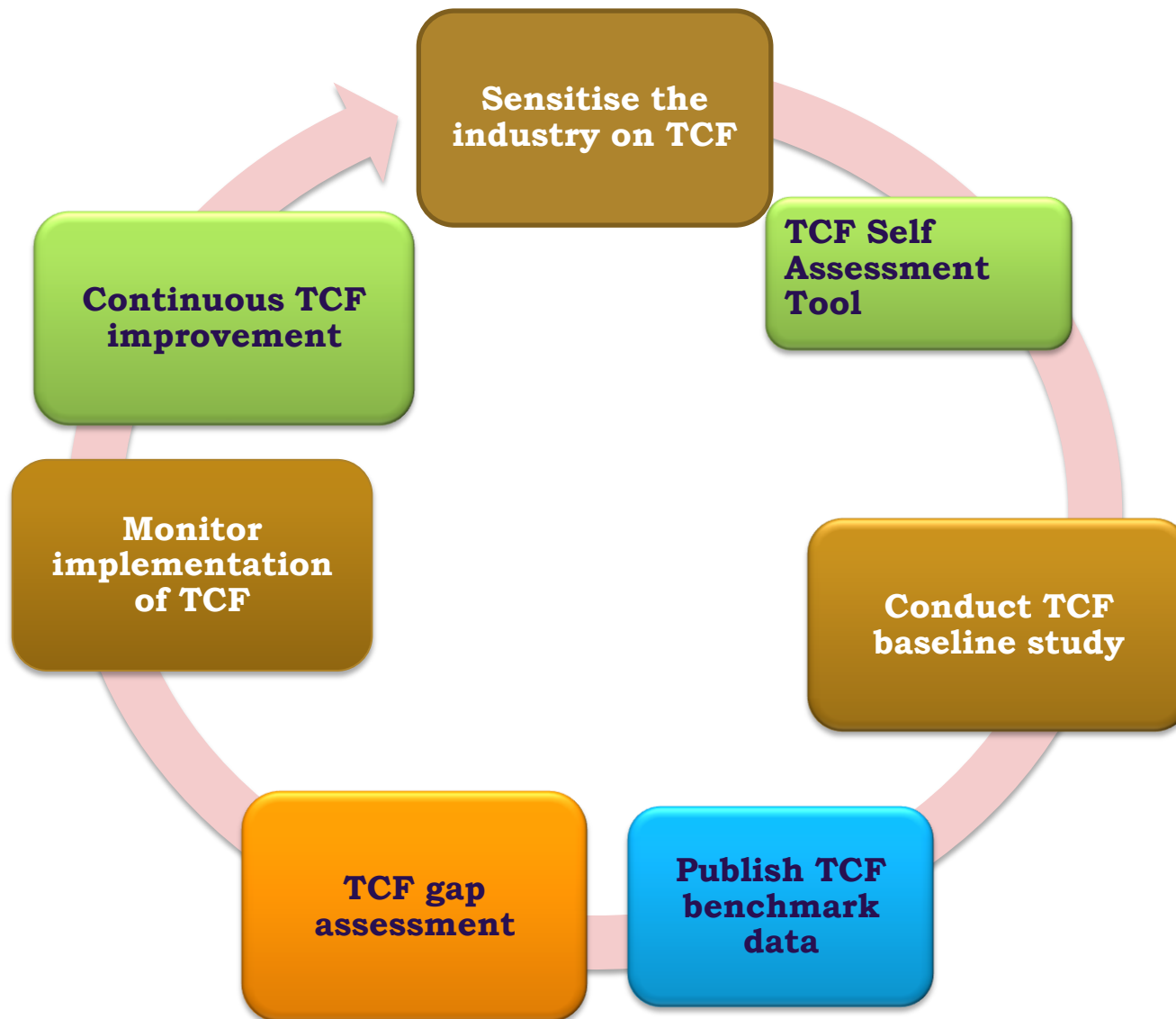
Final outcome

Sustainable industry where customer financial
services are met.

What you should do

- **Think about TCF in the context of day to day business.**
- **Think of this golden rule; “Treat others the way you would want to be treated”**
- **Platinum rule; “Treat others the way they would like to be treated”**
Striving to meet customer’s need
- **Consider developing code of ethics for agents incorporating reward and deterrence mechanisms**
- **TCF is a journey. Continuous training/learning thus continuous improvement**

TCF – the Roadmap



Code of Ethics for the Million Dollar Round Table



- Eligibility is pegged on meeting certain production and persistence objectives over the course of the year
- Members of the Million Dollar Round Table should always be mindful of complete **compliance** with and **observance** of the **Code of Ethics** of the Million Dollar Round Table shall serve to **promote the highest quality standards** of membership. These standards will be beneficial to the public and the life insurance industry, and its related financial products. Therefore, **members and provisional applicants** shall:
 1. Always place the best interests of their clients above their own direct or indirect interests.
 2. Maintain the highest standards of professional competence and give the best possible advice to clients by seeking to maintain and improve professional knowledge, skills, & competence.
 3. Hold in the strictest confidence, and consider as privileged, all business and personal information pertaining to their clients' affairs.

4. Make full and adequate disclosures of all facts necessary to enable their clients to make informed decisions.
5. Maintain personal conduct which will reflect favorably on the life insurance industry and the Million Dollar Round Table.
6. Determine that any replacement of a life insurance or financial product must be beneficial for the client.
7. Abide by and conform to all provisions of the laws and regulations in the jurisdictions in which they do business.

1991 Million Dollar Round Table

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Conclusion



Q & A



Thank You!



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