

One-Minute Guide - EIOPA Guidelines on Complaints-Handling by Insurance Intermediaries

EIOPA's Guidelines on Complaints-Handling by Insurance Intermediaries¹ ("the Guidelines") apply to the authorities competent in your Member State for supervising complaints-handling by insurance intermediaries. This Guide² provides a summary of what the Guidelines mean for all insurance intermediaries, but with a particular focus on ensuring a proportionate approach towards small insurance intermediaries, especially sole traders³.

What do the Guidelines cover?

The Guidelines cover the minimum processes insurance intermediaries should have in place to deal with complainants fairly. The Guidelines cover:

1. Complaints management policy;
2. Complaints management function;
3. Registration;
4. Reporting;
5. Internal follow-up of complaints-handling;
6. Provision of information;
7. Procedures for responding to complaints.

Will national authorities apply the Guidelines to all insurance intermediaries in the same way?

National authorities should take a proportionate approach when applying these Guidelines; that means they need to take into account the nature and size of insurance intermediaries and whether insurance mediation is their principal professional activity or a secondary activity. These

¹ EIOPA-BoS-13/164 Guidelines on Complaints-Handling by Insurance Intermediaries of 27 November 2013

² N.B. This document is intended as an illustrative guide only; it is not a legal instrument and does not override or repeal existing legal instruments adopted by EIOPA. It does not constitute legal or other professional advice. Specific advice should be sought about your individual circumstances.

³ "Sole Trader", in this context, is a person who runs a business by himself/herself.

Guidelines should be read together with the Best Practices Report⁴, which provides concrete examples.

Where an insurance intermediary (for example, a tied insurance intermediary) receives a complaint in relation to a matter which is the responsibility of another insurer or bank, the insurance intermediary should direct the complaint to the responsible insurer or bank, which should then handle the complaint⁵. The Best Practices Report explains what is expected from the insurance intermediary in such a situation.

What is a complaints management policy?

We would expect insurance intermediaries to have regard to:

- the minimum standards set down in national legislation and the Guidelines; and
- the size and nature of their business.

How should a complaints management function be implemented?

The key aim is to ensure that there are organisational arrangements in place that enable complaints to be investigated fairly and allow, for insurance intermediaries which are not sole traders, possible conflicts of interest to be mitigated. The complaints management function can be exercised by a single senior individual for small intermediaries. In the case of sole traders, it will often be exercised by the intermediary himself.

What is meant by registration of complaints?

Insurance intermediaries should register complaints internally in the manner that seems best suited to the volume of complaints they receive. This could be done electronically and must be secure.

How should insurance intermediaries report on complaints?

Insurance intermediaries will need to be in a position to provide complaints data on the complaints they receive to their national authorities and/or their national ombudsman. This could happen during an on-site inspection or when they receive specific requests from their national authority. What data needs to be reported and when, will be set out by their national authority.

⁴ EIOPA-BoS-13/171 Report on Best Practices by Insurance Intermediaries in handling complaints of 27 November 2013

⁵ The complaint would then be handled in accordance with the rules applicable to the insurance undertaking under EIOPA's Guidelines on complaints-handling by insurance undertakings. See EIOPA-BoS-2/069 Guidelines on Complaints-Handling by Insurance Undertakings of 14 June 2012 and EIOPA-BoS-12/091 and One-Minute Guide on EIOPA Guidelines on Complaints-Handling by Insurance Undertakings of 28 September 2012

What does internal follow-up of complaints-handling mean?

We would expect all insurance intermediaries including sole traders to have in place on-going processes to:

- analyse the causes of different types of complaints;
- consider whether these causes affect other products or processes; and
- correct these causes, where reasonable to do so.

What information should be provided to complainants and how?

Written information on the complaints-handling process should:

- be provided either on request or on acknowledgement of a complaint;
- be published in an easily accessible manner; and
- set out how to complain and the processes the insurance intermediary has in place for dealing with a complaint.

The written information could, for example, be on the insurance intermediary's website, but could also be as a brochure, pamphlet or in the contract. It must be clear, accurate and up to date.

What should a response encompass?

When investigating a complaint, the insurance intermediary should, irrespective of its size:

- gather and investigate all relevant evidence;
- communicate in plain language, which is clearly understood;
- provide a response without unnecessary delay or at least within the time limits set at national level; and, if this is not possible, inform the complainant about the causes of delay and set out when the investigation is likely to be completed;
- in the intermediary's final response, set out its position and the complainant's option to maintain the complaint (e.g. by referring to an ombudsman, other alternative dispute resolution mechanism etc.);
- the final response should be in writing, where national rules require it.