

OFFICE OF THE CONTROLLER OF INSURANCE
COI DIRECTIVE NO.4

On Complaints Management of Insurance Companies and Insurance Intermediaries licensed
in Solomon Islands

Applicability

1. This Directive is issued pursuant to section 4(b)(f) and section 6 of the Insurance Act 1986 (the Act) and is applicable to all insurance companies; and brokers or agents (hereinafter refer to as insurance intermediaries or intermediaries) registered by the Controller of Insurance (COI) to conduct insurance business in Solomon Islands.
2. This Directive is applicable to all insurance companies and insurance intermediaries licensed by the COI and applicable to all complaints received after the issuance of this directive.

Objective

3. The objective of the Directive is to ensure that insurers and intermediaries have in place an effective and efficient complaints management mechanism whereby customer complaints are promptly investigated and resolved in a satisfactory manner.
4. This Directive allows the customers of the insurers and/or insurance intermediaries to lodge complaints in writing, or in person, or verbally, either as an individual or a party, or through an authorized representative, in relation to the services it provides, or fail to provide including the possible unfair or unreasonable conduct by the insurer and/or intermediaries.

Definitions

5. As used in this Directive the following terms, unless otherwise clearly indicated by the context, have the meanings specified below.

“Authorized Representative” – any person or entity appointed by the complaint to act on his and/or her behalf in raising complain to or against either an insurer and/or a broker.

“Branch” – any established insurance facility or financial center apart from the head office where an insurer or an intermediary offers a wide range of insurance products and services to its customers in the Solomon Islands.

“Head Office” – For domestic Insurers, it refers to the head office established in the Solomon Islands. For foreign Insurers, it refers to the main office branch established in Solomon Islands.

“Insurance Intermediaries or intermediaries” – Means a broker or agent licensed under the Act to intermediate insurance business contracts between a customer and insurer for or in expectation of payment by way of commission, allowance, fees, return or otherwise

“Principal officer” - means a managing director, manager or secretary resident in Solomon Islands of an insurer or broker or agent, or such other person resident in Solomon Islands as may be approved by the Controller.

Minimum Complaints Management Requirement

6. The Board of Directors, Senior management or the principal officer of insurers or insurance intermediaries; or its proxy, shall put in place complaints management process, policies and procedures. They must also ensure that complaints management function is subject to periodic internal audit or review.
7. Existing resources shall be utilised to ensure that customer complaints received are attended to in an effective manner.
8. A delegation of authority, with assigned responsibilities for complaints handling staff, shall be adopted by the Insurers or the intermediaries.
9. Licensed insurers and insurance intermediaries shall ensure that their complaints handling staff are adequately equipped and trained to properly conduct their role. All staff should be well versed with the complaints handling process, including the approved complaints handling policies and procedures.
10. Insurers and intermediaries must conduct awareness of their complaint's management function.
11. Reasonable measures should be undertaken to ensure that staffs investigating complaints are not subjected to conflict of interest while dealing with the complaints.
12. Information submitted by the complainants should be used in addressing the complaint only and should not be disclosed to any third party except for CBSI as the regulator for the insurance industry, unless the complainant consents.
13. Insurers and insurance intermediaries must keep a Complaints Register to record details of complaints such as the date a complaint was received and resolved; name and contact details of the complainant or authorised representative; name of staff(s) handling the complaint; brief description of the complaint, its progress and the outcome.
14. A summarised report on all complaints handled must be submitted six-monthly to the Board of Directors, Senior Management or principal officer and the COI within twenty-one working days from the end of each six-month.

Operational Procedures for Complaints Management

15. All insurers and insurance intermediaries licensed to carry out insurance business in Solomon Islands shall accept complaints from customers, or authorised representatives in writing, in person, verbally, or through other reasonable means, and acknowledge in writing as soon as practicable but not exceeding seven working days.
16. Insurers and insurance intermediaries shall utilize existing resources to ensure that customer complaints handling process is well publicised to interested parties via their website, brochures or posters.
17. Every reasonable effort should be made to resolve complaints as soon as practicable but not exceeding thirty (30) working days from the date the complaint is received except if legal proceedings are required. Where a complainant is dissatisfied with the outcome or the manner in which a complaint was handled, the Insurer or insurance intermediary must advise him/her of internal and/or external review options.
18. For complaints that:
 - a. are resolved, the decision must be conveyed to the complainant as soon as practicable.
 - b. cannot be resolved; the complainant must be advised of the same with reasons.
 - c. require legal proceedings, relevant parties must be informed accordingly.
 - d. the COI refers to an Insurer, an appropriate response must be provided as soon as practicable but not exceeding thirty (30) working days.
 - e. Insurers or intermediaries shall require complainants to submit complete documentation for the purposes of investigating complaints.
 - f. Insurers or intermediaries must provide an update on the status of a particular complaint when requested by the complainant or the COI.
 - g. Regular internal reporting on the complaints handled must be carried out.

Reporting requirement to the Controller of Insurance

19. Each Insurer and Insurance intermediaries shall submit to the COI no later than thirty (30) calendar days following the end of each calendar quarter, a prudential return, which documents the magnitude and type of complaints being recorded, including actions undertaken to resolve the complaint.
20. Each Insurer or Insurance intermediary must submit to the COI copies of its complaint management policies and procedures; and must forthwith notify the COI as and when a modification or revision is done to the policies and/or procedures.
21. Where a modification or revision is done on the complaint management policies and/or procedure, the insurer or intermediary shall furnish to the COI copies of the revised complaint management policy or procedure for his records.

22. The COI will assess the Insurers compliance with this Policy on the Minimum Guidelines on Complaints Management through prudential consultations, including on-site examination and off-site supervision.

Enforcement and Corrective Measures

23. An Insurance company or Insurance intermediary, which fails to comply with the requirements contained in this directive or to submit reports to the COI, which are materially inaccurate, will be considered in breach of this directive therefore, may be subject to a monetary penalty.
24. The COI may pursue any or all corrective measures as provided in section 6(4) or shall cause an investigation under section 9 of the Insurances Act 1986 to enforce the provisions of this Directive.
25. Furthermore, if registered complaints are deemed serious or a risk to financial sector stability, the COI will intervene and take corrective measures to resolve these complaints.

Effective Date

The effective date of this Directive is August 1st 2021.

Issued this 15th day of July 2021.

