

New Zealand Fair Conduct Programme Summary

January 2025

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MS Amlin views the good treatment of all of our customers as absolutely paramount and adopts a higher level of oversight across all of our higher risk consumer business. We have a comprehensive framework consisting of policies, processes, systems and controls that are designed to ensure good customer outcomes.

MS Amlin has designed and adopted a fair conduct programme that allows oversight across the requirements of the fair conduct principle introduced by the Financial Markets (Conduct of Institutions) Amendment Act 2022, including:

- A corporate strategy aligned to the delivery of good customer outcomes throughout the product lifecycle now and in the future.
- A risk culture that provides a baseline for good customer outcomes being achieved through our corporate value statements such as Client Understanding, Probity and Kaizen.
- Defined accountabilities at Board, Executive and Business levels supported by Head of Conduct with cross cutting responsibilities and holistic oversight through the Conduct Committee reporting to Board Committees.
- Direct interventions to address any potential foreseeable harm including root cause analysis to support immediate actions or a broader pre-emptive action where appropriate.
- Continual maturing conduct and consumer focused framework and MI.
- Embedded plans to ensure good customer outcomes and the identification of foreseeable harm within day-to-day processes and oversight.

The MS Amlin value of Client Understanding aligns closely with the New Zealand Fair Conduct Principle's emphasis on delivering positive outcomes by understanding our customers' vulnerabilities and supporting their needs. Where these vulnerabilities are identified, all reasonable adjustments are made to ensure we support our customer in achieving good outcomes.

Coverholder Onboarding Process

We conduct enhanced due diligence on our coverholders, in advance of the arrangement going live to ensure that delivery of good customer outcomes is central to their business strategy. All coverholders will be required to evidence their implementation plans and confirm that they are able to meet the requirements of the New Zealand Fair Conduct Principle, including the appropriate website requirements and provision of MI to MS Amlin.

Distribution

As part of MS Amlin's product governance process, we evaluate each product's distribution strategy to ensure that it is appropriate for its target market. This includes an assessment of how many parties are in the distribution chain and the role that they play in servicing the product and getting it to market. All of our retail business in New Zealand is written via coverholders, who are subject to routine audits and BAU oversight via our Delegated Authority and Conduct Committees. Should audit outcomes, regulatory monitored MI, complaint root cause analysis or claim declinature data indicate increased risk to good customer outcomes, action is taken with a view to target the initial driver and assess for any further threat across our consumer focused portfolio.

Product Governance

MS Amlin undertakes annual reviews of all of its products to determine whether they are responding in a manner that is consistent with our expectations, and the expectations of our customers. These reviews are supported by a suite of MI linked to intended customer outcomes and an assessment of whether the products are being sold to the correct target market. This includes a review of customers' sophistication, demands, needs and vulnerabilities. This process also involves completion of a fair value assessment, where we determine whether we are satisfied that the product and its distribution chain represents good value for our customers.

Customer Touchpoints

All customer touchpoints are reviewed for alignment to MS Amlin's ethos prioritising good customer outcomes and customer understanding. Emphasis is placed on communicating with customers in a timely, clear, concise and effective manner.

Alignment is assessed and monitored through coverholder reviews and deep dive analysis of their documentation, including recordings of sales presentations and mystery shopper transactions.

We continuously monitor claims, declinatures, complaints, and cancellations to ensure customers are not facing post-sale barriers. We ensure clarity on how to make a claim, submit a complaint, and change or cancel policies. KPIs measure claim performance, including communication and response times, to align with our culture of prioritising good customer outcomes.

Quality assurance is undertaken on claims with a minimum of five claims per month related to customer outcomes being reviewed. This forms part of the wider Claims Monthly Quality Assurance JSOX control which has been enhanced to capture vulnerable customers and customer oversight. With the very low volumes being received in house this is deemed to be a reasonable sample, however this will continue to be reviewed as our portfolio develops.

All systems of record have been updated to enable staff to flag vulnerable customers, supported by an updated Vulnerable Customer Policy and targeted training to customer facing staff.

Complaints

MS Amlin fully complies with the New Zealand Lloyd's 2 stage complaint handling and monitoring process. Information on who to contact in order to make a complaint is contained in the consumer's policy wording. Once a complaint is received, the aim is for it to be resolved within 10 business days, Where this is not possible the complainant is contacted to agree a reasonable timeframe for the review to be completed. If the complainant remains unhappy with the response to their complaint, they can request an for an independent review to be carried out by Lloyd's.

An enhanced proportionate level of due diligence is conducted together with expectations of reporting from coverholders or third party administrators at the onboarding stage and during the product lifecycle to ensure appropriate alignment, delivery of service leading to fair outcomes, and reporting of complaints.

Due to the low level of complaints received, a full root cause analysis is currently undertaken on every complaint. Learning outcomes are recorded and fed back to all relevant teams, with any trends highlighted and remedial action undertaken with reporting into the Conduct Committee.

Management Information

We have developed a series of metrics to enable timely identification and intervention of risks to good customer outcomes and foreseeable harm statements across the dimensions of transparency, benefits, cover, costs, and servicing of the product. This allows us to proactively intervene, investigate and address issues and root causes in a timely manner. We are continuing to enhance and mature this data and it is starting to provide us with actionable insights.

Training

We implement training and awareness programmes for our sales and support teams, distribution partners and service providers. Employees are required to undertake relevant training which includes case studies and role-specific scenarios so they are aware of their obligations in achieving good customer outcomes. Allocation and completion of the training is monitored.

Governance & Assurance

Committee Oversight

MS Amlin has a Conduct Committee that reports into the Risk & Solvency Committee, a board sub committee. Membership includes representatives across First, Second and Third Lines. This ensures the right people, with the right authority are overseeing escalations and remediations. The Conduct Committee has an escalation route to the Board's Risk & Solvency Committee and Underwriting Committees. It meets and receives reporting quarterly. Operational coverholder performance is monitored via MS Amlin's Delegated Authority Committee, who are empowered to approve, amend or cancel any delegated arrangements.

Consumer Duty Champion

The Consumer Duty Champion – Jo Hine chairs our Risk & Solvency Committee. Her role includes overseeing MS Amlin's approach to maintaining the expectations of consumer regulation adherence. Natalia Wright (MS Amlin Operations Director) holds the Senior Manager responsibility for Conduct Risk and also attends the Risk & Solvency Committee, representing the first line view of Conduct Risk.

Second & Third Line Oversight and Independent 3rd Party Assurance

Second line assurance of MS Amlin's substantive compliance has been underpinned by in-flight challenge, collaboration, and monitoring. There has been regular challenge and collaboration with the Conduct Team on MI, design and regulatory alignment. Practical support has been provided with implementation of our conduct risk framework, including participation in product reviews and advising on coverholder onboarding and audit outcomes.

Existing processes have been reviewed and assessed as effective in two external subject matter experts reviews.

Internal Audit is a standing member of the Risk and Solvency Committee and Conduct Committee and therefore involved in the quarterly review of conduct and customer outcome related matters.