CODE OF PRACTICE FOR AGENTS

APPENDIX D OF GIARR 2027

General Insurance Association of Singapore
www.gia.org.sg

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1 INTRODUCTION

1.1 This Code shall form part of the General Insurance Agents' Registration Regulations ("GIARR").

1.2 This Code sets out the minimum standards of conduct and the duties required of an Agent in the conduct of an Agent's general business as an Agent representing a Member or Members ("Members") of the General Insurance Association of Singapore ("GIA").

1.3 An Agent shall conduct an Agent's business with the utmost good faith and integrity.

1.4 If a complaint is made by a policyholder to an Agent's Principal concerning an Agent, the Agent shall co-operate fully with the Agent's Principal in its investigation.

1.5 An Agent shall inform any policyholder who is not satisfied with the Agent's services or who wishes to file a complaint against the Agent that the policyholder may do so by writing to the Agent's Principal concerned.

1.6 This Code shall be observed and complied with by all Agents in addition to the provisions of GIARR as may be amended by Agents' Registration Board ("ARB") from time to time.

1.7 Unless otherwise specified in this Code or unless the context otherwise requires, words used in this Code shall have the same meaning as that defined in GIARR.

1.8 This Code including subsequent amendments, alterations and additions shall be observed and complied with by all Agents, Nominee Agents and Trade Specific Agents (TSA). All provisions herein referring to an Agent shall include a reference to a Nominee Agent and TSA, unless the context otherwise requires.

2 GENERAL SALES PRINCIPLES

2.1 An Agent shall:

a) where appropriate make a prior appointment to call. Unsolicited or unarranged calls shall be made at an hour likely to be suitable to the prospective policyholder;

b) identify himself as a general insurance agent registered with the ARB and the name(s) of the Agent's Principal(s) that the Agent represents when the Agent makes contact with a prospective policyholder. An Agent shall explain as soon as possible that the arrangements that the Agent wishes to discuss could include the selling of insurance policies;

c) access the Agent Registration and CPD Management System (ARCM) on their portable electronic device to produce proof of their Agent's license upon request by a prospective policyholder;

d) ensure as far as possible that the policy proposed is suitable to the needs and resources of the prospective policyholder;

e) give advice only on those insurance matters in which the Agent is knowledgeable and shall seek or recommend specialist advice when necessary; and

f) treat all information supplied by a prospective policyholder as completely confidential to the Agent and to the Agent's Principal to which the business is being offered.

2.2 An Agent shall not:

a) make inaccurate or unfair criticisms of any Member;

b) prevent a prospective policyholder from stating material facts to the Agent's Principal or induce a prospective policyholder not to state material facts to the Agent's Principal;

c) induce a prospective policyholder to make a misrepresentation of facts to the Agent's Principal;

d) publish, print or provide misleading statements on marketing materials and websites which suggest that they are underwriting risks offered for insurance rather than distributing insurance products; and

e) use concealed numbers when making outbound calls such as for marketing, servicing, claims or renewals.

3 EXPLANATION OF THE CONTRACT

3.1 An Agent shall:

a) identify the Agent's Principal offering the policy;

b) explain all essential provisions of the cover afforded by the policy or policies which he is recommending so as to ensure as far as possible that a prospective policyholder understands what he is or may be buying;

c) draw attention to all restrictions, exclusions and conditions applicable to the policy;

d) if necessary, obtain from the Agent's Principal specialist advice in relation to items 3.1(b) and 3.1(c) above; and

e) not impose any charge in addition to the premium required by the Agent's Principal, without disclosing the amount and purpose of such charge.

3.2 An Agent shall provide to customers information on costs, including:

a) Payment Before Cover Warranty and its application to a customer's policy;

b) Deadlines for paying their premiums, fees and charges; and

c) Information on payment methods.

3.3 An Agent shall provide to customers an ongoing service to:

a) Promptly answer customers' questions; and

b) Provide help and advice to customers when needed.

3.4 An Agent will inform customers of the following rights and obligations:

a) Obligations to be complied with when a contract is concluded and during its lifetime, as well as the legal consequences of non-compliance;

b) Right to cancel:

i. The existence, duration and conditions relating to the right to cancel (including any free look period); and

ii. Any charges (if any) relating to the early cancellation or switching of a policy should be prominently disclosed;

c) Right to claim benefits:

i. Conditions under which the policyholder can claim, the contact details and procedures to notify and make a claim; and

ii. Information on the Policy Owners' Protection (PPF) Scheme in the case of an insurer not being able to meet its liabilities and any limitations on such a scheme;

d) Right to complain:

i. The insurer's complaints procedures;

ii. The existence of an independent dispute resolution mechanism (FIDReC);

iii. The agent's obligation to acknowledge and respond to customer's complaints within 7 business days from the date of receipt.

<u>The agent should escalate complaints to the Primary Principal if:</u>

a. The issue remains unresolved after the agent's initial response

b. The customer indicates an intention to escalate the matter

c. The complaint is directly traceable to a specific product or process of the Primary Principal; if not, the agent should escalate complaints to the Secondary Principal which the complaint relates to

d. The complaints are about:

   i. Misrepresentation or Mis-selling

   ii. Misconduct or Unethical Behaviour

   iii. Regulatory or Legal Breaches

   iv. Breach of Confidentiality

   v. Serious Service Failures

   vi. Customer Escalation Requests

   vii. Potential Financial or Reputational Risk

   viii. Any issue or concern that the agent deems significant enough to warrant escalation due to its potential impact, severity, or importance to the customer, the business, or the reputation of the insurer or agency

4 DISCLOSURE OF UNDERWRITING INFORMATION

4.1 An Agent shall, in obtaining underwriting information or the completion of the proposal form or any other material:

a) avoid influencing a prospective policyholder and shall make it clear that all the answers or statements given are the prospective policyholder's own responsibility; and

b) ensure that the consequences of non-disclosure and inaccuracies are pointed out to a prospective policyholder.

5 ACCOUNTS AND FINANCIAL ASPECTS

5.1 An Agent shall, if authorised to collect moneys in accordance with the terms of his agency appointment:

a) keep a proper account of all financial transactions with a prospective policyholder which involve the transmission of money in respect of insurance policy;

b) record receipt of all money received in connection with an insurance policy and shall distinguish the premium from any other payment included in the money; and

c) remit any money so collected in strict conformity with the terms and conditions of the Agent's agency appointment and the provisions of GIARR and APPR.

6 DOCUMENTATION

An Agent shall not withhold from a policyholder any written evidence or documentation relating to the contract of insurance.

7 CLAIMS

7.1 If a policyholder informs an Agent of an incident which might give rise to a claim, the Agent shall inform the Agent's Principal concerned without delay and, in any event, within 3 working days and thereafter give prompt advice to the policyholder of the requirements of the Agent's Principal concerned relating to the claim, including the provision, as soon as possible, of information that may be required to establish the nature and extent of the loss. Information received by an Agent from a policyholder shall be passed to the Agent's Principal concerned without delay.

7.2 No indication of acceptance or rejection of a claim or any admission or denial of fact or liability shall be given by an Agent to a policyholder unless expressly authorised or instructed by the Agent's Principal concerned. An Agent shall make clear to a policyholder that all correspondence made pursuant to any investigation by the Agent's Principal concerned and the processing of a claim is strictly on a without prejudice basis.

8 RATES FIXED BY AN AGENT'S PRINCIPAL

With the exception of Agents with binders, all rates of insurance shall be fixed by an Agent's Principal. An Agent shall not quote to a policyholder a rate above or below the rates set out by the Agent's Principal concerned.

9 PUBLICITY

No advertisements and no printed matter concerning an Agent's Principal or its products or services shall be published, circularised or distributed by an Agent unless a copy thereof has first been approved by a duly authorised official of the Agent's Principal concerned.

10 PREMIUM REFUND

For transactions exempted under APPR, an Agent shall, upon the refund of any premium due under a contract of insurance, promptly remit the full refund to the policyholder without any claims, set-off or deduction whatsoever unless a claim, set-off or deduction has been pre-agreed by the policyholder.

11 AGENCY AGREEMENT

No policy shall be sold by an Agent except within the terms of the Agency Agreement entered into between the Agent and the Agent's Principal concerned.

12 SUB-AGENCY, INTRODUCER AND REFERRERS

12.1 An Agent must not enter into any agreement or arrangement for the appointment or engagement of any sub-agent to perform any of the following:

a. Receive proposals for, or issue policies in Singapore

b. Collect or receive premiums on policies in Singapore

c. Arrange contracts of insurance in Singapore

d. Earn a commission or fee that is tied to the value of the premium transacted

e. Provide insurance sales or product advice

12.2 An Agent must not make any payment or share commissions with any persons for introducing or referring customers, regardless of how it is described.

12.3 An Agent must not receive any payment or share commissions with any persons for introducing or referring customers, regardless of how it is described. If an Agent cannot arrange a customer's insurance with their principals, they can refer the customer to another General Insurance Intermediary without receiving any payment.

13 CONFLICTS OF INTEREST

13.1 A conflict of interest is said to occur where an Agent, Nominee Agent or TSA has a personal interest that conflicts or might possibly conflict with his role to provide the best possible advice or service to a customer. This may occur as a result of agency relationship or agent's family or personal relationships with insurer. In circumstances where avoidance of such conflicts of interest may not be practicable, the insurer's Agent, Nominee Agent or TSA should disclose to the customer the conflict of interest arising from the relationship with the insurer, including any material information or facts that may compromise his objectivity, before insurance is arranged.

13.2 Similarly, where a Nominee Agent or a TSA has a personal interest that might conflict to his role of Agent to the Principal and in situations where such conflicts are not practicable, the agent shall disclose to the principal the said conflict of interest and such an obligation is an ongoing one.

14 DISPUTE RESOLUTION, MEDIATION, ARBITRATION OR LEGAL PROCEEDINGS

An Agent shall not (unless the Agent's Principal otherwise agrees in writing) institute or defend or take part in any dispute resolution, mediation, arbitration or legal proceedings in connection with any matter relating to the business of the Principal.