



Complaints & Disputes Policy

Allstate Insurance Pty Ltd
AFS Licence Number 239010
30 May 2025
Version 2.3

Table of Contents

What is a Complaint or a Dispute?	3
Allstate Insurance’s Complaints and Disputes Policy	4
Allstate Insurance Customer Complaints Manager.....	4
Communications	6
Internal Complaints and Dispute Process	7
Staff Guidelines	13
External Dispute Resolution Schemes	15
Record Keeping.....	17
Analysis	19
Reporting	20
Trend Analysis	20
Review.....	21
Reporting to AFCA & ASIC	21
Related Policies	21

Version History

Date	2.0 Replaced	New 2.0	Issues
6 June 2021	NIL	2.0	New Policy
30 October 2023	2.0	2.1	Amended Definition and critical timeframes
28 October 2024	2.1	2.2	MS Amlin Updates
30 May 2025	2.2	2.3	Canopus Update

ALLSTATE INSURANCE PTY LTD COMPLAINTS AND DISPUTES¹ POLICY

As well as being an Allstate Insurance Pty Ltd (**Allstate Insurance**) Licence obligation,² having robust processes and systems for dealing with complaints and disputes is an essential part of good business practice.

These include a fully documented process for handling complaints and disputes and belonging to an external dispute resolution scheme such as the Australian Financial Complaints Authority (**AFCA**).

What is a Complaint or a Dispute?

A **complaint** is an expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.

The following are considered by Allstate Insurance to be complaints.

- a) posts (that meet the definition of 'complaint' set out in RG 271.27) on a social media channel or account owned or controlled by Allstate Insurance that is the subject of the post, where the author is both identifiable and contactable;

Note 1: it is not expected that Allstate Insurance will seek to identify complaints made on third party social media accounts or channels.

Note 2: When responding to a complaint made on social media in accordance with RG 271.32(a), Allstate Insurance must ensure consumer privacy is protected.

Note 3: Representatives of Allstate Insurance must refer complaints made on social media in accordance with RG 271.32

(a) to the Complaints Officer of Allstate Insurance, as they are required to do for complaints they receive through other channels.

(b) complaints about a matter that is the subject of an existing remediation program or about the remediation program itself (e.g. delays, lack of communication);

(c) complaints about the handling of an insurance claim (e.g. excessive delays or unreasonable information requests)

If the complainant is not satisfied with the AFS licensee's offers or conditions, in response to the complaint, it may then become a dispute. Disputes that are not resolved may be referred to an external dispute resolution scheme (**EDR**).

A **dispute** is a complaint which is not satisfied and is pursued by the client.

Allstate Insurance Pty Ltd does not regard complaints as a nuisance or a cost but as an opportunity to obtain feedback from clients about a product or service experience. Use them as a way to assist them to rapidly and inexpensively change

¹ ASIC Regulatory Guide 271 Licensing: Internal and external dispute resolution.

² s912A(1)(g) *Corporations Act 2001* (Cth), Part 11 General Insurance Code of Practice.

products and services, service style and market focus to meet clients' needs, maintain clients' confidence and continuously improve service and relationships with clients.

Allstate Insurance's Complaints and Disputes Policy

Allstate Insurance has a policy, and procedures that demonstrate a commitment to the resolution of client complaints and disputes. The policy and procedures are regularly reviewed to ensure that they are working, relevant and up-to-date.

Allstate Insurance Customer Complaints Manager

Appointment

Allstate Insurance will appoint a person to be responsible for client complaint matters, including:

- + Dealing with and attempting to resolve all client complaints;
- + Managing all complaints and disputes communications with clients;
- + Advising clients of their rights to lodge complaints with AFCA, if they are dissatisfied with the resolution proposed;
- + With the Compliance & Risk Manager, liaising with AFCA;
- + Identifying possible systemic problems that may require procedural changes or staff training; and
- + Referring to client complaints to the product provider and/or AFCA (as appropriate).

A specialist complaints person or an experienced Manager (if properly qualified) may be the appropriate person for this role. The role could be given a suitably customer-friendly title, such as '*Customer Complaints Manager*'. The role may be assigned to the Compliance & Risk Manager, if suitably qualified and the position exists.

A Responsible Manager or the Compliance & Risk Manager will be designated for dealing with AFCA and all disputes.

Back Up

Allstate Insurance will nominate a backup for Customer Complaints Manager if they are not in the office. It is essential that problems be dealt with quickly and efficiently, and it is not acceptable for a delay to arise because the nominated staff member is on leave.

Qualifications

The Allstate Insurance Customer Complaints Manager should have:

- + At least three years' experience so they are able to determine if the person who provided the financial services acted reasonably. They need to be able to

- maintain an objective and impartial view regarding a complaint and not jump to conclusions or be partisan;
- + Knowledge of financial services at least equivalent to Tier 1 of ASIC Regulatory Guide 146 at a minimum;
- + Experience and familiarity with all relevant products offered by the business;
- + A reasonable understanding of financial services law. Ideally, they will have completed some studies in this area so that they are able to determine if the adviser acted in accordance with their obligations;
- + Familiarity with Allstate Insurance's internal administration system and operations and the different responsibilities of each department/staff member;
- + Familiarity with the requirements of the Australian Standard on Complaints Handling (AS ISO 10002-2014) and ASIC Regulatory Guide 271;
- + Familiarity with the requirements of AFCA, the relevant industry Codes and the AFS licensee's internal disputes handling procedure; and
- + Good interpersonal, negotiation and communication skills.

Resources

The Allstate Insurance Customer Complaints Manager will require the following resources:

- + The Allstate Insurance Pty Ltd internal Complaints Policy and Procedures;
- + Coverholders', including Lloyd's Australia, provides Guidance for Managing Agents, Lloyd's Australia Complaints Handling Summary and Lloyd's Australia Complaints Process (**if applicable**);
- + Copies of the AFCA guidelines and relevant industry Codes;
- + Information about and/or access to information about consumer advice bodies and current complaints matters discussed in the financial services industry. These can be obtained from:
 - Legal firms who issue regular newsletters;
 - Consumer advice bureaux, e.g. Fair Trading;
 - Solicitors specialising in financial services and PI Insurance;
 - Seminars conducted by industry bodies; and
 - PI brokers and insurers;
- + A user-friendly complaint handling environment, i.e. low noise level, and interview facilities;
- + Facilities to record and store information on complaints; and
- + Access to all levels of the organisation as required in order to resolve a complaint.

Authority

The Allstate Insurance Customer Complaints Manager will require:

- + Access to senior management whenever needed;

- + Sufficient authority to resolve complaints to an agreed level; and
- + Authority to implement remedial measures, such as retraining.

Authorise the Allstate Insurance Pty Ltd Customer Complaints Manager to offer the complainant a resolution to the complaint. Allstate Insurance Pty Ltd will define the nature and extent of this authority, even though the solution offered might vary depending on circumstances.

Appropriate solutions might include – depending on the circumstances:

- + Apology;
- + A Goodwill gift or token up to a specified value;
- + Waiver of fees or commission;
- + Payment of compensation up to specified amounts;
- + Technical assistance;
- + Provision of information; or
- + Referral.

 **Tip**

Authority does not mean a license to be uncooperative or intimidate complainants. At the other extreme, the Allstate Insurance Customer Complaints Officer should not settle unjustified claims simply to “keep the client happy” or to avoid complaints to AFCA.

Allstate Insurance will include some provision for the cost of potential complaints in its annual budget. The amount will depend on Allstate Insurance’s complaint’s history.

Communications

Information to Clients

Allstate Insurance will provide a summary of its internal complaint’s procedure to all clients when we first deal with the client. This can readily be achieved by including it in the FSG.

Allstate will publish its Complaints and Disputes Policy and the name and contact details of its Customer Complaints Manager on our website.

Lawyers and Insurance

If a complaint is accompanied by a threat of legal action or media publicity, the Allstate Insurance Customer Complaints Manager may need to liaise with the licensee’s internal legal department or external lawyers.

Potential liability issues should be notified to the licensee’s professional indemnity broker or insurer as soon as they become apparent.

Internal Complaints and Dispute Process

To encourage good client service, complaints which cannot be resolved immediately, which require a response as defined before, should be referred immediately by staff to the Allstate Insurance Customer Complaints Manager by way of a copy of the Acknowledgement Form.

The following table defines the process for dealing with and reporting client complaints and disputes, and the time frames within which they should be dealt with. The process has been modified to meet both the AFCA and most Coverholders, incl Lloyd’s Australia requirements.³

The time frames set out here are the maximum advisable. AFS licensees may wish to reduce the time frames for internal purposes to ensure that they comply.

Non-Lloyds Complaints Process

Stage	Action	By Whom	Timeframe
Receive Complaint	Assign to Complaints Officer to handle complaint	Staff member who receives the complaint (if not by email)	Immediately
Acknowledge Complaint	Acknowledge the complaint in writing, advising what is being done and requesting further information, if necessary. Inform the consumer about the options available to them. If the complaint concerns privacy or AML-CTF, notify the Privacy Officer or AML-CTF Officer (if they are not also the Complaints Officer).	Customer Complaints Manager	Within 24 hours initial complaint received

³ For further guidance on the standards available, see the Australian Complaints Handling Standards - AS ISO 10002-2014 published by SAI Global, www.saiglobal.com

Stage	Action	By Whom	Timeframe
Attempt to Resolve Complaint	Attempt to resolve the customer's concern immediately, e.g. if a correction is required to be made to records or a simple apology is sufficient.	Staff member who receives the complaint	Immediately after acknowledging complaint
	Complete the Complaints Register and note the action that was taken.		
If Complaint is not Resolved	Ensure that the complainant has the name, email and direct telephone number details of the "Complaints Officer".	Staff member who receives the complaint	Day after initial complaint received
Investigate Complaint	Investigate the complaint by requesting information from the complainant, reviewing the file and talking to staff and representatives who have relevant knowledge of the matter. (If the Complaints Officer is the subject of the complaint, then an alternate must be appointed.)	Customer Complaints Manager	Commence within 2 days after initial complaint received
	Notify the Manager responsible for handling professional indemnity matters about the complaint.		
Notify PI Insurer	Consider whether the matter could give rise to a claim and whether to notify the professional indemnity insurer and/or seek legal advice (in order to establish privilege for further documents created).	Manager in charge of handling PI matters	Within 2 days after notification
Prioritise Complaints	If you have a number of complaints, prioritise them in order of urgency, having regard to the seriousness of	Customer Complaints Manager	

Stage	Action	By Whom	Timeframe
	the complaint and the potential effect on the consumer.		
Resolve Complaint	<p>When all information is to hand, decide on a final response to the complainant. You must then provide an IDR Response that informs the client of:</p> <ul style="list-style-type: none"> • the final outcome of their complaint at IDR; • their right to take the complaint to AFCA, if they are dissatisfied; and • the AFCA contact details.⁴ <p>If this is not possible within 30 days after receipt of the initial complaint, because the resolution of the individual complaint is complex⁵ or due to circumstances beyond your control,⁶ tell the customer as soon as possible by issuing an IDR delay notification of the reasons for the delay, that they have the right to refer the complaint to AFCA and provide AFCA's contact details.⁷</p> <p>If the dispute is resolved, confirm the final outcome with the consumer in writing by issuing an IDR response.</p>	Customer Complaints Manager	As soon as possible, but within 30 days after initial receipt

⁴ RG 271.71 ASIC Regulatory Guide 271: Internal dispute resolution, September 2021 Where a complaint is satisfactorily resolved by the end of the fifth business day after receipt, there is no need to follow the rest of the Complaints Procedures unless the complainant requests. However details should still be recorded on the Complaints Register.

⁵ RG 271.67 ASIC Regulatory Guide 271: Internal dispute resolution, September 2021 Where a complaint is complex because a complaint is more than 6 years old.

⁶ RG 271.65 ASIC Regulatory Guide 271: Internal dispute resolution, September 2021 Where there are delays from a complainant for medical reasons or you are waiting on third parties to provide information.

⁷ RG 271.66 ASIC Regulatory Guide 271: Internal dispute resolution, September 2021

Stage	Action	By Whom	Timeframe
If Complaint cannot be Resolved	<p>If the complaint cannot be resolved (because you reject or partially reject the complaint) to the satisfaction of the consumer, issue an IDR response that:</p> <ul style="list-style-type: none"> Identifies and addresses the issues raised in the complaint; Sets out the financial firm's findings on material questions of fact and referring to the information that supports those findings; and Providing enough detail for the complainant to understand the basis of the decision and to be fully informed when deciding whether to escalate the matter to AFCA or another forum. 	Customer Complaints Manager	As soon as possible, but within 30 days after initial receipt
Update PI Insurer	If the problem is not resolved, inform your professional indemnity insurer.	Manager in charge of handling PI matters.	As soon as possible
Complainant goes to AFCA	<p>If consumer takes the complaint to AFCA:</p> <p>Respond to AFCA's requests for information;</p> <ul style="list-style-type: none"> Take the action required by AFCA including ceasing enforcement and collections activity; and Seek legal advice, if required. 	Customer Complaints Manager	Within the time required by AFCA

Lloyds Complaints Process

Time	Process Lloyd's operates a two-stage process in Australia.
------	---

	<p>For clarity, the day a complaint is received is known as Day Zero.</p> <p>Accordingly, if counting calendar days, 1 Calendar Day means the calendar day after the complaint is received. Similarly, 1 Business Day means the business day after the complaint is received.</p> <p>Regardless of where in the process the complaint sits, the following timescale applies:</p> <p>Day Zero – Complaint received</p> <p>1 Business Day – Complaint acknowledged, and the complainant provided the name and contact details of the person reviewing the complaint</p> <p>5 Business Days – Managing Agent notifies Lloyd’s of the complaint’s receipt, in accordance with the notification process outlined in the Guidance for Managing Agents</p> <p>10 Business Days – Stage One review due and, if not completed, escalated to Lloyd’s Australia, unless entity reviewing complaint requests extension from Lloyd’s Australia, via IDRAustralia@lloyds.com, and provides update to the complainant; Managing Agent notifies Lloyd’s of the outcome, in accordance with the notification process outlined in the Guidance for Managing Agents within 2 Business Days of the outcome</p> <p>At Least Every 10 Business Days – Entity reviewing complaint provides update to the complainant, unless otherwise agreed</p> <p>By 30 Calendar Days – Final decision due and, if not complete, written update provided to the complainant, including reasons for the delay, right to refer complaint to AFCA and AFCA contact details.</p> <p>Stage One</p> <p>The Managing Agent or their representative, ie Coverholder or DCA, has 10 business days to attempt to resolve the complaint.</p> <p>Within 1 business day, the complaint will be acknowledged and the complainant will be provided the name and contact details of the person reviewing the complaint, using the ‘Acknowledgement Letter Template’.</p> <p>Within 5 business days, the Managing Agent notifies Lloyd’s of the complaint’s receipt, in accordance with the notification process outlined in the Guidance for Managing Agents</p> <p>If the complaint is resolved to the customer’s satisfaction at Stage One, the complainant is provided written confirmation of the outcome, using the ‘Resolution Letter Template’.</p> <p>Managing Agent notifies Lloyd’s of the outcome, in</p>
--	---

	<p>accordance with the notification process outlined in the Guidance for Managing Agents within 2 Business Days of the outcome.</p> <p>NB If the Stage One review resolves the complaint within 5 business days, a letter does not need to be sent to the complainant, unless:</p> <ul style="list-style-type: none"> • The complainant requests it; or • The complaint relates to a claim denial, the value of a claim or financial hardship. <p>If the complainant remains dissatisfied following the outcome of the Stage One review, no decision letter is issued. Instead, the complainant is informed that the matter will be reviewed further by Lloyd's, using the 'Advice of Escalation to Stage 2' template. The complaint is automatically escalated to Stage Two with the completed 'Stage 2 Escalation Template' to Lloyd's Australia IDR. The Managing Agent notifies Lloyd's of the outcome, in accordance with the notification process outlined in the Guidance for Managing Agents within 2 Business Days of the outcome. The complete file is provided to Lloyd's Australia, within 2 business days.</p> <p>If the Stage One review cannot be completed within 10 business days and no extension from Lloyd's is sought, the case is escalated to Lloyd's, using the 'Stage 2 Escalation Template'. The complainant is informed that the matter will be reviewed further by Lloyd's, using the 'Advice of Escalation to Stage 2' template. The Managing Agent notifies Lloyd's of the auto-escalation, in accordance with the notification process outlined in the Guidance for Managing Agents within 2 Business Days of the outcome. The complete file is provided to Lloyd's Australia, within 2 business days.</p> <p>An extension may be sought from Lloyd's Australia, using the 'Review Extension Request' template. If granted, the complainant must be provided an update and then a further updates every 10 business days (unless by explicit agreement), using the '10-Business Day Update'. The '30-Calendar Day Notification' is provided, as necessary.</p> <p>Stage Two Lloyd's Australia will review the complaint within 10 business days.</p> <p>Within 1 business day, the complaint will be acknowledged and the complainant provided the name and contact details of the person reviewing the complaint, using the 'Complaint Acknowledgement (Stage 2)' template.</p> <p>Within 2 business days, the complaint will be recorded.</p> <p>The Stage Two reviewer will provide a written decision, using the 'Final Decision Letter (Stage 2)' template, which will:</p> <ul style="list-style-type: none"> • Detail reasons for the decision • Inform the complainant of the right to refer to AFCA
--	---

	<ul style="list-style-type: none"> • Include AFCA contact details and the timeframe <p>If the Stage Two review cannot be completed within 10 business days, the complainant must be provided an update and then a further updates every 10 business days (unless by explicit agreement), using the '10-Business Day Update' and '30-Calendar Day Notification' templates, as appropriate.</p> <p>Note: Allstate does not hold Lloyd's Complaint handling authority under the Livestock and transit Binder UMRB166723WHC04223.</p> <p>For Farm or Home Liability complaints, please notify the insurer at email AUL.Complaints@msamlin.com</p>
--	---

Staff Guidelines

To encourage good client service, staff should refer complaints which cannot be resolved immediately to the Allstate Insurance Customer Complaints Manager so they can contact the client.

Allstate Insurance encourages staff to regard client complaints as an opportunity to tangibly demonstrate the “value-added by a professional general insurance adviser with a claims processing facility. Also, to ensure that the client feels important and appreciated and to demonstrate Allstate Insurance’s commitment to excellent service and respect for our clients. The objective should be to turn the client’s frustration into satisfaction and appreciation. Also, depending on the complaint, non-action may result in an errors and/or omission claim at a later date.

Training will be provided to all staff and managers on the guidelines below when speaking to a complainant. These include:

- + Listening to what the complainant has to say;
- + Empathising with the complainant, without making admissions;
- + Never blaming the complainant or another person or department in the organisation;
- + If the complainant has poor communication skills, offering them the opportunity to have an interpreter or representative speak on their behalf;
- + Obtaining full relevant facts.⁸ Writing them down and reading them back to the complainant. Asking the necessary questions in a polite and even-handed manner to obtain the most detailed response;
- + Confirming the information received to ensure that it is correct;
- + Attempting to resolve the problem with an explanation or information;
- + Asking the complainant if they are satisfied;

⁸ Part 11 General Insurance Code of Practice

- + If the complaint cannot be resolved immediately, informing the complainant that there is a person in the organisation who is dedicated to resolving client problems and that the matter can be referred to them to see if they can help the client further. We will seek to obtain the client's agreement to this. Informing the client the name of the Allstate Insurance Customer Complaints Manager and that the Allstate Insurance Customer Complaints Manager will contact them within 2 business days;
- + Immediately completing a Client Complaints Form (Claim or non-Claim), and provide it to the Allstate Insurance Customer Complaints Manager, or the back up if not available; and
- + Keeping the complainant informed of the progress of the complaint. Don't wait for them to make contact.

When a client complains, we will encourage and train staff to:

- + Try to remain calm even in the most demanding situations. Help the client maintain control, no matter how angry they are;
- + Treat the client courteously and fairly at all times;
- + Be convincing in their expressions and actions to earn client trust;
- + Listen to the client Be patient if the client communicates poorly. Help them to get their meaning across;
- + Understand when to say "no" and be firm without antagonising the client;
- + Always say "Thank you";
- + Explain why they appreciate the reasons for the complainant calling;
- + Apologise for the mistake;
- + Promise to follow up on the problem immediately;
- + Ask for the necessary information;
- + Correct the mistake promptly;
- + Check client satisfaction; and
- + Prevent future mistakes.

Complaints to Authorised Representatives

The Allstate Insurance's complaints resolution system must also be implemented in our authorised representatives' offices. Allstate Insurance requires authorised representatives to maintain a Complaints Register and report all complaints to the Allstate Insurance Customer Complaints Manager. This Register should be inspected during audits of authorised representatives.

Any offer of settlement should be approved by a Responsible Manager or the Compliance Manager. The authorised representative is acting on behalf of Allstate Insurance and any admission may set a precedent for the whole organisation. This is

also to prevent authorised representatives from offering financial inducements to prevent a complaint being notified to Allstate Insurance.

External Dispute Resolution Schemes

Allstate Insurance deals with retail clients and is therefore, required to be a member of AFCA.

Allstate Insurance will attempt to minimise occasions where complainants seek assistance from AFCA by resolving complaints in a professional and expedient manner, within the authorities, guidelines, and schedules nominated. AFCA requires us to attempt to resolve the complaint with the claimant before it is referred to AFCA. If the client has a fair case, refusing to acknowledge it will only create additional cost and impose on management time.

AFCA rules require Allstate Insurance to accept its decision if it is within the scheme's monetary limits and terms of reference. The customer, on the other hand, is usually not bound by the decision and may further pursue their grievance.

This does not mean that we will submit to all customer demands; just to avoid determination by AFCA. Although there is a cost for all complaints handled by them, an admission merely to avoid this cost could set a precedent for further complaints.

If Allstate Insurance ceases to be a member of AFCA, we are required to notify ASIC in writing within 3 business days the following information:⁹

- + The date your membership ceased with the external dispute resolution body;
- + The reasons your membership ceased (e.g. Allstate Insurance failed to renew our membership or AFCA terminates our membership);

Australian Financial Complaints Authority

AFCA can hear disputes between a financial services provider that is a member of AFCA (or acts on behalf of someone who is a member e.g. a representative) and a person who lodges a complaint (an applicant).¹⁰

Types of Complaints Handled by AFCA – Applicants can include:¹¹

- + An individual (including a trustee or legal personal representative);
- + A small business¹² (whether a sole trader, company, partnership, trust or otherwise);

⁹ AFS Licence condition. Use Form FS20.

¹⁰ Clause 4.2 – AFCA Terms of Reference (Jan 2010) (as amended 1 January 201)

¹¹ Clause A4.1 – AFCA Complaint Resolution Scheme Rules (13 January 2021)

¹² This is defined the same way as a small business for the purposes of the retail client definition in *Corporations Act 2001* (Cth).

- + A club or incorporated association – if the club or incorporated association carries on small business;
- + A body corporate of a strata title or company title building which is wholly occupied for residential or small business purposes;
- + A corporate trustee of a self-managed superannuation fund or a family trust – if the trust carries on small business; or
- + A policyholder of group life or group general insurance policy – if the dispute relates to the payment of benefits under that policy.
- + An uninsured third party claiming against an insured's motor policy (up to AUD\$15,000)

The complaint must relate to¹³ a contract or obligation arising under Australian law and involve:

- + A legal or beneficial interest in a financial product;
- + Provision of a financial service;
- + The following general insurance policies¹⁴ - retail classes of business, residential strata title insurance, small business insurances, and medical indemnity.
- + An entitlement or benefit under a life insurance policy;
- + A guarantee or security for, (or repayment of), financial accommodation;
- + Claims in respect of uninsured motor vehicles; and
- + Financial services provided by mutuels to their customers as agents of third parties.

Small Business means a business employing under 100 people.

In addition, any complaint may be brought to AFCA where the member has agreed with the complainant that the complaint can be referred to AFCA.

Some types of disputes are excluded,¹⁵ including disputes about:

- + **Confidentiality and Privacy** – unless it is part of a broader dispute or relates to the provision of credit, collection of a debt or credit reporting;
- + **Fees, premiums and charges** – unless it relates to non-disclosure, misrepresentation or incorrect application of the fee, premium or charge or concerns a breach of any legal obligation or duty;
- + **Underwriting or actuarial factors** leading to an offer of a life insurance policy on non-standard terms;
- + **Decisions to refuse to insure** – unless the decision was made indiscriminately, maliciously or on the basis of incorrect information;

¹³ Clause B.2.1 – AFCA Complaint Resolution Scheme Rules (13 January 2021)

¹⁴ Clause C.1.4 – AFCA Complaint Resolution Scheme Rules (13 January 2021)

¹⁵ Clause C.1.2 – AFCA Complaint Resolution Scheme Rules (13 January 2021)

- + **The investment performance** of a financial investment – other than as a result of non-disclosure or misrepresentation;
- + **Courts or tribunal matters** – where the dispute has already been dealt with by a court, other tribunal or EDR scheme or the applicant has already commenced legal proceedings; and
- + **Companies (including groups of related companies) with more than 20 employees** – or more than 100 employees for manufacturing groups.

AFCA can also refuse to deal with disputes if there is a more appropriate forum for the dispute or the complaint is frivolous, vexatious or lacks substance.¹⁶

Monetary Limits – AFCA can only deal with complaints where the value of the dispute is less than \$1,000,000.¹⁷

Australian Financial Complaints Authority (AFCA). In addition to the above definition of the complainant, AFCA will additionally consider complaints made against an insurer by another person in relation to property loss caused by the impact of a motor vehicle property (uninsured third-party complaints). The determination of third-party disputes is limited to disputed amounts of AUD\$15,000 or less. For all other matters, the value of the claim in dispute cannot exceed AUD\$1,085,000. The maximum remedy available is AUD\$500,000.

AFCA can award interest, but cannot award punitive, exemplary or aggravated damages. If AFCA considers that the complaint is frivolous or vexatious, it may be dismissed.

Members are bound to abide by AFCA decisions (unless the complainant has exercised other rights of review which result in a different decision).

Record Keeping

Allstate Insurance has established a uniform system for recording all complaints and disputes whether they are resolved within our own internal dispute resolution process and/or referred to AFCA.

The **Allstate Insurance Complaint Management Forms** provides for the recording of the following:

- + A specific reference number for each complaint/dispute to assist identification;
- + Date of complaint;
- + Date of incident that led to complaint;
- + Name of the Complainant;

¹⁶ Clause C.2.2 d) – AFCA Complaint Resolution Scheme Rules (13 January 2021)

¹⁷ Clause C.1.2 e) – AFCA Complaint Resolution Scheme Rules (13 January 2021)

- + Address of Complainant;
- + Name of the Complainant's representative (if applicable);
- + Address of Complainant's representative (if applicable);
- + Method of complaint;
- + Date Acknowledgement issued;
- + Date Stage one response issued;
- + Date notified to Underwriter / Lloyd's;
- + Date referred to Underwriter / Lloyd's;
- + Name of the adviser or staff member who provided services to the complainant;
- + The product or service provided;
- + Customer Type;
- + Policyholder country;
- + A summary of the nature of the complaint/dispute;
- + The root cause of the complaint;
- + Internal resolution;
- + Deadline for implementing internal resolution;
- + Status of internal resolution;
- + The date the problem/implementation of resolution was last checked;
- + Any EDR steps taken;
- + AFCA complaint code;
- + Deadline for external resolution;
- + Status of external resolution;
- + Redress Amount paid;
- + Redress date paid;
- + Grounds for justification;
- + Is it an AFS Licence breach;
- + The severity of breach;
- + Date reported to ASIC; and
- + Whether an Errors & Omissions report has been made.

Lloyd's Annual Reporting Requirements (If Applicable)

Lloyd's Australia and Australian/TPAs including Allstate Insurance Pty Ltd are required to report complaint numbers by class, type and outcome once a year (July/August) as part of their Code obligations the Allstate Insurance Customer Complaints Manager and Compliance & Risk Manager will be responsible for completion of this report.

Client Discussion Notes and Record Keeping

All details and correspondence regarding a client complaint should be filed in the Allstate Insurance Client File including copies discussion notes, client

correspondence, Legal advice received, Complaint Registration Forms, record snapshots for any Coverholder, including Lloyd's International Notification Forms submitted and any PI insurer notifications as well as AFCA notices and correspondence as well as ASIC notifications.

 **Tip**

Take special care to ensure comprehensive discussion notes are made and recorded detailing any discussions regarding complaint matters.

Using this system when recording complaints and disputes will assist to produce the information required if we are selected by AFCA or our PI Insurer for a random audit (see below).

It is important that data is accurately recorded, as this enables EDR schemes to identify industry-wide statistics that can be used to benchmark your performance against the industry average.

Notification of Complaints to Including Lloyd's Australia and HDI

For details of instructions on completing the Coverholder, including Lloyd's & HDI **Complaints Notification Form** refer to Lloyd's Australia and New Zealand Complaints Document, Notification of Complaints to Coverholders including Lloyd's, or the HDI Complaints Notification details.

Templates for Client Complaint Process for Allstate Underwriting

Masters of the working forms are located in the Allstate Insurance Compliance File/Policies & Procedures/Complaints & Disputes Policy

- Complaint Acknowledgement Letter/Email
- Stage 1 IDR Resolution Notification
- Stage 2 IDR Resolution Notification
- Final Complaint Resolution Notification
- Coverholder Notification Template (Coverholders such as Lloyd's/HDI if Applicable)
- Allstate Insurance Pty Ltd Client Complaint Management Forms

Analysis

Allstate Insurance establishes benchmarks and standards for handling complaints and disputes. Benchmarks are vital for the success of a business as, ideally, they will reflect increasingly good standards of operation and client relationships.

At the end of each year, performance against our benchmarks will be reviewed to see how staff have performed against them, how and where they have improved and what requires further attention.

Potential benchmarks may include:

- + The average time is taken to resolve complaints;
- + Categories of a complaint, such as clerical error, poor advice or poor service that are relevant to your business;
- + The proportion of complaints that become disputes;
- + The proportion of disputes resolved in the client's favour;
- + Percentage of complaints successfully resolved without reference to an EDR scheme;
- + The proportion of disputes referred to an EDR scheme;
- + The proportion of disputes resolved by the EDR scheme in the client's favour; and
- + The average cost of resolving disputes.

We will review our benchmarks regularly and adjust them to realistic goals.

Reporting

The Allstate Insurance Pty Ltd Customer Complaints Manager will prepare a summary report, at least quarterly, for the Board and senior management. The report could include an update on the current status of all outstanding complaints, disputes, and claims.

It is very important that systemic issues are identified and the process and measures for minimising recurrence are highlighted. If additional resources, such as staff or technology are required, this should be highlighted for a management decision.

Trend Analysis

By regularly evaluating complaints/disputes data, we will be able to determine the causes of complaints and in particular, whether they have a systemic or recurring problem.

Allstate Insurance may find that we need to take remedial action based on this evaluation, for example:

- + Change organisational practices and procedures;
- + Retrain staff; or
- + Reassess client communications, e.g. FSG's or PDS.

Allstate will provide a copy of any such review to the Management Committee and include it in the papers for the next Board meeting (if appropriate).

Review

While the Allstate Insurance Pty Ltd Customer Complaints Manager will be primarily responsible for dealing with complaints, Allstate Insurance will also:

- + Regularly monitor and evaluate the Allstate Insurance Pty Ltd Customer Complaints Manager's performance – this will be done in conjunction with the statistical review;
- + Report to the Board on the outcome of the evaluation; and
- + Have the complaints handling process independently audited at least annually (this will be done as part of the annual external Compliance Audit).

Reporting to AFCA & ASIC

AFCA collect statistics about the numbers of types of complaints and systemic, persistent or deliberate conduct. They report to ASIC on these matters.¹⁸ At the end of each calendar year, AFCA's Code Compliance Committee makes a random selection of 100 of its members and may conduct an audit to check our compliance with AFCA requirements. Recent audits have revealed serious problems in members' internal dispute resolution systems, including a failure to advise the client about the existence of AFCA.

All licensees in are required to report systemic breaches to ASIC within 5 days of being identified, inadequate attention to Complaints Management which may result in significant client service issues can be considered a reportable situation¹⁹ and would represent a serious risk to Allstate Insurance's ability to retain their Financial Services Licence.

Related Policies

[Allstate Family Violence and Supporting Vulnerable Customers Policy](#)
[Allstate Financial Hardship Policy](#)

¹⁸ Clause A.17.5 AFCA Complaint Resolution Scheme Rules (13 January 2021).

¹⁹ ASIC Regulatory Guide RG 78, Definitions of Significant Breaches