



Launch of the Office of the Financial Services Ombudsman

April 29, 2005



The Operations of the Office of the Financial Services Ombudsman



Background

- OBSO - May 2003
- OFSO - May 2005



Areas covered by OFSO

- Life insurance policies
- Group life and health insurance
- Individual annuity contracts
- Property and casualty insurance
- First party motor insurance and
- Third party property damage claims less than \$25,000 under a motor policy



Areas not covered

- Premium rates
- Actuarial calculations
- Surrender values and investment rates for life insurance policies
- Matters related to marketing practices or unacceptable service
- Third party injury claims arising out of a motor accident
- Third party property damage claims under motor policy over \$25,000



Key Features of Process

Render independent and prompt solution to the complaints using criteria of:

- Overall fairness and equity
- General business principles and best practice in industry
- Industry standards and codes of conduct
- Due regard to existing law and regulations



Other Features

Primarily investigative

Without prejudice

Confidential

No legal rights surrendered



MEDIATION

The FSO can assist in mediating and bringing both parties to a satisfactory solution to the matter.

- At present, there is no legislation
- Purely voluntary
- Agreement reached between the Central Bank and the commercial banks



The Participating Insurance Companies

The Participating Commercial Banks

Jurisdiction



The Process

Resolution by Insurance Company

- Complaint taken to insurance company and settled
- If not settled within 2 months, insurance company advises customer of services of FSO



The Process Cont'd

Procedures of BSO

Stage I - Settlement by Agreement

Stage II - Recommendation by FSO

Stage III - Award by FSO



Settlement by Agreement

- Within 180 days, customer takes case to FSO
Customer fills out form and signs
- FSO contacts commercial bank and gets files
- FSO assesses and mediates
- If agreed, customer signs acceptance form,
sends to insurance company and advises FSO



Recommendation by Ombudsman

- If no agreement, either party requests recommendation.
- FSO gives one month's notice
- Further representation during period
- Customer accepts within one month
- FSO sends acceptance to commercial bank
- Insurance Company has one month to advise FSO if not accepted



Award by Ombudsman

- If no agreement or recommendation accepted, FSO makes an award.
- Not to exceed \$500,000.00
- Award to compensate for direct loss or property damage suffered
- Further representation within 15 days of intention
- If customer accepts, binding on insurance company
- If not accepted, FSO reports to Central Bank



INDEPENDENCE

The FSO reports directly to the Governor of the Central Bank



Other Funding

The recurrent expenditure of the Office is funded by the participating banks and insurance companies proportionately

(as agreed upon by the participating companies)



Cost to the Customers

The cost of using the services
of the office of the FSO is

FREE

to the customers of the participating
financial institutions



CONCLUSION

- FSO provides mediation process to aggrieved customers
- Encourages banks and insurance companies to be diligent
- Protects consumers' contractual rights
- Provides greater transparency, greater consumer confidence and lends greater credibility to financial services



Thank You



Office of the Financial Services Ombudsman

Launches

www.ofso.org.tt