



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

**INFORMATION ABOUT COMPLAINTS AGAINST
INSURANCE UNDERTAKINGS AND VPF
MANAGEMENT COMPANIES**

(January–September 2021)

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1 Protection of rights of insurance and VPF management companies service consumers

Companies against which complaints can be filed

In a procedure prescribed by the Law on Insurance, the Law on Voluntary Pension Funds and Pension Schemes and the decisions governing the procedure for the protection of rights and interests of consumers of these services, the NBS acts upon complaints filed by consumers of services provided by:

- insurance undertakings,
- voluntary pension fund management companies.

What is a complaint?

A complaint is a written statement addressed to an insurance undertaking/VPF management company (hereinafter jointly referred to as “company”) by consumers of their services, expressing their dissatisfaction with services, indicating that their rights or interests have been violated and suggesting that the companies are not observing the laws, other regulations, general terms of business, provisions of a concluded contract or good business practices.

How to file a complaint to a company?

A complaint to a company is filed in writing, by filling in the form on the company’s website, by e-mail, mail or in the company’s business premises.

Deadline for filing a complaint to a company

The deadline for filing a complaint is not prescribed, but it is best for consumers to contact the company as soon as they notice an issue.

Deadline for company reply

An insurance undertaking is required to consider the complaint and reply to the consumer in writing in a clear and understandable way, within 15 days (only exceptionally this deadline may be extended

by further 15 days, but the undertaking must notify the consumer thereof before the expiry of the first deadline).

A VPF management company is required to consider the complaint and reply to the consumer in writing in a clear and understandable way, within 30 days.

The company has to state whether the complaint is founded, and if so, whether the reasons for the complaint have been removed, i.e. it has to commit to eliminating the irregularities and specify in the reply the method and the deadline for doing so.

Complaint procedure is free of charge

Companies may not charge the consumer any fees or any other amount in respect of the costs of complaint handling.

How to file a complaint to the NBS?

If a consumer is dissatisfied with the company’s reply to the complaint or if the reply was not sent within the deadline, the consumer may address the National Bank of Serbia (NBS).

The fastest and easiest way to file a complaint to the NBS is by filling in the appropriate e-form on the website of the NBS: <https://nbs.rs/en/ciljevi-i-funkcije/zastita-korisnika/prigovor/index.html>. In a few steps, this form guides the consumer through all the mandatory information and documents to be submitted, so that the complaint can be handled.

The complaint can also be sent by mail to the following address: National Bank of Serbia, PO Box 712, 11 000 Belgrade.

Mandatory elements of the complaint

Filling in the appropriate e-form on the NBS website, a consumer is guided through all the

necessary elements of a complaint so that the NBS can act upon it.

If the consumer does not wish to fill in the form, the complaint must contain the following:

- information which enables consumer identification (name, surname and address, or business name, head office, registration number, and name and surname of the legal representative for legal entities) and company identification (business name and head office);
- complaint sent to the company;
- reply of the company (if any);
- brief description of the reasons for the complaint, i.e. what is demanded in the complaint;
- other documents based on which the allegations in the complaint can be assessed;
- if submitted by a proxy, the complaint should be accompanied with a special power of attorney in line with the decision governing the complaint procedure.

Deadline for filing a complaint to the NBS

The consumer should file a complaint to the NBS within six months from the receipt of the company's reply or from the expiry of the deadline for the reply.

Cases where the NBS does not consider complaints

In addition to other reasons stipulated in regulations, we particularly emphasise that the NBS may not consider a complaint after the court proceedings had been initiated, i.e. when the subject of the complaint is the subject of the ongoing (or past) dispute. Also, the NBS may not resolve a dispute where the establishment of facts requires presentation of evidence, client/witness hearing, court expert analysis, inspection, etc.

Deadline for the NBS to address complaints

The NBS is required to send a reply to a consumer complaint by no later than three months following the day of its receipt. In more complex cases, the deadline can be extended by three more months at most, but in that case the NBS is required to notify the consumer thereof before the expiry of the first deadline.

NBS complaint procedure is free of charge

The NBS does not charge the consumer any fees or any other amount in respect of the costs of complaint handling. If the consumer hires a lawyer, he will bear the costs himself (when the complaint is founded, too) as the NBS does not set the costs in this procedure.

How to submit a mediation proposal to the NBS?

A dispute between a consumer and a company may be resolved in an out-of-court procedure, i.e. mediation procedure, with the consent of both parties. Mediation by the NBS may be initiated only if court proceedings have not started.

The fastest and easiest way to submit a mediation proposal to the NBS is by filling in the appropriate e-form on the website of the NBS: [https://nbs.rs/en/ciljevi-i-funkcije/zastita-](https://nbs.rs/en/ciljevi-i-funkcije/zastita-korisnika/prigovor/index.html)

[korisnika/prigovor/index.html](https://nbs.rs/en/ciljevi-i-funkcije/zastita-korisnika/prigovor/index.html). In a few steps, this form guides the consumer through all the mandatory information and documents to be submitted, so that the mediation proposal can be addressed. It should be noted that the NBS acts upon mediation proposals immediately.

Mediation proposals can also be sent by mail to the following address: National Bank of Serbia, PO Box 712, 11 000 Belgrade.

Mediation

Mediation may be initiated if court proceedings have not begun and if the consumer had filed a complaint to the company.

Mediation is conducted by NBS staff qualified to act as mediators.

The NBS does not charge any fees for carrying out the mediation procedure, while any costs that may arise during the mediation procedure are borne by the parties (travel and accommodation costs, representation costs, unpaid leave from work, etc.).

Each party may decide to withdraw from the mediation procedure at any stage. The mediation procedure is confidential and urgent.

If parties come to an understanding in the mediation procedure, a written agreement is made. The agreement will have the power of an enforceable document if it contains a statement of the debtor on the acceptance of enforcement following maturity of a certain liability or fulfilment of a certain condition (enforceability clause), as well as signatures of the parties to the agreement and the NBS's confirmation of enforceability.

Advantages of the protection of consumers' rights before the NBS

The procedure for the protection of consumers' rights before the NBS is entirely free of charge, i.e. neither companies nor the NBS may charge any fees or any other amount in respect of the costs of complaint/mediation proposal handling. In addition, consumers have the possibility to resolve a dispute before the NBS without initiating costly court proceedings which last considerably longer.

Complaint handling or mediation procedure by the NBS is not a necessary condition for court proceedings nor is it an obstacle to initiating one.

2 Complaints against insurance undertakings

From 1 January until 30 September 2021, 707 complaints against insurance undertakings were resolved.

2.1 Complaint number and grounds (insurance undertakings)

The highest number of complaints against insurance undertakings received in the period January–September 2021 related to motor third party liability insurance (37.9%) and accident insurance (19.5%).

Chart - Number of complaints by type (Insurance undertakings) (%)

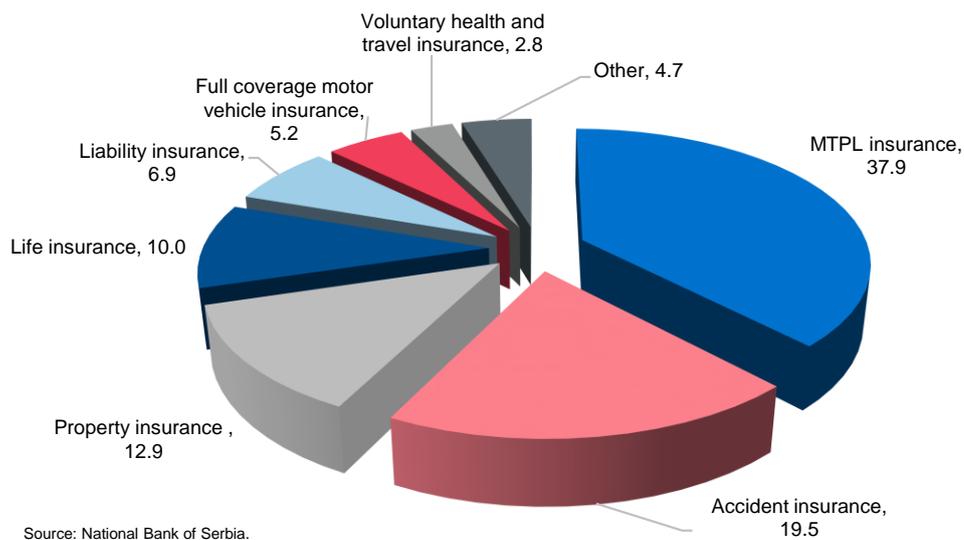


Table - Number of complaints by type (Insurance undertakings)
(1 January - 30 September 2021)

| Type of complaints | Total | In % |
|---------------------------------------|------------|--------------|
| Life insurance | 29 | 4.1 |
| Supplemental life insurance | 33 | 4.7 |
| Other | 8 | 1.1 |
| Annuities insurance | 1 | 0.1 |
| Life insurance | 71 | 10.0 |
| MTPL insurance | 268 | 37.9 |
| Other liability insurance | 5 | 0.7 |
| Voluntary health and travel insurance | 20 | 2.8 |
| Property insurance | 91 | 12.9 |
| Full coverage motor vehicle insurance | 37 | 5.2 |
| Accident insurance | 138 | 19.5 |
| Credit insurance | 4 | 0.6 |
| Liability insurance | 49 | 6.9 |
| Other | 20 | 2.8 |
| Non-life insurance | 632 | 89.4 |
| Other | 4 | 0.6 |
| TOTAL | 707 | 100.0 |

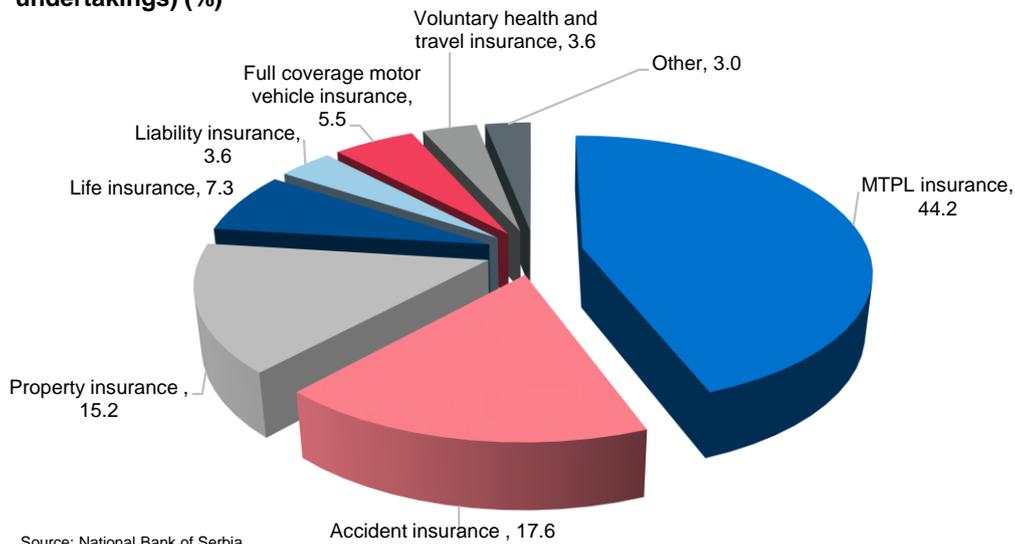
Source: National Bank of Serbia.

Table - Number of complaints by type and outcome (Insurance undertakings)
(1. 1. - 30. 9. 2021)

| Type of complaints | Total | Unfounded complaints | Founded complaints |
|---------------------------------------|------------|----------------------|--------------------|
| Life insurance | 29 | 23 | 6 |
| Supplemental life insurance | 33 | 29 | 4 |
| Other | 8 | 7 | 1 |
| Annuities insurance | 1 | 0 | 1 |
| Life insurance | 71 | 59 | 12 |
| MTPL insurance | 268 | 195 | 73 |
| Other liability insurance | 5 | 5 | 0 |
| Voluntary health and travel insurance | 20 | 14 | 6 |
| Property insurance | 91 | 66 | 25 |
| Full coverage motor vehicle insurance | 37 | 28 | 9 |
| Accident insurance | 138 | 109 | 29 |
| Credit insurance | 4 | 4 | 0 |
| Liability insurance | 49 | 43 | 6 |
| Other | 20 | 15 | 5 |
| Non-life insurance | 632 | 479 | 153 |
| Other | 4 | 4 | 0 |
| TOTAL | 707 | 542 | 165 |

Source: National Bank of Serbia.

Chart - Number of founded complaints by type (Insurance undertakings) (%)



3 Mediation

From 1 January to 30 September 2021, the Department received 80 mediation proposals for the resolution of disputes between consumers and insurance undertakings, and the parties accepted 11.

In the observed period, 43 mediation procedures were conducted to resolve disputable relations between consumers and insurance undertakings.

Table - Number of mediations (banks)
(1 January – 30 September 2021)

| | |
|-----------------------------|-----------|
| In progress | 3 |
| Settlement | 1 |
| Amicable dispute resolution | 1 |
| Suspension | 5 |
| Abandonment | 3 |
| Total | 13 |

Source: National Bank of Serbia.

Of the total number of mediations held (27), four cases ended in settlement between the insurance undertaking and the consumer and four in amicable resolution of the dispute after the mediation by the NBS.

4 Complaints against VPF management companies

In the period observed, two complaints against VPF management companies were resolved.