



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

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

(January–December 2022)

March 2023

Contents:

1. Protection of rights of insurance and VPF management companies service consumers	2
Companies against which complaints can be filed	2
What is a complaint	2
How to file a complaint to a company?	2
How to file a complaint to the NBS?	2
How to file a mediation proposal to the NBS?	3
Advantages of consumer rights protection before the NBS	4
2. Consumer complaints against insurance undertakings	5
2.1. Complaint number and grounds (insurance undertakings)	5
3. Mediation.....	6
4. Consumer complaints against VPF management companies	7

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

Companies against which complaints can be filed

In the procedure prescribed by the Law on Insurance, 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: 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 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 out 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 the company to 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 may this deadline 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.

The 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 in due time, 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 out the appropriate e-form accessed from the NBS's home page by clicking on the link: File a complaint against financial service provider / Mediation proposal. 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

By filling out the appropriate e-form on the NBS website, a consumer is guided through all the

elements which a complaint must contain in order for the NBS to act upon it.

If the consumer submits a complaint in free form, it must contain the following:

- information enabling consumer identification (name, surname and address, or business name, head office, registration number and name and surname of the legal representative for legal persons) and company identification (business name and head office);
- complaint filed to the company;
- company's reply (if any);
- brief description and/or 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 by 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 within six months from the receipt of the reply from the company or from the expiry of the deadline for submitting such 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 submitted after court proceedings had been initiated, i.e. when the subject of the complaint is the subject of an 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 reply to a consumer complaint within no more than three months

following the day of its receipt. In more complex cases, the deadline can be extended by three more months at most, of which the NBS is required to notify the consumer before the expiry of the first deadline.

The procedure in respect of a complaint filed to the NBS 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 a consumer hires a lawyer, he will bear the costs himself (even when the complaint is founded) as the NBS does not decide on the costs in this procedure.

How to file 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 out the appropriate e-form on the NBS home page by clicking on the link: File a complaint against financial service provider / Mediation proposal.

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 procedure

Mediation may be initiated if court proceedings have not begun and if the consumer had previously 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, but any costs that may arise during the mediation procedure will be 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), and signatures of the parties to the agreement and the NBS's confirmation of enforceability.

*Advantages of consumer rights protection before
the NBS*

The procedure for protecting consumers' rights before the NBS is entirely free of charge, i.e. neither the company 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 such proceedings.

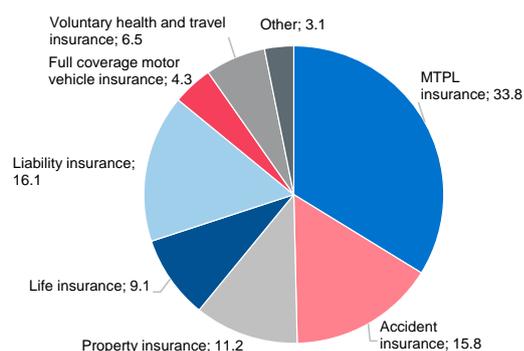
2. Consumer complaints against insurance undertakings

From 1 January until 31 December 2022, 828 complaints against insurance undertakings were resolved.

2.1. Complaint number and grounds (insurance undertakings)

Most complaints against insurance undertakings received in the observed period related to motor third party liability insurance (34%) and liability and accident insurance (16% each).

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



Source: NBS.

Table - Number of complaints by type (Insurance undertakings)
(1 January - 31 December 2022)

Type of complaint	Total	In %
Life insurance	35	4,2
Supplemental life insurance	34	4,1
Other	6	0,7
Annuities insurance	0	0,0
Life insurance	75	9,1
MTPL insurance	280	33,8
Other liability insurance	5	0,6
Voluntary health and travel insurance	54	6,5
Property insurance	93	11,2
Full coverage motor vehicle insurance	36	4,3
Accident insurance	131	15,8
Credit insurance	7	0,8
Liability insurance	133	16,1
Other	10	1,2
Non-life insurance	749	90,5
Other	4	0,5
TOTAL	828	100,0

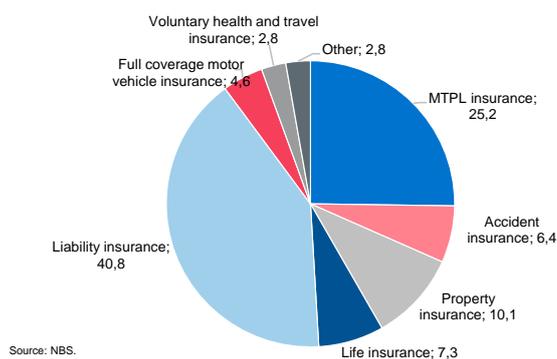
Source: NBS.

Table - Number of complaints by type and outcome (Insurance undertakings) (1 January - 31 December 2022)

Type of complaint	Total	Founded complaints	Unfounded complaints
Life insurance	35	10	25
Supplemental life insurance	34	5	29
Other	6	1	5
Annuities insurance	0	0	0
Life insurance	75	16	59
MTPPL insurance	280	55	225
Other liability insurance	5	0	5
Voluntary health and travel insurance	54	6	48
Property insurance	93	22	71
Full coverage motor vehicle insurance	36	10	26
Accident insurance	131	14	117
Credit insurance	7	3	4
Liability insurance	133	89	44
Other	10	1	9
Non-life insurance	749	200	549
Other	4	2	2
TOTAL	828	218	610

Source: NBS.

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



Source: NBS.

3. Mediation

From 1 January to 31 December 2022, the Department received 122 mediation proposals, and the parties accepted 30.

In the observed period, 44 mediation procedures were conducted.

Of 38 mediations completed, 18 cases ended in settlement between the insurance undertaking and the consumer and seven in amicable resolution of the dispute after mediation by the NBS.

4. Consumer complaints against VPF management companies

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