



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

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

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INTRODUCTION

Pursuant to the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC decision and 44/2018), the National Bank of Serbia, among other tasks, performs activities of the protection of the rights and interests of consumers of services provided by banks, insurance undertakings, financial lessors, voluntary pension fund management companies, payment service providers and e-money issuers, in accordance with law.

The source of data in this Information are the activities of the NBS carried out in the area of protection of consumers of services provided by insurance undertakings and VPF management companies.

Pursuant to the Law on Insurance (RS Official Gazette, Nos 139/2014 and 44/2021), an insurance undertaking, insurance brokerage undertaking, insurance agency undertaking, natural person – entrepreneur who is an insurance agent, as well as a bank, financial lessor and public postal operator that carry on insurance agency activities on the basis of prior approval of the National Bank of Serbia shall ensure the protection of consumers' rights and interests in accordance with the law, while the NBS shall address the complaints of insurance service consumers. Pursuant to the Law on Voluntary Pension Funds and Pension Schemes (RS Official Gazette, Nos 85/2005 and 31/2011), the NBS addresses the complaints of consumers of services provided by VPF management companies.

In order for consumers to learn quickly about the steps of the procedure for the protection of their rights, the first part of the Information presents the procedure for the protection of financial service consumers, starting from filing a complaint to a company, through filing a complaint to the NBS, to submitting a mediation proposal to the NBS, with a brief look at the advantages of consumer rights protection before the NBS.

The second and the fourth part of the Information present data about complaints filed by consumers against insurance undertakings and voluntary pension fund management companies, while the third part of the document presents information about mediation proposals and mediation procedures.

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 the 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 or 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 another 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 a 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 a 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);
- a 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 the presentation of evidence, client/witness hearing, court expert analysis, inspection, etc.

Deadline for the NBS to address complaint

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 the 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?

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 a 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 who possess adequate knowledge and skills.

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.

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 2023, 773 complaints against insurance undertakings were resolved.

Through complaint and mediation procedures conducted by the NBS, a direct financial effect of around RSD 15 mn was generated for consumers.

2.1 Complaint number and grounds (insurance undertakings)

The highest number of complaints against insurance undertakings in the observed period related to motor third party liability insurance (37.1%) and accident insurance (14.2%).

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

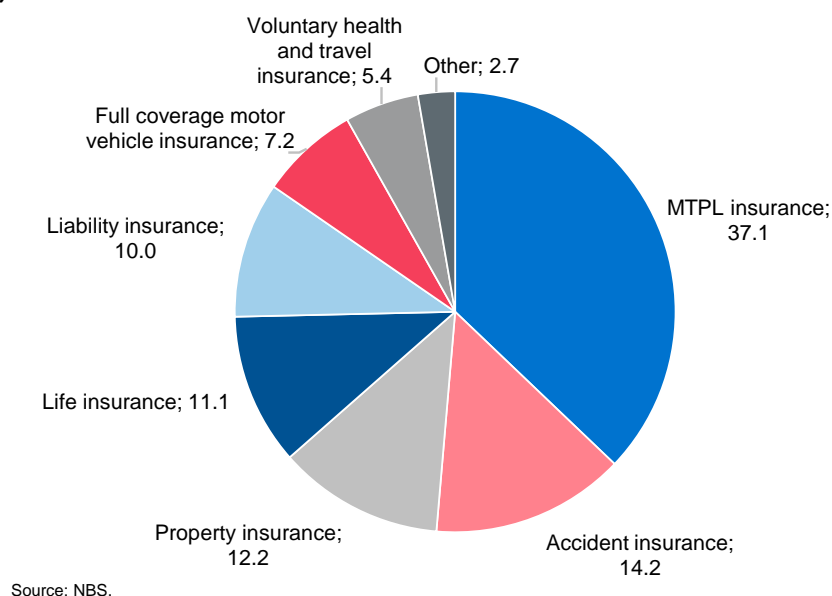


Table – Number of complaints by type (Insurance undertakings)
(1 January - 31 December 2023)

Type of complaints	Total	In %
Life insurance	24	3.1
Supplemental life insurance	44	5.7
Other - life insurance	18	2.3
Annuities insurance	0	0.0
Life insurance	86	11.1
MTPL insurance	287	37.1
Other liability insurance	4	0.5
Voluntary health and travel insurance	42	5.4
Property insurance	94	12.2
Full coverage motor vehicle insurance	56	7.2
Accident insurance	110	14.2
Credit insurance	5	0.6
Liability insurance	77	10.0
Other - non-life insurance	12	1.6
Non-life insurance	687	88.9
Other	0	0.0
TOTAL	773	100.0

Source: NBS.

Table – Number of complaints by type and outcome (Insurance undertakings) (1 January - 31 December 2023)

Type of complaints	Total	Founded complaints	Unfounded complaints
Life insurance	24	5	19
Supplemental life insurance	44	10	34
Other - life insurance	18	6	12
Annuities insurance	0	0	0
Life insurance	86	21	65
MTPL insurance	287	47	240
Other liability insurance	4	0	4
Voluntary health and travel insurance	42	8	34
Property insurance	94	25	69
Full coverage motor vehicle insurance	56	11	45
Accident insurance	110	17	93
Credit insurance	5	1	4
Liability insurance	77	34	43
Other - non-life insurance	12	2	10
Non-life insurance	687	145	542
Other	0	0	0
TOTAL	773	166	607

Source: NBS.

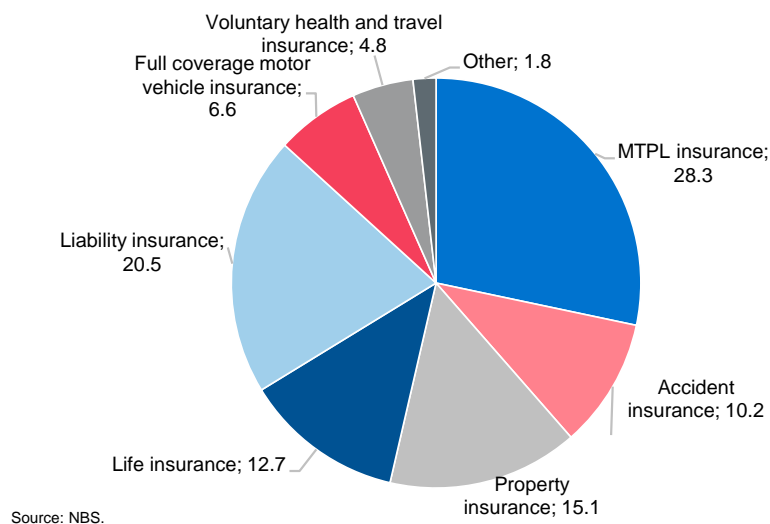
3 Mediation before the NBS

From 1 January to 31 December 2023, the NBS received 110 mediation proposals in relation to insurance undertakings and one in relation to a VPF management company. Of these proposals, the parties accepted 24.

In the observed period, 29 mediation procedures were conducted between consumers and insurance undertakings and one between a consumer and a VPF management company.

Of the 26 closed mediation procedures, nine ended in settlement between the insurance undertaking and the consumer, and one in settlement between the VPF management company and the consumer, while in three cases the insurance undertaking and the consumers reached amicable dispute resolution after the mediation procedure before the NBS.

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



4 Consumer complaints against VPF management companies

Two consumer complaints against VPF management companies (one of them founded) were resolved in the observed period.