Treating Suppliers Fairly Guidelines

General Principle

Suppliers that service the non-life insurance industry, particularly on the insurance claims related services, play an important role in ensuring the industry's ability to deliver to its value proposition to the consumers (policyholder) by rendering services that are credible and of high-quality, in an event of a claim relating to a loss or damage of the insured interest. These are essential services in ensuring the sustainability of the non-life insurance industry.

The purpose of the framework is to achieve high level principles and outcomes that could assist the industry in:

- Being ***transparent*** regarding its processes and procedures with suppliers;
- Applying ***fairness*** when dealing with suppliers;
- Enhancing levels of ***inclusivity*** in its supply chain; and
- Maintaining ***consistency*** in its approach to all suppliers.

SAIA members have various systems, processes and requirements when engaging with service providers. Therefore, the intention of this insert in the Code of Conduct is not to standardize or prescribe how SAIA members should deal with their suppliers, however, is to provide guidelines within which members can develop internal frameworks / policies that promote fair treatment of suppliers servicing the industry.

1. Supplier On-Boarding

1.1. Insurers should apply a reasonable materiality test on information requested for supplier on-boarding and measure its impact on supplier application outcomes.
1.2. Insurers should establish and adhere to reasonable timelines for processing and responding to service providers on their application status.
1.3. When communicating vetting requirements to suppliers, insurers should endeavour to be clear on the intentions for the requirements and communicate how suppliers may be impacted by not meeting the vetting requirements.
1.4. In instances where vetting processes result in negative outcomes, insurers should make efforts to reasonably afford suppliers with opportunities to provide clarification and apply fair consideration on each outcome.
1.5. Whereby specific accreditations are required, insurers should ensure that such requirements are not unfairly exclusionary and consider viable alternatives where appropriate.

2. Preferential Treatment of Suppliers

2.1. In order to promote supplier inclusivity and transformation, insurers may apply preferential treatment towards designated suppliers in line with the insurer's transformation objectives and strategies; guided by the prescribed transformation legislative frameworks.

2.2. Where appropriate, insurers may support designated suppliers in their Enterprise and Supplier Development programmes for the purposes of improving the supplier's ability to meet the insurers' supplier requirements.

3. Service Provider Education on Industry Processes

3.1. To promote fair understanding of the insurer's requirements and contracting for services rendering, insurers should assist suppliers with the interpretation and clarification of its supplier requirements, including assistance through the use of external service providers where appropriate.
3.2. The insurer should provide a platform that promotes engagements on challenges faced by suppliers and allow for the review of the Service Level Agreements, where appropriate.

4. Service Provider Contract Renewal, Cancelation and Suspension Policies and Processes

4.1. Insurers should maintain an up-to-date service provider contract renewal or review policies and processes, that are communicated with suppliers timeously (including at contracting stage and before contract expiry date).
4.2. Service provider contract renewal or review processes should be transparent and applied in a manner that promotes fair treatment of suppliers.
4.3. Insurers should maintain an up-to-date contract cancellation policy and process, that is communicated with suppliers timeously (including at contracting stage and before contract cancelation date).
4.4. Service provider cancellation renewal or review processes should be transparent and applied in a manner that promote fair treatment of suppliers.
4.5. Insurers should maintain up-to-date service provider contract suspension policies and processes, that are communicated with suppliers timeously.
4.6. Service providers should be engaged during the process of suspension, and terms and conditions of the suspension should be clearly communicated to the service provider.
4.7. Insurers should clearly communicate the outcomes of the contract suspension and the steps that can be taken by the service provider to rectify the concerns that resulted to their suspension.

5. Supplier Complaint and Dispute Resolution Mechanisms

5.1. Insurers should create a platform that allows the suppliers to log any complaints relating to their contract, that impacts their ability to deliver the contracted services satisfactorily.
5.2. Insurers should ensure that sufficient dispute resolution processes and mechanisms are in place and are clearly communicated with suppliers timeously.

6. Supplier Audits

6.1. Insurers should ensure that services provider audit processes are well structured, transparent and promote fair treatment of suppliers.
6.2. Insurers should ensure that supplier audits are conducted within a reasonable time and clearly communicate the audit purpose and outcomes with the supplier.

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