

1. GENERAL SCOPE

In the drafting of this policy, International Assurance limited PCC (“IAL”) is acting in accordance with the legal and statutory requirements by which it must abide as a licensed long-term insurance business in Mauritius. In accordance with the a forementioned requirements, and in the interest of its customers, IAL endeavours to market its products and services in an honest, fair, and professional manner. To this end, IAL seeks to prevent and manage conflicts of interest, specifically conflicts of interest that may harm the interests of one or more of its customers when these interests come into conflict with those of a Financial Advisor, those of other customers, of IAL itself, or those of one of IAL’s staff members, who are considered the ‘person concerned’ (see definition below). The purpose of this document is to provide information on the various measures for identifying and managing conflicts of interest that may arise, in accordance with the legal and statutory requirements as established by the laws of Mauritius concerning the insurance industry.

2. DEFINITIONS

For the purposes of this document, the following terms shall mean:

- “Customer”: (depending on the situation) the policyholder, the insured person, or the beneficiary of a contract, whether existing or potential;
- “Advice”: The provision of personalised recommendations to the client by one of its Financial Advisors approved by IAL;
- “Contract”: any contract relating to a product or a service;
- “Persons concerned”: any persons who fall in the following categories: (1) IAL administrators and managers; (2) persons exercising control over IAL; (3) IAL staff members, in as far as they are involved in the provision of the service concerned; (4) persons whose services are at the disposal and under the control of IAL and who work with IAL to provide products or services; (5) persons to whom services are outsourced by IAL;
- “Product”: Any insurance and/or investment product that has been proposed, distributed or marketed by IAL;
- “Service”: any activity carried out (I) either by IAL (II) or by approved Financial Advisors and which consists in one of the following activities: (1) provision of advice with regard to one or more insurance and/or investment contracts; (2) the presenting or proposing of one or more insurance and/or investment contracts; (3) the performing of preparatory work prior to the concluding of one or more insurance and/or insurance contracts; (4) the concluding of one or more insurance and/or investment contracts; (5) any contribution made to the management or the implementation of one or more insurance and/or investment contracts.

3. SCOPE OF APPLICATION

For the purposes of this document, a conflict of interest shall refer to a conflict that may arise at any given time where there are opposed interests between several persons or entities, resulting in a potential loss for the customer. These conflicts of interest can arise between (non-exhaustive list):

- IAL and its customers;
- IAL and its shareholders;
- Between insurers;
- Between customers;
- Between staff members, departments, entities;
- IAL and Financial Advisors.

Classification – the term “conflict of interest” covers:

- potential conflicts of interest that may arise, which are identifiable and manageable;
- potential unmanageable conflicts of interest (that may arise, which can be identified, but which in all likelihood are not manageable);
- non-previously identified conflicts of interest that are likely to arise despite the preventive measures taken;
- conflicts of interest that actually arise, and which are observed, despite the preventive measures taken.

Possible sources – a conflict of interest may stem from: (non-exhaustive list)

- the creation of a product or service;
- the distribution of a product or service;
- a policy or a decision regarding acceptance, or pricing;
- the manner in which a claim is managed;
- the appraisal and settlement of a claim;
- advice given to the client by a Financial Advisor;
- a policy or decision regarding provisioning.

Conflicts of interest that are unrelated to the provision of products or services, or which are of a purely internal nature (such as conflicts of interest between IAL and its employees) are not concerned by this document.

Any reference made to IAL in this document shall also include the persons concerned.

4. CONFLICT OF INTEREST MANAGEMENT

IAL seeks to prevent conflicts of interest from harming the interests of its customers. In this context, IAL seeks to:

- identify potential conflicts of interest;
- develop measures to prevent potential conflicts as well as procedures to manage any conflicts that may arise despite the preventative measures taken;
- inform clients of conflicts of interest that are impossible to prevent or manage;
- notify clients of conflicts of interest that are impossible to manage.
- keep a record of each identified conflict of interest.

Should, despite all of the preventative measures taken, a conflict of interest arise, IAL shall, immediately on becoming aware of the situation, take all the appropriate steps necessary for its resolution which are legally and/or contractually possible.

5. IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST

A central list of potential conflicts of interest is drawn up beforehand and kept on record by the Compliance Officer at IAL.

This list, known as “the list of potential conflicts of interest”, is kept up-to-date in light of any developments concerning:

- the IAL’s structure and the tasks of the operating entities;
- the products and services marketed by IAL;
- and in light of any incidents that may have actually arisen.

For the identification exercise of potential conflicts of interest, IAL initially examines whether one or more generic situations as defined by the law apply, i.e. whether IAL and/or a person concerned:

- is likely to make a financial gain or avoid a financial loss at the expense of the customer;
- has an interest in the outcome of a service provided to the customer or a transaction carried out on behalf of the customer, which is distinct from the customer’s interest in that outcome;
- has a financial or other incentive to favour the interest of another customer or group of customers over the interests of the customer;
- carries on the same activity or the same business as the customer;
- receives or will receive from a person other than the customer an inducement in relation to a service provided to the customer, in the form of money, goods or services, other than the standard commission or fee for that service.

Moreover, to achieve an acceptable degree of certainty that all potential conflicts of interest are duly identified, IAL also checks for other situations likely to concern the conflict of interests, taking account of:

- the nature, the scale and the complexity of the business activities carried out by IAL;
- the specific tasks of IAL’s management or operating entities.

The identification of potential conflicts of interest is ensured by the Compliance Officer. The analysis of conflicts of interest shall be performed in a thorough manner, avoiding the use of general wording or descriptions of the insurance profession or insurance operations.

6. MEASURES AND PROCEDURES

Conflicts of interest are evaluated and analysed for each of the IAL departments.

The central component in the management of conflicts of interest focuses on the prevention process, including the identification of potential conflicts of interest (see above) and adequate training/communication for the staff members concerned.

When deemed necessary depending on the nature of the conflict, other measures shall at least include the following:

- Measures to control or limit the exchange and use of information: to avoid the use or sharing of information within IAL that is likely to give rise to conflicts of interest;
- Measures to prevent the exercising of inappropriate influence: to prohibit or limit the exercising of inappropriate influence by any person on the manner in which a “tied” person carries out an activity or provides a service relating to the insurance profession.
- Organisational arrangements: to ensure that potential conflicts of interest stemming from the structure of IAL are prevented or that the consequences thereof are limited; these arrangements are defined in various documents, such as terms of employment, employment contracts, codes of conduct, and internal policies, etc.;
- Measures to control remunerations and other benefits accorded and received: to prevent that remunerations and other benefits accorded or received by IAL do not bring about any conflict of interests;
- Measures of abstention: to ensure that, when there is no satisfactory solution allowing the interests of the clients concerned to be protected and when notification of the conflict is not opportune, the product or service is not provided and the transaction is not carried out.

The task of developing measures to prevent and to manage conflicts of interest is ensured by the company's Compliance Officer. All measures developed in this respect are subject to approval by the Risk Management Committee of IAL.

7. CUSTOMER NOTIFICATION OF UNMANEAGABLE CONFLICTS OF INTEREST

When it can reasonably be expected that any measures taken to manage a conflict of interest will not be sufficient to protect the customer's interests, the customers concerned shall be informed of the general nature and/or of the sources of the conflict of interest. Information must be communicated prior to the provision of the product or to the implementation of the service with which the risk of conflict of interest is associated. The procedure for notification of unmanageable conflicts of interest must remain the exception and is subject to approval by the Compliance Officer. The aforementioned step is not to substitute for the development of conflict of interest management measures as laid out and required above.

8. RIGOROUS RECORDING OF IDENTIFIED CONFLICTS OF INTEREST

Conflicts of interest that arise and which have been identified must be disclosed by the persons concerned to the line manager and to the Compliance Officer. Disclosed conflicts of interest are then kept on record in the "Central register for conflicts of interest", which is managed and kept up-to-date on a regular basis by the Compliance Officer.

9. ADEQUATE TRAINING OF THE PERSONS CONCERNED

Fostering and continuously ensuring a culture of compliance within IAL is essential. To achieve this goal and to manage conflicts of interest in a suitable manner, it is important to ensure that all the persons concerned benefit from the necessary training and support, for them to properly grasp the concept of "conflict of interest" and to understand IAL's conflict of interest policy".

10. POLICY IMPLEMENTATION

The management of IAL is taking the necessary measures to implement this policy and to monitor its application. The effectiveness of this policy and of its implementing measures is subject to regular appraisal by the Compliance Officer.

11. APPROVAL

This conflict of interest policy was approved by the Risk Management Committee on 15th November 2016.