The Recommendation on Best Practices on the Polish bancassurance market in terms of protection insurances connected with bank products was prepared and unanimously approved by the Consumer Credit Committee at the Polish Bank Association on February 25, 2009, and finally adopted by the resolution of the Management Board of the PBA on April 3, 2009.

Although there were many technical and legal difficulties to be resolved on that matter, the Polish Bank Association together with the Polish Chamber of Insurance managed to establish first self-regulatory Polish standards concerning bancassurance issue.
In order to elaborate new common principles and adopt them to the Polish bancassurance market, in March 2008 they set up a special working group that consisted of representatives from 15 largest Polish banks, aimed at determining general rules that apply to banks’ procedures regarding bancassurance activity and after-sale service provided to customers within bancassurance in order to protect economic and legal interests of banks’ customers and prevent unfair market practices.

First of all, they decided to undertake activities in the area, which is - on the one hand - the most popular among Polish customers, but on the other hand - refers to the officially binding regulations that may not be clear enough.

As a result, *the Recommendation on Best Practices* covers the group insurance contracts distributed among banks’ customers, in which the particular bank act as the Insuring Entity concluding the insurance contract for and on behalf of its customer, as regulated in Article 808 of the Civil Code.

For a deeper analysis upon bancassurance industry in Poland, the working group mentioned above studied the Insurance Ombudsman’s Report published in 2007, presented the main problems on the Polish bancassurance market. According to the customers’ complaints concerning bancassurance activity in our country, submitted to the Insurance Ombudsman, it found closer cooperation between Polish banks and insurance companies regarding this issue necessary and useful.

Specifically, *the Recommendation on Best Practices* includes minimal standards that affect, in particular, the scope of information provided to customers (Insurance Premium etc.), Insurance Conditions and consumer’s right to withdraw from the
Insurance Cover, as well as the Customer support in the Insurance claims/ complaints procedures, Personnel training and qualification requirements or Supervision and Monitoring systems applicable to their implementation and observance.

The authors’ aim was to elaborate complete, clear and coherent set of regulations, which will enable customers to get acquainted with their rights arising from these Best Practices.
RECOMMENDATION ON BEST PRACTICES
ON THE POLISH BANCASSURANCE MARKET
IN TERMS OF PROTECTION INSURANCES
CONNECTED WITH BANK PRODUCTS
This Recommendation on Best Practices was adopted by the resolution of the Management Board of the PBA on April 3, 2009

CHAPTER I

GENERAL PROVISIONS

§ 1

Purpose

1. The Best Practices shall determine general rules that apply to Banks procedures regarding Bancassurance activity and after-sale service provided to Customers within Bancassurance.

2. The main purpose of the Best Practices shall be to protect economic and legal interests of Banks’ Customers by ensuring accuracy and clarity of both Documentation and the process of acceptance of declarations of will concerning the Insurance Cover, and by assuring adequate qualifications of Bank Personnel and setting appropriate Customer service standards, as well as to prevent unfair market practices and ensure that all Personnel activities are performed with reasonable skill and care.

§ 2

Insurance Cover

1. Banks shall make every effort to guarantee that the Insurance Cover offered to Customers complies with the specific type and substantial features of the particular Bank Product, as well as meets Customers’ needs arising from their potential liabilities towards Bank.

2. Banks shall make every effort to ensure that the Insurance Conditions specified in the Insurance Contracts concluded with Insurers remain favourable to Customers, as well as they monitor the proper performance of the Insurance Contract by the Insurer. In particular, Banks shall monitor number of the Insurer’s refusals concerning insurance benefits payments and analyse reasons for these refusals. In case of irregularities, Banks shall take all reasonable steps to remove them.
§ 3

Definitions

Terms used herein shall refer solely to the rules stipulated in this Recommendation on Best Practices and they shall have the following meaning:

1. **Bancassurance** – a financial service based on distribution of the Insurance Cover among Banks’ Customers in accordance with the Group Insurance Contracts concluded between Banks and Insurers for and on behalf of Banks’ Customers.

2. **Documentation** – documents provided and referring to Banks’ Customers, regarding the conclusion of the Bank Product Contract or concerning the Insurance Cover (e.g. confirmation of entering into the Group Insurance Contract), including documents specifying the Insurance Conditions.

3. **Information materials** – general information provided by the Bank to its Customers, including information about the scope of the Insurance Cover.

4. **Insurance Cover/ Cover** – the right of the Customer or their beneficiary (the person indicated by the Customer as the person authorized) to receive from the Insurer the defined sum of money or non-pecuniary benefits (depending on the provisions of the Insurance Conditions) in case of occurrence of an insured event as listed in the Contract. The Banks’ Customers are covered by the Insurance in accordance with the Group Insurance Contract concluded between the Bank as the Insuring Entity and the Insurer.

5. **Personnel** – persons dealing with selling and after-sale service of the Bank Product, receiving from Customers declarations of will concerning entering into the Group Insurance Contract, undertaking informational, control and training activities regarding the Insurance Cover within the Recommendation on Best Practices.

6. **Insuring Entity** – a Bank which concluded the Group Insurance Contract with the Insurer for and on behalf of its Customers (Insured).
7. **Insured** – a Bank’s Customer; individual whose personality rights (health, life), property accountability and property interest have been covered by the Insurance.

8. **Insurer** – an entity who conducts business activity within life or property insurance under the competent body authorization and who concludes the Group Insurance Contract with the Bank for and on behalf of Banks’ Customers, and obliges to pay the insurance benefits in case of occurrence of an insured event covered by the Insurance.

9. **Insurance Conditions** – Insurance Conditions or another document specifying rights and obligations of the Insuring Entity, Insured and Insurer.

**Chapter II**

**DOCUMENTATION AND INFORMATION MATERIALS**

§ 4

**Documentation**

1. Bank shall provide the Customer with an access to Information Materials and Documentation.

2. Documentation and Information Materials shall clearly indicate that the Customer enters into the Group Insurance Contract or whether they have been covered by the Insurance.

§ 5

**Character of Insurance Cover**

1. Documentation and Information Materials shall clearly indicate whether the Insurance Cover is required by Bank.

2. When different types of the Insurance Cover are available, the Documentation shall include information on the type and scope of the Insurance Cover chosen by the Customer.
§ 6

Information concerning the Insurance Cover

The Documentation shall include at least information as specified below:

1) name of the Insurer,

2) name of the Insurance Conditions, on the basis of which the Customer is provided with the Insurance,

3) scope of the Insurance Cover,

4) Sum insured,

5) Insurance Period with information of continuity/ renewal conditions – if possible,

6) Obligations of the Insured,

7) exclusions and limitations of liability,

8) Insurance Premium imposed on the Insured,

9) Customer’s right to withdraw from the Insurance Cover - consequences and costs,

10) claims and complaints procedure,

11) if more than one person can be covered by the Insurance, the Documentation shall include the name of the person covered by the Insurance and the scope of their Insurance Cover,

12) name of beneficiary (a person indicated as the person authorized to receive the Insurance benefits under the Insurance Contract).

§ 7

Insurance Premium

The Documentation shall include information about the Insurance Premium imposed on the Customer, as well as indicate whether the Insurance Premium will be paid by the Customer as a lump sum or periodically (including the information on the date of payments) and specify the way of payment.
§ 8
Clarity of Documentation

1. The Documentation shall be:
   a) prepared in a format that enables Customers to get acquainted with its contents,
   b) written in a clear and understandable way.

2. In case of any doubt, provisions shall be interpreted in favour of the Customer.

3. If entering into the Insurance Contract imposes any costs on the Customer, in order to enable the Customer to make a conscious decision concerning the Insurance Cover, the Documentation that includes the Customer’s declaration of will concerning the Insurance Cover shall apply.

4. Information concerning the Insurance Cover, included in documents other than the Insurance Conditions, shall refer to the Insurance Conditions, which shall be provided to the Customer at any time, to the extent to which they concern the Customer.

5. Customers shall be provided with the Documentation and any other correspondence in an analogical way to the way chosen by them to be provided with other bank documentation regarding the particular Bank Product, or in any other way agreed on with the Customer.

§ 9
Information and promotion materials

1. Information materials concerning the particular Bank Product and/or separate materials shall include the information whether the Insurance Cover is required or optional, as well as information about the Insurance Cover.

2. Information and promotion materials shall not include information that is misleading to the Customer.
Chapter III

THE INSURANCE COVER PROVIDING PROCESS

§ 10

Distribution of information and Documentation

1. Bank shall ensure access to information, Information Materials and Documentation before the Customer decides to enter into the Insurance Contract and submits their declaration of will concerning the Insurance Cover, in the period necessary for the Customer to get acquainted with the information provided.

2. When providing the Customer with the information, the relevant provisions in the Documentation, Insurance Conditions and/or Information Materials may be pointed out.

3. Customer shall be provided with the updated Insurance Conditions, as determined by the Insurer in order to enable the Customer to get acquainted with the most detailed information concerning the scope of the Insurance Cover, limitations, withdrawal and claims procedure.

§ 11

Insurance Conditions

1. Before entering into the Insurance Contract with the Customers, Banks shall take all reasonable steps to verify whether the Customer meets requirements stipulated in the Insurance Conditions (especially regarding age). The information shall be verified in accordance with the Bank Documentation specified herein.

2. Customers who do not meet the requirements necessary to obtain the Insurance Cover, shall be notified by the Bank about the Insurance Cover refusal.

3. In such case, the Bank, if possible, shall offer the Customer another Bank Product, including different scope of the Insurance Cover or not including Insurance Cover at all.
§ 12

Information

1. Information provided to the Customer shall clearly indicate whether the Insurance Cover is optional or it is required by Bank.

2. Customer shall be provided with the information about the Insurance Conditions, as well as the scope of the Insurance Cover and liability exclusions.

§ 13

Providing the Insurance Cover through remote means of communication

1. When the Insurance Cover is provided via telephone:

   a) the Customer shall be provided with the opportunity to make their declaration of will concerning the Insurance Cover orally,

   b) the Customer shall be provided with the information about the access to the full information, to the extent stipulated in Chapter II ‘Documentation and Information Materials’,

   c) the Customer shall be provided with the opportunity to ask further questions,

   d) the telephone conversation shall be properly recorded and archived,

   e) the Customer shall receive the confirmation of the Insurance Cover immediately,

   f) the Customer shall receive by telephone at least basic information regarding the scope of the Insurance Cover, Insurance costs and right to withdraw from the Insurance Cover.

2. When creating alternative ways of the Insurance Cover providing process through remote means of communication (e.g. via telephone, via Internet, by regular mail or e-mail), Banks shall take into consideration the specific character of the particular mean of communication and to the necessary extent adopt it to the Insurance Cover providing process.
§ 14  
Completeness of Documentation and data  
1. Bank shall verify whether the Customer submitted their declaration of will concerning the Insurance Cover in the manner specified in the Documentation, as well as verify the accuracy and completeness of the Documentation.  
2. Banks shall make every effort to ensure that all data concerning the Insurance Cover, registered in the IT systems is accurate and complete, as well as protected and inaccessible to unauthorized use.

CHAPTER IV  
CUSTOMER SERVICE  

§ 15  
Service quality  
Customer assistance including responding to inquiries and complaints, withdrawal service, notification of claims and any other forms of contact, regardless of the mean of communication, shall provide the Customers with the prompt, reliable, complete and clear information.

§ 16  
Special Customer support  
1. In accordance with the Article 15, Banks shall remind the Customers about their rights arising from the Insurance Cover, even in case the Customers do not refer to these rights on their own initiative.  
2. Bank shall make every effort to ensure that the Customer fully exercise the rights arising from the Insurance Cover.  
3. In case of termination of the Insurance Contract concluded with the Insurer, for reasons attributable to the Bank, the Bank, if possible, shall ensure its Customers the continuity of the Insurance Cover.
4. In other cases, the Bank shall notify the Customer about the termination of the Insurance Cover.

§ 17

Withdrawal from the Insurance Cover

1. In any case, Banks shall ensure their Customers right to withdraw from the Insurance Cover.

2. If the Insurance serves as a collateral for the Bank Product, the Bank shall notify the Customer about the consequences of the withdrawal, including Customer’s obligation to provide another collateral, change of the Bank Product costs, change of the Bank Product Contract conditions or termination of the Bank Product Contract by the Bank.

3. In case the Insurance Cover serves as a collateral for all necessary payments arising from the Bank Product Contract, the Customer’s withdrawal from the Insurance Cover may depend on establishing another applicable collateral.

4. In case of withdrawal from the Insurance Cover, the Customer shall not bear any additional handling costs incurred thereby, which may be due from the Bank.

§ 18

Return of Insurance Premium for unused Insurance Cover

1. In case of termination of the Insurance Cover before the end of the Insurance Period, the Bank shall be liable to reimburse the Customer for unused Insurance Period, subject to the provisions of the item 2 below.

2. If Insurance Premium is payable monthly, in each case withdrawal from the Insurance Cover shall become effective at the end of month, for which Premium has been paid.
§ 19
Notification of claims

1. Bank shall provide the Customers with the information about the claims procedure against the Insurer according to the Insurance Cover at any time during the Insurance Period.

2. Bank shall ensure the claimants under the Insurance Cover the support in contacts with the Insurer.

CHAPTER V
PERSONNEL COMPETENCE

§ 20
Training Activity

1. In order to provide Personnel with qualifications required to perform obligations as determined in these Best Practices, it is recommended that Banks in cooperation with the Insurers shall develop and organize trainings in relation to the Insurance Conditions.

2. Banks shall ensure that the contents and frequency of trainings refer to the scale and range of the Insurance Cover providing process.

CHAPTER VI
SUPERVISION AND MONITORING SYSTEM

§ 21
Monitoring of the Best Practices and Customer service

1. Banks shall elaborate and implement to their procedures the Best Practices monitoring systems within the Insurance Cover and Customer service.
2. Monitoring system shall enable to detect and identify irregularities in points of sale and organizational units, in which such irregularities occur.

3. Monitoring system performed by Banks shall also enable to identify irregularities regarding the inquiries and complaints service in Banks as well as claims procedures at Insurers’.

§ 22

Final provisions

As is customary, Banks shall notify the Personnel of their obligations arising from these Best Practices.