

Fair Treatment of Customers Policy

Dumfries Mutual Insurance Company places the interest of our Policyholders (Customers) at the forefront of all our actions and directions as an organization. Our Vision and Mission support a strategy that flows directly from the Board of Directors, who are also Policyholders, through management, staff and the many services and products we provide. Integrity is a core value of our organization and is embedded in our culture and demonstrated through our daily actions. All staff and agents will deal honestly, ethically, fairly and in good faith with the Policyholders, suppliers, competitors, employees, advisors and regulators of the Company. The Company seeks competitive advantage through superior performance but never through unlawful, dishonest or unethical business practices. We will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

The Principles of our Fair Treatment of Customers

1. Customers will be provided with clear information and kept appropriately informed before and during the point of sale. Agents and brokers are available to answer questions throughout the term of the policy.
2. When we provide professional advice to our customers, the advice will be suitable and take into account their individual circumstances. Advice is based on the information provided by the insured to the agent and broker.
3. Our level of service and product performance will meet the expectations of our customers as far as reasonably possible.
4. We will ensure that there is no barrier for customers to express their requests, concerns or complaints, and we will always be responsive to them.
5. Products and services will be designed to meet the needs of clients.

Implementing our Fair Treatment of Customers

Marketing

DUMFRIES MUTUAL develops and markets products on an ongoing basis with the interest of our Policyholders in mind throughout the process. This is achieved through the makeup and design of our Product Development team.

The team uses feedback and experience from sales, underwriting, claims, management and other areas of the operation as required. Once a product is completed, it is rolled out to all individual departments of the operation through specifically designed educational sessions by those involved in the development. Understanding and knowledge of the product is essential for successful education of the customer.

DUMFRIES MUTUAL strives to keep its current clients informed at all times of policy or product changes. We endeavor to restrict company imposed changes to renewal periods and process the

renewal information 60 days in advance for appropriate notification. If coverage is reduced, a letter is sent to notify the insured prior to renewal. If coverage is enhanced, marketing produces material that is included with the renewal to draw attention to the product improvements.

Providing Advice During the Sales Process

When providing advice, DUMFRIES MUTUAL sales agents obtain a detailed understanding of the clients' insurance requirements to recommend a product appropriate to our customers' needs. We inform our clients of the risks involved with their product selection, any gaps in coverage and all applicable charges. Agents are expected to document discussions with the insured. In situations where an agent has recommended coverage and the insured has declined what has been offered the agent will have the insured sign or initial where the decline of coverage is noted. This practice is defined in the Policies & Procedures for agents and reinforced throughout the year at performance reviews and monthly meetings.

Our agents are insurance professionals provincially licensed to offer advice to consumers. Our agents receive ongoing training as per company guidelines. Our brokers are regulated un RIBO and follow their own strict guidelines during the sales process.

Post-Sale Information and Support

Agent support is available to customers on a daily basis. Agents are required to review all personal lines (auto, property and rural) policies and contact all insureds with a farm or commercial policy on an annual basis.

Brokers are responsible for providing appropriate support to their customers as DUMFRIES MUTUAL cannot contact broker clients without their consent.

Policies and Procedures

DUMFRIES MUTUAL has a number of policies and procedures that are relevant to the fair treatment of clients; these include but are not limited to:

- Our Mission Statement
- Code of Business Conduct and Ethics Policy
- Managing Conflicts of Interest Policy
- Data Security Policy
- Continuing Education Policy
- Process for Resolving Policyholder Concerns
- Sales Policies & Procedures
- DUMFRIES MUTUAL Privacy Management Program
- Internal Compliance Program
- Claims Management Guide

Management Reporting and Compliance

DUMFRIES MUTUAL's Compliance Officer assesses the organization's performance against the Principles of our Fair Treatment of Customers. This is reported annually to the management team and Board of Directors.

Training and Awareness

DUMFRIES MUTUAL ensures all agents and staff are familiar with the fundamental principles of this policy. In addition, where applicable, agents are trained in order to suitably advise, efficiently explain and provide our products and services.

We make sure all of our agents and staff achieve the necessary qualifications and training in order to carry out their job functions with the required competence level.

Staff and agents sign an annual Acknowledge and Agreement statement indicating:

I understand the guidelines, duties and responsibilities relevant to my employment. I understand and agree that it is my responsibility to read the Employee Manual and to abide by the rules, policies and standards it set forth

Complaints

DUMFRIES MUTUAL deals with consumer complaints and disputes in a fair manner. DUMFRIES MUTUAL has developed an **Internal Process for Handling Complaints** which it follows should a situation present itself. It is a process that fosters resolution to a given situation through a multi-step process. A copy of the company complaint process is provided in the Employee Manual. If a complaint is unable to be resolved the last step could be to involve the **Company Ombudsman (Complaint Officer)** in writing to review the file in accordance with our **Complaint Handling Protocol as filed with FSRA**.

Conclusion

DUMFRIES MUTUAL's culture is and has been in line with the outcomes stipulated by FSRA's Market Conduct initiative. However, we frequently review our policies, procedures and practices to ensure that the Principles of our Fair Treatment of Customers remain a crucial part of our business.

We ask our clients to provide us feedback, sometimes formally through customer surveys, so we can improve our service. The information we collect from our clients can be reflected as part of the internal audit process and reviewed by managers and board members to help shape strategic initiatives.

DUMFRIES MUTUAL will review this policy as often as required and at least once annually.