



QUALITY MANUAL

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**MANUAL
ISSUANCE NO. 2**

Section 4.0 **CONTEXT OF THE ORGANIZATION**

Effectivity Date:

June 1, 2019

ISO 9001:2015

Subsection: 4.1
**UNDERSTANDING THE ORGANIZATION AND ITS
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I. POLICY

CORPORATE GUARANTEE (CG) shall specify and maintain requirements for a quality management system that will demonstrate its ability to consistently provide product that meets customer and applicable statutory and regulatory requirements, thereby enhancing customer satisfaction.

To achieve this, following is the business process of the company (pages 4.1-4/7) which describes the sequential processes that make up the company's core business activities.

Said key processes shall be monitored, measured (where applicable) and analyzed through the company's Overall Quality Objectives and the Quality Plans.

Suppliers dealing directly with **Corporate Guarantee** shall be evaluated at prescribed periods to ensure that they conform to the service standards set forth.

The following outsourced processes and the corresponding control over these outsourced processes shall be implemented by the company, as follows:

OUTSOURCED	METHOD OF CONTROL	SUPPORTING DOCUMENTS/ RECORDS USED
Agents	Execution of a Memorandum of Agreement (MOA) or document stipulating basic terms and conditions with Agents Sales personnel conduct regular visits with Agents to discuss service issues and concerns.	MOA Sales Itinerary, Email Communication

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OUTSOURCED	METHOD OF CONTROL	SUPPORTING DOCUMENTS/ RECORDS USED
Reinsurance Brokers/ Reinsurer	Insurance binders are created by Underwriting Department which clearly state the agreed items such as amount ceded, commissions, and other terms and conditions (as stipulated in the insurance policy)	Insurance Policy, Treaty Agreements, Binder

OUTSOURCED	METHOD OF CONTROL	SUPPORTING DOCUMENTS/ RECORDS USED
Adjusters	Implementation of selection, accreditation and yearly evaluation process by Claims Department. Issuance of Letter of Assignment	Supplier/ <u>External Provider</u> Selection/ Accreditation/Evaluation Forms Letter of Assignment
Repair Shops	Implementation of selection, accreditation and yearly evaluation process by Claims Department.	Supplier/ <u>External Provider</u> Selection/ Accreditation/Evaluation Forms


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II. APPLICATION

All Departments

III. REFERENCES

Overall Quality Objectives
Quality Plans
Documented Procedure Manual
Appendix – Documented Information Quality Plan

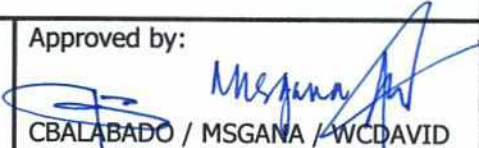
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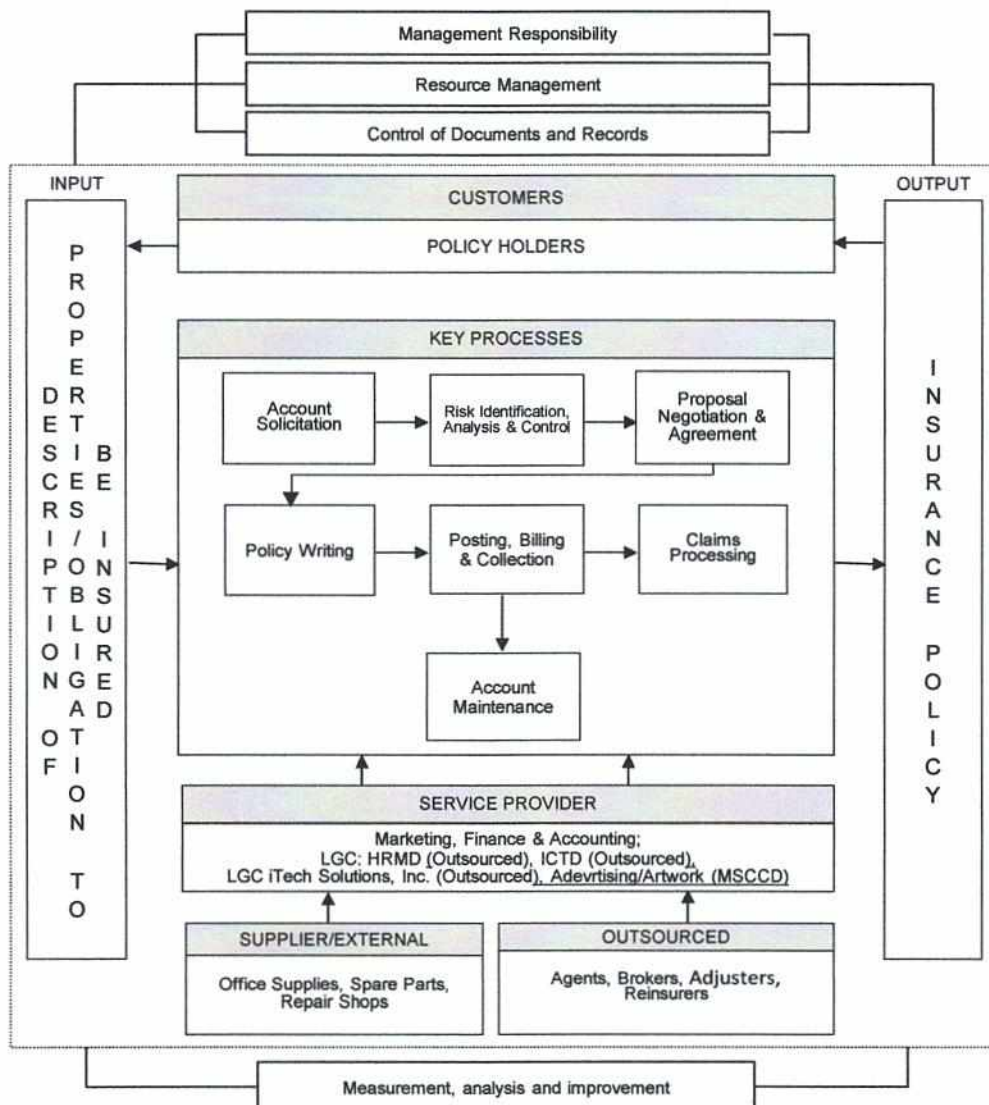
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Company's Business Process



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Business Process Text:

CG's business process begins with its customers: The Insurance Policy Holders. The Sales personnel shall undertake account solicitation through the sending of solicitation letters, telemarketing and sales visits to offer customers (i.e. fleet, corporate, agents, individual accounts) insurance coverage/protection related to the various product lines of the company, namely, motor insurance, fire, casualty, marine and aviation, and surety bond. Based on initial discussions and agreements with customers, sales personnel coordinates with the Underwriting Department gathered information or data to initiate the review and evaluation of the requirements of the customer.

The Underwriting Department shall assess the insurance requirements of the customers by performing the necessary risk identification, analysis and control based on prevailing underwriting regulatory guidelines. Review of retention policies will be done and whenever necessary, arrangements for facultative reinsurance are likewise considered in the initial process of underwriting the customer's insurance requirements.

Underwriting Department shall then coordinate or communicate to Sales Department initial assessment of risks (i.e. coverages and corresponding insurance premium) for proposal preparation. Standard sales proposals are prepared and submitted to customers. Based on the proposals submitted, concerned sales personnel shall negotiate the coverage terms and conditions with the customer to reach an agreement. Any necessary modifications to the proposal may be undertaken to suit the conditions or requirements of customers prior to their acceptance. To show acceptance of the terms and conditions, the customer (or his/her representative) shall be requested to sign on the proposal submitted to them. Once accepted by the customer, the concerned sales personnel shall request the Underwriting Department to prepare the actual insurance policy.

Insurance policies are prepared either through the CG Integrated System (for motor vehicles) or manually by accomplishing the necessary policy forms. These shall be reviewed by the Underwriting Senior Manager and approved by the Chief Operating Officer. Once all pertinent policy forms are approved, these shall be packaged by the Underwriting Personnel following the standard packaging procedure of the company.

All packaged policies shall be forwarded or received by the concerned sales personnel for issuance or delivery to the customer and shall also collect corresponding premiums due. Should there be necessary modifications to the policy of the customer, the appropriate endorsement(s) shall be prepared and submitted to them, unless actual replacement of policy is warranted to conform to

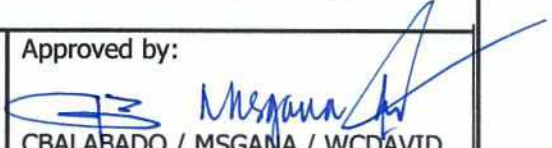
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customer's requirements.

Recording of policies and preparation of billing for policies on account shall be performed by the Finance Department. Aging of accounts due and Statement of Accounts shall be forwarded to Sales Department for monitoring and actual collection of customer's payments.

Claims Processing:

In the event that claim is filed against the policy by the customer, the concerned Claims Processor shall inform and discuss with the customer the required documents for submission. Once the necessary claims documents are received, the Claims Processor shall check and validate these in order to assess and compute liability of CG. For motor insurance claims, coordination with motor shops to repair the customer vehicle is undertaken, if and when applicable.

The Claims Processor shall coordinate with the customer and negotiate the terms and conditions of the claims settlement until a mutual agreement is reached. Any unresolved matters shall be elevated to the Claims Committee for proper consideration and appropriate decision.

Claims Department shall ensure that all necessary or applicable documents (e.g. Release and Subrogation Form) shall be executed once a claim is settled between the customer and CG.

Essential support services from the departments of the corporate center are provided to ensure the smooth overall flow of CG's business process.

OUTSOURCED:

- Agents/
Brokers : These are third parties or persons who act for and in behalf of CG in selling its insurance policies/products.
- Adjusters : Other person who either represents the insurer or the insured in any claim negotiation.
- Re-insurers : Other insurance companies to whom CG cedes risk in excess of its

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retention, subject to mutually agreed terms and conditions.

SUPPLIERS:

- Office Suppliers : Providers of material or office supplies needed by CG in its day-to-day operations.
- Spare Parts Suppliers : Suppliers of vehicle spare parts needed by CG to complete the required repair or replacement work in the motor vehicle of the claimant.
- Repair Shops : Shops authorized by CG to perform necessary repair works or replacement of parts of motor vehicles of claimants.

SERVICE PROVIDERS:

- Support Services : Refers to Laus Group of Companies (i.e. Corporate Center) who provides CG's different operating units/department overall support and assistance.

The various support services are rendered by the following LGC Departments: Human Resources Management Division (HRMD) Employee Development Department (EDD), HRMD-Organizational Development Department (ODD), HRMD-Employee Administration Department (EAD), and Information and Communications Technology Department (ICTD), LGC iTech Solutions, Inc.

Internal Audit Department (IAD) serves an exceptional service relations thru their independency and confidentiality.

- Advertising / Artwork : Marketing Services & Corporate Communications Dept. (MSCCD) of the Laus Group of Companies will be the sole provider of advertising and artwork services, but quality of their service will be controlled through yearly evaluation of their service. Information gathered in the evaluation will be used in improving their service.

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