



**GUIDELINES ON REPLACEMENT OF POLICY/CERTIFICATE
(ROP/ROC)**

1. DEFINITION

ROP/ROC is defined as the purchase of life insurance policy/takaful certificate is made within 12 months **before** or **after** that new policy/certificate is effected, an existing life insurance policy/takaful certificate of the same policy owner/contract holder has been:

- 1.1 lapsed, surrendered, partially-surrendered or terminated; or
- 1.2 changed or modified into paid-up policy/certificate, continued as extended term insurance/takaful or automatic premium loan for 6 consecutive months; or
- 1.3 changed or modified so as to effect a reduction of more than 25% in the premium (in the case of EIB) or any amount of contribution (in the case of ETB) arising from reduction of sum assured and/or rider or removal of rider.

2. SCOPE

The revised ROP/ROC Framework shall apply to all Agents and Financial Executives.

3. COVERAGE

The revised ROP/ROC Framework shall cover the following:

- 3.1 Replacement of existing family takaful certificate with new family takaful certificate or new life insurance policy including Bancassurance business by the same or different Agent or Financial Executive; and
- 3.2 Replacement of existing life insurance policy with new life insurance policy or new life new family takaful certificate including Bancassurance business by the same or different Agent or Financial Executive.

4. COMMISSIONS

All commissions and overriding commissions that have been paid under a policy/certificate shall be clawed back if that policy/certificate is classified as ROP/ROC.

5. DISCIPLINARY ACTIONS

The following disciplinary actions shall be taken against agents for committing ROP/ROC:

| NO. | NO. OF ROP/ROC OFFENCES | DISCIPLINARY ACTIONS |
|-----|-------------------------|--|
| 1 | 1 – 5 cases | Warning letter |
| 2 | 6 – 10 cases | Warning letter and deferment of promotion for one year |
| 3 | 11 – 15 cases | Warning letter and demotion |
| 4 | More than 15 cases | Termination of agency contract |

6. APPEAL

- 6.1 Agents/Financial Executives may appeal on the ROP/ROC cases by writing to Agency Conduct & Affairs Unit at the following address:

Agency Conduct & Affairs
Level 20, Tower B
No 1, Jalan Maarof
59000 Kuala Lumpur

E-mail: ACA@etiqa.com.my

- 6.2 It is highly recommended that a letter from the customer is attached with the appeal to indicate that it was his/her own decision and that he/she was not influenced by any party to replace the policy/certificate.