

Advanced claims

Purpose

To provide knowledge and understanding of the management of the claims function in an insurance organisation.

Assumed knowledge

It is assumed that the candidate already has the knowledge gained from a study of the relevant sections of IF1 Insurance, legal and regulatory and P85 Claims practice or equivalent examinations.

Summary of learning outcomes

1. Understand the management of the claims function.
2. Understand and apply claims service principles and practices.
3. Understand the application of technical claims principles.
4. Understand the financial aspects of the claims function.

Important notes

- **Method of assessment:**
 - Written exam – Part I 1 compulsory question (case study) (80 marks). Part II 2 questions selected from 3 (scenarios) (80 marks). Total of 160 marks. Three hours are allowed for this exam.
 - Coursework – 3 online assignments (80 marks). Each assignment must be individually passed.
- The syllabus is examined on the basis of English law and practice unless otherwise stated.
- The general rule is that the exams are based on the English legislative position six months before the date of the exams.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
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1. Understand the management of the claims function.

- 1.1 Explain the design and implementation of a claims management strategy and philosophy.
- 1.2 Evaluate organisation designs and structures.
- 1.3 Explain the internal structure of the claims function including various roles, responsibilities and specialisms.
- 1.4 Assess the impact of regulation and legislation on claims management.
- 1.5 Evaluate claims handling operations.
- 1.6 Explain how the claims function interacts with other departments.

2. Understand and apply claims service principles and practices.

- 2.1 Evaluate the customer experience.
- 2.2 Examine how customers could be retained.
- 2.3 Explain how complaints could be managed.
- 2.4 Assess policyholder dispute options and the consequences of breach of insurance contract.
- 2.5 Explain the design and implementation of claims handling procedures for both first and third parties.
- 2.6 Evaluate supplier and relationship management.
- 2.7 Explain the use of call centres in the claims management function.
- 2.8 Examine how claims practices and procedures can be reviewed, improved and complied with.

3. Understand the application of technical claims principles.

- 3.1 Explain reserving and estimating philosophies and techniques.
- 3.2 Apply the Civil Procedure Rules to relevant claims scenarios.
- 3.3 Evaluate how Information Technology and management information can support the claims function.
- 3.4 Evaluate the impact of fraud on claims management.
- 3.5 Examine how claims are managed in the Lloyd's and London market.
- 3.6 Explain reinsurance claims procedures.
- 3.7 Explain generic claims principles applicable to international claims.
- 3.8 Evaluate policy wording interpretation in relation to various claims scenarios.

4. Understand the financial aspects of the claims function.

- 4.1 Analyse the constituent parts of internal and external costs including leakage.
- 4.2 Describe the mechanisms for controlling internal and external costs including leakage.
- 4.3 Examine the main problems in controlling claims expenditure including leakage.

Reading list

The following list provides details of various publications which may assist with your studies.

Note: The examination will test the syllabus alone. However, it is important to read additional sources as 10% of the exam mark is allocated for evidence of further reading and the use of relevant examples.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help candidates keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/Personal Finance Society members can borrow most of the additional study materials below from Knowledge Services.

CII study texts can be consulted from within the library. For further information on the lending service, please go to www.cii.co.uk/knowledge.

CII study texts

Advanced claims. London: CII.
Study text 820.

Claims practice. London: CII.
Study text P85

Insurance, legal and regulatory. London: CII.
Study text IF1.

Additional reading

Additional reading materials are available through the library or on the Knowledge Services website.

New materials are added frequently – for information about new books and articles in your area of interest, please visit www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

Books (and ebooks)

Insurance claims. 3rd ed. Alison Padfield. Bloomsbury Professional, 2012.

MacGillivray on insurance law: relating to all risks other than marine. 12th ed. London: Sweet & Maxwell, 2012.

Claims handling law and practice. Richard West et al. London: Witherby, 2008.

Claims and public liability policies. J P P Shaw. London: Witherby, 1994.

Claims and standard fire policies, special extensions and special perils. RM Walmsley. London: Witherby, 1994.

'Claims under the policy'. Chapter – Bird's modern insurance law. 9th ed. John Birds. London: Sweet & Maxwell, 2013.

'Claims procedure'. Chapter – The law of insurance contracts. 6th ed. Malcolm A Clarke et al. London: Informa, 2009.

'Claims cooperation and good faith'. Chapter – The law of insurance contracts. 6th ed. Malcolm A Clarke et al. London: Informa, 2009.

'Claims'. Chapter – Reinsurance practice and the law. Barlow Lyde & Gilbert LLP. London: Informa, 2009.

Fraudulent claims: deceit, insurance and practice. Matthew Chapman. St Albans, UK: XPL, 2007.

Tackling insurance fraud: law and practice. Dexter Morse, Lynne Skajaa. London: Informa Professional, 2004.

Stochastic claims reserving methods in insurance. Mario Wuthrich, Michael Merz. Chichester: Wiley, 2008.

Drafting insurance contracts: certainty, clarity, law and practice. Christopher Henley. London: Leadenhall press, 2010.

Factfiles and other online resources

CII factfiles are written by subject matter experts within the insurance and financial services industry. They are updated annually, and interim update bulletins are included where necessary to take into account any major changes during the year. All are available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

- The regulation of general insurance business. Ian Youngman.
- The regulation of general insurance and protection business. Ian Youngman.
- Civil procedure rules. Alan Peck.
- Fraudulent claims. Ian Youngman.
- The business of insurance broking. Ian Youngman

Contracts for Difference. iMinds. Mosman.

Reservation of rights. AIRMIC. 2009. Available via www.airmic.com (register your details to access).

Delivering excellence in insurance claims handling: claims best practice guide. AIRMIC. 2010. Available via www.airmic.com (register your details to access).

Contract certainty: an Airmic guide for risk managers and insurance buyers. AIRMIC. 2009. Available via www.airmic.com (register your details to access).

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII and Personal Finance Society members only).

Journals and magazines

The Journal. London: CII. Six issues a year. Also available online (CII/Personal Finance Society members only) via www.cii.co.uk/knowledge.

Post magazine. London: Incisive Financial Publishing. Weekly.

Continuity insurance & risk. London: Perspective. Six issues a year.

Risk management professional: the official magazine of the Institute of Risk Management. London: Institute of Risk Management. Quarterly.

Strategic risk. London: Newsquest Specialist Media. Eight issues a year.

Reference materials

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004. Also available as an ebook via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

Insurance: Conduct of Business sourcebook (ICOBS). Available via www.fshandbook.info/FS/.

Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

You are strongly advised to study guides for the last two sittings. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

Older guides are available (for members only) via www.cii.co.uk/knowledge.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/knowledge/iilrevision (CII/Personal Finance Society members only).