

# 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 M85 Claims practice or equivalent examinations.

### Summary of learning outcomes

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

## Important notes

- Method of assessment: 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.
- 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](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

- 1. Evaluate 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. Evaluate 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. Evaluate 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. Analyse 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 you 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/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### CII study texts

Advanced claims. London: CII.  
Study text 820.

Claims practice. London: CII.  
Study text M85.

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

### Books (and ebooks)

APIL guide to MIB claims.: uninsured and untraced drivers. 4th ed. Andrew Ritchie, Jeremy Ford. Bristol: Jordan, 2016.

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 process at Lloyd's'. Chapter - Lloyd's law and practice. 2nd ed. Julian Burling. London: Informa, 2017.\*

'Claims under the policy'. Chapter – Bird's modern insurance law. 10th ed. John Birds. London: Sweet & Maxwell, 2016.

'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.

Contracts for difference. iMinds Pty Limited, 2009.\*

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

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

Insurance claims. 4th ed. Alison Padfield. Bloomsbury Professional, 2016.

MacGillivray on insurance law: relating to all risks other than marine. 13th ed. London: Sweet & Maxwell, 2015.

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.

## Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via [www.cii.co.uk/ciifactfiles](http://www.cii.co.uk/ciifactfiles) (CII/PFS members only).

- Civil procedure rules. Alan Peck.
- Fraudulent claims. Beverley Lyn.

Insurers' engagement with Social Media. ©Timetric Insight Report. March, 2015. Available for members at [www.cii.co.uk/insightreports](http://www.cii.co.uk/insightreports) (CII/PFS members only).

Reservation of rights. AIRMIC. 2009. Available via [www.airmic.com](http://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](http://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](http://www.airmic.com) (register your details to access).

Subject gateway on insurance claims. Updated regularly. Available online via [www.cii.co.uk/claims](http://www.cii.co.uk/claims).

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

## Journals and magazines

Continuity insurance & risk. London: Perspective. Six issues a year. Available online via [www.cirmagazine.com](http://www.cirmagazine.com)

Post magazine. London: Incisive Financial Publishing. Monthly. Also available online at [www.postonline.co.uk](http://www.postonline.co.uk).

Risk management professional: the official magazine of the Institute of Risk Management. London: Institute of Risk Management. Quarterly. Available online via [www.rmprofessional.com](http://www.rmprofessional.com).

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

The Journal. London: CII. Six issues a year. Also available online via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

Further periodical publications are available at [www.cii.co.uk/journalmagazines](http://www.cii.co.uk/journalmagazines) (CII/PFS members only).

## Reference materials

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.\*

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

Insurance: Conduct of Business sourcebook (ICOB). Available via [www.handbook.fca.org.uk/handbook/ICOB](http://www.handbook.fca.org.uk/handbook/ICOB).

\*Also available as an ebook through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only).

## Specimen guides

Specimen guides are available for all coursework units.

These are available on the CII website under the unit number before purchasing the unit. They are available under the following link [www.cii.co.uk/qualifications/advanced-diploma-in-insurance-qualification](http://www.cii.co.uk/qualifications/advanced-diploma-in-insurance-qualification).

These specimen guides are also available on the RevisionMate website [www.revisionmate.com](http://www.revisionmate.com) after you have purchased the unit.

## 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/iilrevision](http://www.cii.co.uk/iilrevision) (CII/PFS members only).