

# Life, critical illness and disability claims

## Purpose

To develop knowledge and skills for the assessment of life, critical illness and disability claims incorporating medical, legal and financial considerations, and the ability to apply these to claims scenarios

## Assumed knowledge

It is assumed the candidate has the knowledge gained from a study of the fundamental principles and practices of insurance as covered in IF1 Insurance, legal and regulatory or equivalent examinations.

### Summary of learning outcomes

1. Understand the claims department and the main claim types.
2. Understand the initial claim considerations.
3. Understand the main claims assessment tools and their application.
4. Know how to determine the validity of claims.
5. Understand medical aspects of claims assessment.
6. Understand financial assessment of income protection claims.
7. Understand rehabilitation of claimants.
8. Understand legal and regulatory issues.

## Important notes

- **Method of assessment:** Part I 14 compulsory questions (140 marks). Part II 2 questions selected from 3 (60 marks). Total of 200 marks. Three hours are allowed for this exam.
- 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](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

## **1. Understand the claims department and the main claim types**

- 1.1 Describe the role of the claims department.
- 1.2 Explain the claims philosophy of a life office.
- 1.3 Explain the role of the claims department in the product control cycle.
- 1.4 Explain the main provisions of income protection insurance.
- 1.5 Explain the main provisions of critical illness insurance to include children's cover and partial payments.
- 1.6 Explain the main provisions of total permanent disability insurance.
- 1.7 Explain the main provisions of waiver of premium insurance.
- 1.8 Explain the main provisions of terminal illness insurance.
- 1.9 Explain the main provisions of life insurance.

## **2. Understand the initial claim considerations**

- 2.1 Identify whether a policy is in force.
- 2.2 Discuss the implications in respect of a lapsed or paid up policy.
- 2.3 Discuss the procedure and explain the implications in respect of a lost policy document.
- 2.4 Describe the procedure in respect of proof of age.
- 2.5 Discuss the key principles of underwriting.
- 2.6 Discuss the importance of reviewing new business papers including the proposal form, underwriting papers and policy schedule.
- 2.7 Analyse how underwriting terms affect claims assessment.
- 2.8 Explain the role of underwriting when misrepresentation is detected at claims stage.
- 2.9 Describe the role of the reinsurer in the assessment of claims.
- 2.10 Evaluate the implications of the sales and policy administration processes on a claim.

## **3. Understand the main claims assessment tools and their application**

- 3.1 Explain the importance of effective verbal and written communication in the claims handling process.
- 3.2 Explain the importance, content and purpose of the main assessment tools, including:
  - Claim forms and questionnaires.
  - GP reports.
  - Consultant reports.
  - Independent medical examinations and objective assessments.
  - Private investigator reports.
  - Home and employer visits.
  - Occupational questionnaires and job descriptions.
  - Financial questionnaires.
  - Other financial evidence for example, HMRC documentation and financial statements of the self employed.
  - The use of the telephone in evidence gathering.
- 3.3 Analyse possible claims scenarios and identify which assessment tools to use providing justification for their use.
- 3.4 Explain how other sources of information are used to assist with claims processing, for example:
  - The internet.
  - Companies house.
  - ABI.
  - Trade associations support and guidance including Health Claims Forum and GRID.

#### **4. Know how to determine the validity of claims**

- 4.1 Assess the nature and application of typical policy conditions for each benefit type.
- 4.2 Assess the issues in relation to the interpretation of definitions for income protection, waiver of premium, critical illness, terminal illness and total permanent disability claims.
- 4.3 Describe the role of the Chief Medical Officer and the use of other medical, financial and legal experts in claims handling.
- 4.4 Discuss the case management and review procedures for income protection, waiver of premium, and total permanent disability claims.
- 4.5 Discuss the role of the claimant's employer in respect of income protection, waiver of premium, and total permanent disability claims.
- 4.6 Explain group scheme provisions to include eligibility criteria and issues arising at claims stage when a scheme has switched insurers.
- 4.7 Explain the procedures and documentation required to assess a death claim.
- 4.8 Explain the role and procedures of the coroner.
- 4.9 Discuss the issues applicable to death claims arising from murder, manslaughter, suicide and disappearance.
- 4.10 Discuss the issues applicable to overseas claims.
- 4.11 Discuss identification and investigation of misrepresentation with appropriate supporting evidence.
- 4.12 Explain the classifications of misrepresentation and assess the remedies for each.
- 4.13 Discuss the procedures for admitting or declining claims and the potential implications on the contract.
- 4.14 Discuss the operation of non-contractual provisions, including: commuted values, ex-gratia payments and provisional/on account payments.

#### **5. Understand medical aspects of claims assessment**

- 5.1 Examine the nature, course and treatment of musculo-skeletal disorders and how these might give rise to a claim.
- 5.2 Examine the nature, course and treatment of respiratory diseases and how these might give rise to a claim.
- 5.3 Examine the nature, course and treatment of cancer and how this might give rise to a claim.
- 5.4 Examine the nature, course and treatment of neurological diseases and injuries and how these might give rise to a claim.
- 5.5 Examine the nature, course and treatment of mental health problems and how these might give rise to a claim.
- 5.6 Examine the nature, course and treatment of cardiovascular diseases and how these might give rise to a claim.
- 5.7 Examine the nature, course and treatment of subjective disorders and how these might give rise to a claim.
- 5.8 Examine how factors such as alcohol, drugs and obesity might impact on a claim.
- 5.9 Explain the nature, course and treatment of sensory disabilities (including vision and hearing) and how these might give rise to a claim.
- 5.10 Explain the nature, course and treatment of genito-urinary problems and how these might give rise to a claim.
- 5.11 Explain the nature, course and treatment of diabetes and how this might give rise to a claim.
- 5.12 Explain the nature, course and treatment of haematological disorders and how these might give rise to a claim.
- 5.13 Explain the nature, course and treatment of gastro-intestinal disorders and how these might give rise to a claim.
- 5.14 Explain the nature, course and treatment of HIV and how this might give rise to a claim.

#### **6. Understand financial assessment of income protection claims**

- 6.1 Assess the application of the limitation of benefit clause.
- 6.2 Examine the various forms of employment and how employed individuals might be remunerated.
- 6.3 Examine the various forms of self employment and how self employed individuals might be remunerated.
- 6.4 Interpret relevant financial documents to determine pre and post disability income.
- 6.5 Discuss the purpose and application of proportionate and rehabilitation benefit clauses.

## 7. Understand rehabilitation of claimants

- 7.1 Discuss the principles and process of rehabilitation and possible outcomes.
- 7.2 Explain what non-contractual assistance insurers can provide to complement rehabilitation.
- 7.3 Describe claims reserves and how these may be impacted through successful rehabilitation.

## 8. Understand legal and regulatory issues

- 8.1 Analyse the provisions and impact of ABI Codes and statements of best practice on claims handling.
- 8.2 Explain the issues affecting the determination of title and policy ownership, to include assignment and trusts, tenancy, power of attorney and bankruptcy.
- 8.3 Discuss the application of the duty of the insureds at proposal, at commencement/reinstatement and at claim stage.
- 8.4 Describe the impact on claims of the following:
  - General Data Protection Regulation (GDPR).
  - Equality Act 2010.
  - The Access to Health Records Act 1990.
  - Access to Medical Reports Act 1988.
  - British Medical Association guidance.
  - Consumer Insurance (Disclosure and Representations) Act 2012.
- 8.5 Describe how agency and the role of agents at policy inception and claims stages may affect a claim.
- 8.6 Describe the appeals process in relation to a claim, including the regulatory complaint handling rules.
- 8.7 Explain the role and procedures of the Financial Ombudsman Service.

## 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.**

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

The publications will help you 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

Life, critical illness and disability claims. London: CII. Course book P62.

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

### Books

A user's guide to data protection. 2nd ed. Paul Lambert. Haywards Heath: Bloomsbury Professional, 2016.

Bird's modern insurance law. 10th ed. John Birds. Sweet and Maxwell, 2016.

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

Consumer vulnerability: conditions, contexts and characteristics. Kathy Hamilton (ed.). Abingdon: Routledge, 2016.\*

Houseman's law of life assurance. 15th revised ed. Robert Surridge et al. Haywards Health, Bloomsbury Professional, 2016.

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

The law of insurance contracts. Malcolm A Clarke. 6th ed. London: Informa, 2009.

The modern law of insurance. Andrew McGee. LexisNexis, 2011.

### 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).

- Recent developments in life assurance law. Robert Surridge.
- Recent developments in life product design. Robert Surridge
- Critical illness insurance. Andy Couchman.
- Long-term care insurance. Andy Couchman.

- Payment protection insurance. Andy Couchman.

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).

Income protection and critical illness insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

Term-life insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

Whole life insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at [www.cii.co.uk/forecastreports](http://www.cii.co.uk/forecastreports).

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

## Reference materials

Clinical medicine, 7th ed. P Kumar and M Clark. London: Elsevier, 2009.

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

Medical selection of life risks. 5th ed. R D C Brackenridge et al. London: Palgrave Macmillan, 2006.

The Merck manual of diagnosis and therapy. 19th ed. R S Porter. Merck, 2011. Also available online at [www.merckmanuals.com](http://www.merckmanuals.com).

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

## Journals and magazines

Cover. London: Incisive Financial. Monthly. Also available at [www.covermagazine.co.uk](http://www.covermagazine.co.uk).

Health insurance daily (previous Health insurance and protection). London: Informa. Available at [www.healthinsurancedaily.com](http://www.healthinsurancedaily.com).

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

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).

## 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 from the last two sittings. Please visit [www.cii.co.uk](http://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](http://www.revisionmate.com).

Older guides are available via [www.cii.co.uk/pastexamguides](http://www.cii.co.uk/pastexamguides) (CII/PFS members only).

## 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 (IIL) holds a lecture on revision techniques for CII written exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/iilwrittenrevision](http://www.cii.co.uk/iilwrittenrevision) (CII/PFS members only).