



## Learning Outcome

## Assessment Criteria

## Indicative Content

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|  |  |   |                |   |
|--|--|---|----------------|---|
| <p><b>1</b></p> <p><b>25</b></p> <p><b>Questions</b></p> | <p><b>Understand key aspects of claims handling.</b></p> | <p><b>1.1</b></p> <p>Explain requirements and application of UK regulation and legislation affecting claims handling.</p> | <b>1.01.01</b> | The Financial Conduct Authority and the Prudential Regulation Authority.                                    |
|  |  |   | <b>1.01.02</b> | Financial Conduct Authority handbook.   |
|  |  |   | <b>1.01.03</b> | Financial Conduct Authority thematic reviews.   |
|  |  |   | <b>1.01.04</b> | Insurance: Conduct of Business sourcebook 8 - claims handling rules.  |
|  |  |   | <b>1.01.05</b> | Complaints handling and the Financial Ombudsman Service.  |
|  |  |   | <b>1.01.06</b> | Consumer Insurance Disclosure and Representations Act (CIDRA) 2012 and The insurance Act 2015.              |
|  |  |   | <b>1.01.07</b> | Principles for Businesses (PRIN).   |
|  |  |   | <b>1.01.08</b> | Managing conflicts of interest.   |
|  |  |   | <b>1.01.09</b> | The fair treatment of customers, considering vulnerable customers and achieving positive customer outcomes. |
|  |  |   | <b>1.01.10</b> | Other relevant legislation.   |
|  |  |   | <b>1.01.11</b> | Regulation of outsourcers and third party administrators.   |
|  |  | <p><b>1.2</b></p> <p>Describe how the existence of cover is determined under the policy.</p>                              | <b>1.02.01</b> | Insurable interest.   |
|  |  |   | <b>1.02.02</b> | Notification of loss.   |
|  |  |   | <b>1.02.03</b> | Structure of a typical policy.  |
|  |  |   | <b>1.02.04</b> | Claims made and losses occurring.   |
|  |  |   | <b>1.02.05</b> | The insuring clause.  |
|  |  |   | <b>1.02.06</b> | Limits of indemnity.  |
|  |  |   | <b>1.02.07</b> | Definitions of insured.   |
|  |  |   | <b>1.02.08</b> | Governing law and disputes.   |
|  |  |   | <b>1.02.09</b> | Policy conditions.  |
|  |  |   | <b>1.02.10</b> | Policy extensions.  |
|  |  |   | <b>1.02.11</b> | Policy exclusions.  |
|  |  |   | <b>1.02.12</b> | Deductible and excess.  |
| <b>1.02.13</b>   | Proximate cause.   |   |                |   |
| <b>1.02.14</b>   | Waiver and estoppel.                                     |   |                |   |



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|---|---|---|
|   | <b>1.3</b> Identify the importance and uses of claims information, including the underwriting file. | <b>1.03.01</b> Information relevant to the contract.  |
|   |   | <b>1.03.02</b> Information from the insured.  |
|   |   | <b>1.03.03</b> Good faith and the duty of disclosure.   |
|   |   | <b>1.03.04</b> The interaction between claims handlers and underwriters.                                |
|   |   | <b>1.03.05</b> Uses of claims data.   |
|   | <b>1.4</b> Explain the uses of and importance of claims reserving.                                  | <b>1.04.01</b> Setting appropriate claims reserves.   |
|   |   | <b>1.04.02</b> Use of the claim reserve.  |
|   |   | <b>1.04.03</b> Incurred but not reported (IBNR).  |
|   |   | <b>1.04.04</b> When to set up a reserve.  |
|   |   | <b>1.04.05</b> Avoiding 'step-laddering'.   |
|   |   | <b>1.04.06</b> Reserving to exposure for liability claims.  |
|   |   | <b>1.04.07</b> Costs, fees and expenses.  |
|   |   | <b>1.04.08</b> Recoveries from various parties.   |
|   |   | <b>1.04.09</b> Leakage.   |
|   | <b>1.5</b> Explain the special requirements for handling international claims.                      | <b>1.05.01</b> Handling claims in non-UK jurisdictions.   |
|   |   | <b>1.05.02</b> US Fair Claims Practices and the California Fair Claims Settlement Practice Regulations. |
|   |   | <b>1.05.03</b> Australian General Insurance Code of Practice.   |
|   | <b>1.6</b> Describe common indicators of fraudulent claims and how fraud is investigated.           | <b>1.06.01</b> What insurance fraud is.   |
|   |   | <b>1.06.02</b> Identifying potential fraud.   |
|   |   | <b>1.06.03</b> Examples of insurance fraud.   |
|   |   | <b>1.06.04</b> Preventing insurance fraud.  |
|   |   | <b>1.06.05</b> Legal principles applying to insurance fraud.  |
|   | <b>1.7</b> Explain the importance of identifying and pursuing potential recoveries.                 | <b>1.07.01</b> Operation of subrogation.  |
| <b>1.07.02</b> Abandonment and salvage.                                 |   |   |
| <b>1.07.03</b> Contractual waiver.                                      |   |   |
| <b>1.07.04</b> Contribution.  |   |   |
| <b>1.07.05</b> Market agreements.                                       |   |   |
| <b>1.07.06</b> Reinsurance recoveries.                                  |   |   |
| <b>1.8</b> Explain the key requirements in handling reinsurance claims. | <b>1.08.01</b> Requirements for reinsurance claims.   |   |



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|---------------------|--|---------------------|--|--------------------|--|
| 2<br>7<br>Questions | Understand key aspects of handling personal lines claims.  | 2.1                 | Explain how to investigate a personal lines claim.   | 2.01.01            | First notification of loss (FNOL) and information gathering. |
|                     |  |                     |  | 2.01.02            | Expert instruction.  |
|                     |  |                     |  | 2.01.03            | Potential coverage issues.                                   |
|                     |  | 2.2                 | Describe how the indemnity will be valued for a personal lines claim.  | 2.02.01            | Sum insured or limit of indemnity.                           |
|                     |  |                     |  | 2.02.02            | Separate limits and sub limits.                              |
|                     |  | 2.3                 | Describe how a personal lines claim will be settled.   | 2.03.01            | Methods of providing indemnity and how it might be modified. |
| 2.4                 | Describe the process for declined personal lines claims that have been disputed by the policyholder. | 2.04.01             | Disputes about denial of coverage.   |                    |  |
| 2.5                 | Apply key aspects of handling personal lines claims to various claims scenarios                      | 2.05.01             | Apply to various circumstances.  |                    |  |
| 3<br>7<br>Questions | Understand key aspects of handling property and business interruption claims.                        | 3.1                 | Explain how to investigate a property and business interruption claim.   | 3.01.01            | Information gathering.                                       |
|                     |  |                     |  | 3.01.02            | Expert instruction.  |
|                     |  |                     |  | 3.01.03            | Potential coverage issues.                                   |
|                     |  | 3.2                 | Describe how the indemnity for a property and business interruption claim will be valued.                                | 3.02.01            | Valuing the loss.  |
|                     |  |                     |  | 3.02.02            | Excesses, deductibles and aggregate deductibles.             |
|                     |  |                     |  | 3.02.03            | Average and underinsurance.                                  |
|                     |  | 3.3                 | Describe how a property and business interruption claim will be negotiated and settled.                                  | 3.03.01            | Measure of indemnity.  |
|                     |  |                     |  | 3.03.02            | Calculating loss of profit claim.                            |
|                     |  | 3.4                 | Describe the process for declined property and business interruption claims that have been disputed by the policyholder. | 3.04.01            | Arbitration.   |
|                     |  |                     |  | 3.04.02            | Mediation.   |
|                     |  |                     |  | 3.04.03            | Early neutral evaluation and expert determination.           |
|                     |  | 3.5                 | Apply key aspects of handling property and business interruption claims to various claims scenarios.                     | 3.05.01            | Apply to various circumstances.                              |



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|----------------------|---|---------------------|---|--------------------|---|
| 4<br>11<br>Questions | Understand key aspects of handling third party liability claims.                        | 4.1                 | Explain how to investigate a third party liability claim.   | 4.01.01            | Information gathering.                                |
|                      |   |                     |   | 4.01.02            | Legal liability.                                      |
|                      |   |                     |   | 4.01.03            | Investigation negligence or breach of statutory duty. |
|                      |   |                     |   | 4.01.04            | Expert instruction.                                   |
|                      |   |                     |   | 4.01.05            | Potential coverage issues.                            |
|                      |   | 4.2                 | Describe how the indemnity for a third party liability claim will be valued.                        | 4.02.01            | General Damages.                                      |
|                      |   |                     |   | 4.02.02            | Special Damages.                                      |
|                      |   |                     |   | 4.02.03            | Provisional Damages.                                  |
|                      |   | 4.3                 | Describe how a third party liability claim will be negotiated and settled.                          | 4.03.01            | Use of rehabilitation.                                |
|                      |   |                     |   | 4.03.02            | Legal costs.  |
|                      |   | 4.4                 | Explain the provisions of the Civil Procedure Rules when dealing with third party liability claims. | 4.04.01            | Pre-action protocols.                                 |
|                      |   |                     |   | 4.04.02            | Litigation.   |
|                      |   |                     |   | 4.04.03            | Jackson Reforms.                                      |
|                      |   | 4.5                 | Explain the key requirements in handling professional indemnity claims.                             | 4.05.01            | Information gathering.                                |
| 4.6                  | Apply key aspects of handling third party liability claims to various claims scenarios. | 4.06.01             | Apply to various circumstances.   |                    |   |