

# Insurance claims handling process

## Objective

To provide knowledge and understanding of the claims handling process including notification, assessment, settlement and associated financial factors.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the general principles in the claims handling process.	12
2. Understand insurance products and associated services.	13
3. Understand claims considerations and administration.	13
4. Understand claims handling procedures and related claims services.	13
5. Understand claims handling operations.	6
6. Understand claims settlement.	10
7. Understand how expenses are managed.	8

\* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

## Important notes

- Method of assessment: 75 multiple choice questions (MCQs). 2 hours are allowed for this examination.
- This syllabus will be examined from 1 January 2024 until 31 December 2024.
- Candidates will be examined on the basis of English law and practice unless otherwise stated.
- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us at [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.
- 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 from the list provided
  4. Select qualification update on the right hand side of the page

## **1. Understand the general principles in the claims handling process.**

- 1.1 Describe the legal requirements for a valid claim.
- 1.2 Describe the different types of policy conditions relating to claims.
- 1.3 Describe what documentary and supporting evidence are required when notifying a claim.
- 1.4 Explain what is meant by proximate cause and how it is applied.

## **2. Understand insurance products and associated services.**

- 2.1 Know the features, extensions and exclusions of motor policies.
- 2.2 Know the features, extensions and exclusions of household policies, gadget policies, travel policies and extended warranties.
- 2.3 Know the features, extensions and exclusions of commercial property and pecuniary policies.
- 2.4 Know the features, extensions and exclusions of commercial liability policies.
- 2.5 Know the features, extensions and exclusions of health policies.

## **3. Understand claims considerations and administration.**

- 3.1 Describe the role of the claims department.
- 3.2 Explain the importance of service standards and managing customer expectations.
- 3.3 Understand the different parties to an insurance claim.
- 3.4 Explain the importance of claims estimating and how reserving operates.
- 3.5 Understand how fraud affects insurance claims.
- 3.6 Describe the main regulatory and legislative environment for claims handling.
- 3.7 Describe how disputes and complaints could be resolved.
- 3.8 Describe the concepts of good faith and the duty of fair presentation.

## **4. Understand claims handling procedures and related claims services.**

- 4.1 Know claims handling procedures for motor policies.
- 4.2 Know claims handling procedures for household policies, gadget policies, travel policies and extended warranties.
- 4.3 Know claims handling procedures for commercial property and pecuniary policies.
- 4.4 Know claims handling procedures for commercial liability policies.
- 4.5 Know claims handling procedures for health policies.
- 4.6 Know the Civil Procedure Rules.

## **5. Understand claims handling operations.**

- 5.1 Describe the key features, structure and objectives of different claims systems.
- 5.2 Understand the importance of data protection legislation and enforcement.

- 5.3 Explain the roles of external support services used in the claims process.

- 5.4 Describe the claims function as it appears in functional and divisional structures.

## **6. Understand claims settlement.**

- 6.1 Describe the way that claims can be settled.
- 6.2 Describe why a full indemnity may not always be paid.
- 6.3 Explain how insurers can recover the cost of claims.
- 6.4 Describe the provisions of the Motor Insurers' Bureau agreement for untraced and uninsured drivers.

## **7. Understand how expenses are managed.**

- 7.1 Describe the role of the claims manager.
- 7.2 Explain what leakage is and how to identify and reduce it.
- 7.3 Explain the types of financial monitoring and how this can impact an insurance company results.
- 7.4 Explain the basis and significance of reserving practice.

## Reading list

The following list provides details of further reading 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 resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

### CII study texts

Insurance claims handling process. London: CII. Study text IF4.

### Books and eBooks

'Claims handling'. Chapter – Insurance theory and practice. Rob Thoys. New York: Routledge, 2010. \*

Claims handling law and practice. 4<sup>th</sup> ed. Richard West et al. London: Kennedys Law LLP, 2022.

'Claims under the policy'. Chapter 14 in Bird's modern insurance law. 12<sup>th</sup> ed. John Birds. London: Sweet & Maxwell, 2022.

Insurance claims. 5<sup>th</sup> ed. Alison Padfield. Bloomsbury Professional, 2021.

Insurance theory and practice. Rob Thoys. Routledge, 2010.

The Insurance Act 2015: a new regime for commercial and marine insurance law. Malcolm Clarke, Baris Soyer (eds.). Abingdon: Informa, 2016.

### Periodicals

The Journal. London: CII. Six issues a year.

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

### 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.

Financial Conduct Authority (FCA) Handbook. Available at [www.handbook.fca.org.uk/handbook](http://www.handbook.fca.org.uk/handbook).

Prudential Regulation Authority (PRA) Rulebook Online. Available at [www.prarulebook.co.uk](http://www.prarulebook.co.uk)

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

## Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate ([ciigroup.org/login](http://ciigroup.org/login)). Details of how to access Revisionmate are on the first page of your study text. It is recommended that you only study from the most recent version of the examination guide.

## Exam technique/study skills

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