

Strategic claims management

996 2017–18 edition

Web update 1: 7 November 2017

Please note the following update to your copy of the 2017–18 edition of the **996** study text (amendments and additions shown in **bold** throughout):

Chapter 2, section A2C, page 2/5

Please amend the second sentence of the second paragraph to read as follows:

For example, in the UK, the Data Protection Act 1998 **currently** governs the use of personal data about living persons and the regulatory body is the Information Commissioner's Office.

Chapter 2, section A2C, page 2/6

Please replace the fifth paragraph onwards (leaving the 'Research exercise' at the end of this section) with the following text:

Finally, we should note that in the EEA the General Data Protection Regulation will come into force on 25 May 2018 and requires data protection 'by design' within the organisation. This will take effect in the UK despite the decision to leave the EU, and at the time of writing (November 2017) a new Data Protection Bill is making its way through Parliament. GDPR introduces higher maximum fines for breaching the legislation, a wider range of possible offences and a greater right to compensation on the part of individual Data Subjects. GDPR also introduces a 'right to erasure', which will enable Data Subjects to request that their personal data is deleted by the organization. How will the claims function manage such requests and under what circumstances can claims data be deleted when it is needed for legal and regulatory reasons?

The claims strategy will need to allow for resource to be devoted to making required changes, which will include:

- **revision of Fair Processing of Data Notices explaining to customers and third parties the basis on which their data will be processed and what it will be used for;**
- **risk assessment of the claims function's activities, including considering if 'profiling' of individuals is taking place (perhaps for the purposes of investigating fraudulent claims);**
- **contract updates for supplier and delegated authority relationships, identifying who is the Data Controller in the relationship and respective rights, duties and penalties under the contract given the changed legislation; and**
- **dealing with new or larger claims for fines and compensation under professional indemnity, liability, cyber and legal expenses policies.**

Chapter 2, section A3, page 2/6

Please amend the final sentence in the third paragraph to read as follows:

The EU has declared the prudential regimes in Switzerland and Bermuda to be equivalent to Solvency II, and that of the US, **amongst others**, to be provisionally equivalent.

Chapter 2, section B1B, page 2/7

Please insert a new second paragraph as follows:

Some claims KPIs may be made public by regulators. In the UK the FCA has started to publish tables of 'value measures' on certain types of consumer insurance, such as claim acceptance rates and average sizes, as part of a pilot exercise.



Useful website

www.fca.org.uk/publications/data/gi-value-measures-pilot

Chapter 2, section B2, page 2/8

Please replace the final sentence of the first paragraph with the following:

In the UK, the FCA regards this as outsourcing and subjects it to the same controls, as detailed in section 13.9 of the SYSC part of the FCA Handbook.

Please add a new final sentence to the second paragraph as follows:

In the UK, the PRA's Conditions Governing Business (section 7) implement the controls on outsourcing.