

Advanced claims

Purpose

To enable candidates to understand 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
 2. Select the appropriate qualification
 3. Select your unit from the list provided
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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 in the firm, including by use of customer journey mapping.
- 2.2 Examine how customers can be retained.
- 2.3 Explain how complaints can be managed.
- 2.4 Assess policyholder dispute options and the consequences of a breach of the 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/or 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 listed here provide a wider coverage of syllabus topics.

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 / eBooks

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

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

'Claims process at Lloyd's'. Chapter 13 in Lloyd's law and practice. 2nd ed. Julian Burling. London: Informa, 2017.

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

Contracts for difference. iMinds Pty Limited, 2009.*

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

Insurance claims. 5th ed. Alison Padfield. Bloomsbury Professional, 2021.

MacGillivray on insurance law: relating to all risks other than marine. 15th ed. London: Sweet & Maxwell, 2023.

Journals and magazines

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

Continuity insurance & risk. London: Perspective. Six issues a year. Available online via www.cirmagazine.com

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

InsurancePOST. London: Incisive Financial Publishing. Monthly. Contents searchable online at www.postonline.co.uk.

Reference materials

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

Insurance: Conduct of Business sourcebook (ICOBS). Available via www.handbook.fca.org.uk/handbook/ICOBS.

Specimen guides

Specimen guides are available for all coursework units.

These are available on the CII website under the unit description / purchasing page. You will be able to access this page from the Qualifications section of the CII website: www.cii.co.uk/qualifications.

Exam technique/study skills

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