

# Strategic claims management

## Purpose

To enable candidates to understand the strategic direction and strategic leadership of claims function.

## Target Candidate

Claims specialists with several years' experience who are looking to develop their career through the route: Section Head; Departmental Claims Manager; Company Claims Manager and anyone who interacts with the claims function. It can also apply to those who receive claims data.

## Assumed Knowledge

It is assumed that the candidate already has grounding in claims gained from study of M85 Claims practice or 820 Advanced claims, and knowledge of insurance organisations, finance and regulations as typically covered in IF1 Insurance, legal and regulatory, or M92 Insurance business and finance or equivalent examinations.

### Summary of learning outcomes

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| 1. | Discuss the role of strategic claims management within the insurance value chain                 |
| 2. | Evaluate the implications of regulation for a claims function                                    |
| 3. | Evaluate the claims strategy within the broader business context, culture and corporate strategy |
| 4. | Evaluate the financial impact of the claims strategy on the business                             |
| 5. | Analyse the requirements of a leadership role in the claims function                             |
| 6. | Analyse wider issues that affect claims strategy   |

## Important notes

- Method of assessment: Coursework – 3 online assignments (80 marks). Each assignment must be individually passed.
- The syllabus is examined on 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](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. Discuss the role of strategic claims management within the insurance value chain**

- 1.1 Explain the insurance value chain and the role of claims management within the value chain.
- 1.2 Discuss the role of claims management within the context of enterprise risk management.

**2. Evaluate the implications of regulation for a claims function**

- 2.1 Analyse the implications of prudential regulation and business conduct rules on the claims strategy.
- 2.2 Explain how the claims function manages its regulatory responsibilities.
- 2.3 Explain the implications for the claims function of the specific regulatory requirements affecting the London Market.

**3. Evaluate the claims strategy within the broader business context, culture and corporate strategy**

- 3.1 Develop a claims strategy within the broader business context, culture and strategy.
- 3.2 Develop a strategic claims plan.
- 3.3 Evaluate the strategic opportunities and challenges in new and existing claims functions.

**4. Evaluate the financial impact of the claims strategy on the business**

- 4.1 Explain the impact of the claims strategy on the balance sheet.
- 4.2 Discuss the financial relationship between the claims function and other internal functions.
- 4.3 Explain how the financial claims management information informs the claims strategy.

**5. Analyse the requirements of a leadership role in the claims function**

- 5.1 Evaluate the key skills and capabilities of a leader in a claims function.
- 5.2 Analyse the culture and business resource requirements and limitations of the claims function.
- 5.3 Develop a claims plan to deliver the resources to support business requirements.
- 5.4 Explain how you will measure and manage the performance of the claims function to ensure achievement of the claims plan.
- 5.5 Explain how to ensure continuous business improvement.

**6. Analyse wider issues that affect claims strategy**

- 6.1 Analyse the effect of ethical claims management on the business.
- 6.2 Analyse the importance of life-time value of customers.
- 6.3 Analyse the impact of digital technology.
- 6.4 Explain the importance of business continuity planning.

- 6.5 Analyse the potential contribution and limits of catastrophe modelling.
- 6.6 Analyse emerging risks within the context of claims management.
- 6.7 Analyse the reasons for closing an underwriting account and managing claims run-off.

## 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

Strategic claims management. London: CII. Study text 996.

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

Insurance business and finance. London: CII. Study text M92.

Claims practice. London: CII. Study text M85.

Advanced claims. London: CII. Study text 820.

### Books / ebooks

A practical guide to corporate governance. 5<sup>th</sup> ed. Mark Cardale. London: Sweet and Maxwell, 2014.

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

Claims handling law and practice. 4<sup>th</sup> 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. 12<sup>th</sup> ed. John Birds. London: Sweet & Maxwell, 2022.

Digital insurance: business innovation in the post-crisis era. Bernardo Nicoletti. Basingstoke: Palgrave Macmillan, 2016.\*

Organisational behaviour: an introductory text. Andrzej Huczynski, David Buchanan. 8th ed. Financial Times/Prentice Hall, 2013.

The Insurance Act 2015: a new regime for commercial and marine insurance

law. Malcolm Clarke, Barış Soyer (eds.). Abingdon: Informa, 2019.

Understanding the Financial Conduct Authority: a guide for senior managers. Ashley Kovas. Kibworth Beauchamp: Matador Books, 2015.

### Ebooks

The following eBooks are available via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only):

Business continuity planning: a project management approach. Ralph L. Kliem, Gregg D. Richie. Boca Raton: Auerbach Publications, 2016.

Customer value creation behaviour. Youjae Yi. London: Routledge, 2015.

### Online resources

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).

### Journals and magazines

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

InsurancePOST. 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.\*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2013.\*

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

## 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](http://www.cii.co.uk/qualifications).

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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).

## **Exam technique/study skills**

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