

NAME OF SUBJECT	INSURANCE CLAIMS	
LEARNING & SKILL OUTCOMES		OBJECTIVES
Demonstrate and understand key aspects of the regulatory environment of insurance claims	Demonstrate the key aspects of the regulatory environment of insurance claims	
Examine how to determine the existence of cover under the policy	Examine how to determine the existence of cover	
Demonstrate and understand the importance and uses of claim information	Demonstrate the importance and uses of claims information	
Discover and understand how to determine the extent of indemnity or liability	Discover how to investigate and determine indemnity or liability	
Demonstrate and understand the effective negotiation and settlement of claims	Demonstrate the use of effective negotiation and settlement of claims	
CONTENT OUTLINE		
<p>KEY ASPECTS OF THE REGULATORY ENVIRONMENT OF INSURANCE CLAIMS</p> <ul style="list-style-type: none"> • Key elements of FSA regulation including ICOB 8 • Key elements of BNM regulation including GPI/JPI 14 • Treating customers fairly • Regulation of outsources and the third party administrators • Managing conflicts of interest • Consequences of failure to comply/ enforcement • Key regulation applicable in non UK jurisdictions: <ul style="list-style-type: none"> •California Fair Claims Practice rules and effects of non-compliance •Australia requirements 		
<p>DETERMINATION OF THE EXISTENCE OF COVER UNDER THE POLICY</p> <ul style="list-style-type: none"> • Application of fundamental policy conditions: <ul style="list-style-type: none"> • Claims made and losses occurring • Typical notification conditions • Their operation in practice • Definition of insured • Case law • Application of legal principles <ul style="list-style-type: none"> • Insurable interest • Formation of contract • Utmost good faith • Duty of disclosure • Misrepresentation • Waiver • Estoppel • Indemnity • Proximate cause • Subrogation • Contribution • Impact of fraud on legality of claims • Warranties • Conditions • Exclusions • Case law in respect of the foregoing principles 		

- Examples on :
 - Proximate cause
 - Subrogation cases

THE IMPORTANCE AND USES OF CLAIM INFORMATION

- Information from insured and its uses
 - Information relevant to the contract including proposal form and other underwriting information
 - Typical obligations on the insured to provide information
 - Role of broker/intermediary
 - Role of broker/intermediary
- Legal opinion and its uses
 - Distinction between roles of defence and coverage lawyers, importance of instructions and maintaining control
- Expert opinion and its uses
 - Typical experts for a first and third party claim, and effective instruction of experts
 - Civil Procedure Rules on the use of experts
- Supplementary information and its uses
 - Police
 - Fire brigade
 - Witness statements
 - Weather report
 - Flood reports
 - ISM and ABI
 - Market sources on fraud detection
 - Information from the underwriting function and account managers

DETERMINATION OF THE EXTENT OF INDEMNITY OR LIABILITY

- Application of policy limits
 - Application of excesses
 - Application of franchises
 - Application of deductibles
 - Application of limits of indemnity and reinstatement
 - Application of aggregation
 - Examples to demonstrate the applicable of excess and deductible
- Establishing claims quantum under first party insurances
 - Application of subrogation, contribution, salvage and recoveries (to include JPI 14)
 - Application of average to typical claims scenarios
- Establishing claims quantum under third party insurances (the local trends in arbitration and court awards and their impact on claims management.)
 - Nature of liability
 - Full civil liability
 - Civil vs. criminal
 - Contract vs. tort
 - Nature of torts at issue
 - Relevant statutory law
 - Relevant case law demonstrating likely:
 - Damages
 - Limitation
 - Defences
 - Contributory negligence

THE EFFECTIVE NEGOTIATION AND SETTLEMENT OF CLAIMS

- Claims settlement
 - Assessing the information gathered and reviewing it in light of the policy coverage considerations
 - Proceeding to adjust and settle the claim
 - Setting appropriate claims reserves
 - Denial of coverage
 - Regulatory requirements, (local content to emphasise FMB) and how policy dispute will proceed if challenged

- The different demands in handling :
 - First party claims
 - Third party claims
- BNM, FSA, requirements when dealing with:
 - Retail consumers
 - Non-retail consumers
- Timescales for payments
- First party policies
 - Impact of regulatory obligations
 - Communication with insured
 - Negotiation
 - Settlement and payment of claim
- Third party policies
 - The civil procedure framework-the pre-action protocols
 - Their impact on claims negotiation and settlement
 - Potential penalties for not fulfilling the protocols
- Internal protocols
 - The use of inputs from :
 - Account management
 - Underwriting functions
 - The importance of full corporate participation into the :
 - Negotiation process
 - Settlement process
- The importance of ensuring reinsurance recoveries
- Part 36 offers
 - Litigation process
 - Use of alternative dispute resolution
 - Structured settlements
- Claims issues
 - Fraud detection: indicators of fraudulent claims
 - Explanation on the coverage at the point of sales
 - Internal complaint handling processes- including :
 - Good practice on drafting clients communications
 - Escalation including role of Financial Mediation Bureau
 - Defect/clarity on the policy wordings – clause wording missing
 - The use of arbitration
 - The use of mediation