The Insurance Institute of Zambia (IIZA)

Executive Certificate in Insurance Claims Management



Online Course

Introduction

Course Overview

The content of the Executive Certificate in Insurance Claims Management course makes your road to learning about this aspect of insurance more effective, easier and more enjoyable than ever. Its streamlined approach strikes a careful balance between depth of coverage and ease of learning. Its world-class learning design - with insightful examples, thought primers, learning activities, case studies, review questions, and tutorial questions - ensures that you will come to class well prepared and leave with a richer understanding of the subject theory and practices.

In your professional journey with the Executive Certificate in Insurance Claims Management course, you will develop knowledge and understanding about the development of claims philosophies, the implementation of claims systems, the management of the claims function, the management of claims service, and the application of claims practice in transacting insurance business on an industry-wide basis.

Learning Outcomes

By the end of this course, you should be able to:

- Understand the claim processes, concepts, and procedures;
- State the key issues relating to claims in specific types of policies;
- Explain the importance of IT and quality management and their impact on claim management;
- Explain the functions of outsourcing companies and intermediaries in the claim process;
- Understand the rationale for claims estimating and reserving; and
- Discuss fraudulent claims, disputes and litigation in the claims process.



Module 1: The Claims Environment

Learning Outcomes

On completion of this module, you should be able to: -

- Understand claims management within the context of the broader environment;
- Plan and execute a claims management strategy;
- Evaluate various organisation structures;
- Explain the difference between claims handling and management;
- Understand the position of the claims department;
- Discuss claims philosophy;
- Explain the relationship between the claims function and other functions in an insurance organization.

What is Covered

The Claim Environment

Claims Management Strategy

Claim Philosophies

- Effect of Claims Philosophies on Business
- Claims Handling and Overall Company Objectives
- Claims Philosophy and the Organisation's Marketing Strategy

Organisation Design and Structure

- Claims Department Within the Insurer
- Internal Structure of the Department
- Referral Points and Authorities
- The Role and Responsibilities of the Department Manager

Policy Interpretation

Legislation and Regulation

- The Impact of Legislation and IRA Regulations on the Claims Environment
- Insurance Conduct of Business Sourcebook (ICOBS)
- Arrow Visits
- Treating Customers Fairly (TCF)
- Application to Outsourcing
- Contract Certainty
- European Union (EU) Impact

The Supply Chain

- Intermediaries in the Claims Process

Module 2: Customer Service Management

Learning Outcomes

On completion of this module, you should be able to: -

- Identify the customers' expectation of the claims service and analyse how it compares with the service they receive;
- Determine the importance of managing customers' expectations and establish a service that meets them;
- Understand how the AIRMIC Guide of Best Practise is applied to claims handling practices;
- Appreciate the importance of IRA regulation and related legislation, in forming claims handling practices;
- Recognise the importance of quality claims service as a marketing tool;
- Understand the relationship between claims service and customer loyalty;
- Know how the principles of Treating Customers Fairly (TCF) are incorporated to form part of claims service;
- Discuss the importance of complaints to the insurance industry;
- Explain how to establish a good complaints handling system that forms part of an overall claims service;
- Discuss the role of the Financial Ombudsman Service (FOS) and Financial Mediation Bureau (FMB) in claims service;
- List procedures to handle the Insured when there is a relationship breakdown and threat of litigation;
- Explain how and where bad faith can be an issue and the implications of actions in bad faith; and
- Explain the importance of ethical standards in the insurance industry.

What is Covered

Customer Expectations

- Managing Customer Expectations
- Customer Expectations and the Claims System
- AIRMIC Guidelines
- Claims Services as a Marketing Tool
- Treating Customers Fairly

Customer Retention

Complaint Handling

- Complaint Handling and Dispute Resolution
- Alternative Dispute Resolution (ADR)
- Claims Service Management

Policyholder Litigation and Breach of Contract

- Bad Faith (MALA FIDES)
- Reservation of Rights

Court Awards

- Trends in Arbitration and Court Awards

Varying Requirements

- 'Personal' and 'Commercial' Policyholders and their Representatives
- 'Own-Clients' and 'Third-Party Claimants' and their Representatives

Module 3: Claim Technical Management

Learning Outcomes

On completion of this module, you should be able to:

- Devise an appropriate system to handle complex and volume claims;
- Design and deploy an effective claims management IT System;
- Evaluate your management information needs and the usefulness of the management information available to you;
- Explain how your department interacts with actuaries and underwriters;
- Illustrate how claims are handled in the London and Lloyd's markets;
- Explain the role of reinsurance in the context of claims;
- Decide when subrogation and other recoveries are available and which is appropriate;
- Appreciate how the challenges posed by international claims are met; and
- Identify potentially fraudulent claims, and assess and utilise the tools available to deal with them.

What is Covered

Reserving Philosophies

Design and Implementation of Claims Handling Procedures

- First-Party
- Third-Party

Civil Procedure Rules

Pre-Action Protocols

Process Review and Quality Management

- Service Quality
- Audits

Compliance with Claims Procedures

Fraudulent Claims

- Classification of Fraud
- Insurer's Attitude to Fraud

Ethical Aspects

- Settling Legitimate Claims
- Challenging Dubious Claims

Information Technology

- Fundamental Considerations in Designing a Claims Management System
- The Role of it in Claims Handling
- Some Characteristics of Insurance Claims
- Key Issues
- Major Components of a General Insurance Claims System
- Benefits and Difficulties in Using it in Claims Handling
- Associated Benefits of Using it in Claims Handling
- Difficulties in Using it in Claims Handling
- Influence of Customer Expectation on the Design of Systems

Management Information Systems

- General Uses of Management Information
- Uses of Claims Management Information

Reinsurance

- Claims Considerations Relating to Reinsurance

Subrogation and Recoveries

- Co-Insurer
- Reinsurers

- Third-Party Subrogation Rights
- Salvage
- Average
- Excess

Module 4: Claims Management Practice

Learning Outcomes

After completing this module, you should be able to:

- Design and implement claims handling procedures and management;
- Evaluate the need to appoint outsourced service providers and delegate authority;
- Analyse the risk of catastrophe and prepare for the impact on your department;
- Evaluate the use of call centres as a tool for claims management;
- Gauge the role and benefits of helplines; and
- Study the differences in local and international claims handling.

What is Covered

Claims Handling Operations

- Different Strategic Roles
- Managing The Work of an External Holder of Delegated Authority

Segmentation

- Bulk Claims
- Complex Claims

Authorities

Outsourcing

- Third-Party Administrators (TPAS)
- Insurance Company Claim Departments
- Brokers
- Solicitors
- Loss Adjusters
- Reinsurance Consultants

Delegated Authorities

Catastrophe Management

- The Effect of Global Warming
- Pre and Post Loss Control
- The Effect on the Claims Department
- The Response of the Claims Department

Call Centre Management

- The Role and Benefits of "Helplines"

Supplier and Relationship Management Panels

- Loss Adjusters
- Solicitors
- Suppliers of Goods and Services

Market Practice

- The Practical Implications of Differences in Global and Local Market Practice

Module 5: The Cost of Management Practice

Learning Outcomes

On completion of this module, you should be able to:

- Recognise the issues in managing the cost of claims operation;
- Identify issues related to potential 'leakage' or overpayment in claims processing;
- Devise ways to overcome such overpayment in claims;
- Establish estimating and reserving policies and their effect on the claims function;
- Identify the use of actuarial reviewing for monitoring and financial performance; and
- Understand the impact of claims on underwriting pricing.

What is Covered

Cost Control

- Managing the Cost of the Claims Operation

Estimating and Reserving

- The Need for Claims Reserving
- Components of Claims Reserves
- Estimating and Reserving Methods
- The Claims Reserving Process

- Conclusion
- Exceptional Large Claims

Claims, Underwriting and Pricing

Actuarial Reviews

- FSA Regulation
- Annual Report and Accounts
- Monitoring Financial Performance
- Risk-Based Capital (RBC)

Leakage

- Sources of 'Leakage'
- Tracing of Insurers
- Effecting Recoveries in Run-Off
- Methods of Minimising Leakage

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