

FSPITS09 - SQA Unit Code H68W 04

Determine the cover and extent of liability in complex insurance claims



Overview

This unit is about determining the extent of cover, liability, and the financial implications for possible settlement options in complex and/or high value cases. It includes checking the validity and reliability of information, and balancing the appropriateness of further investigation with the likely outcomes and the impact upon overall costs. This unit focuses upon claims made by the insured for losses suffered and that are covered by their policy.

At all times you will act within the limits of your authority, complying with, and where relevant, ensuring that others comply with, legal requirements, industry regulations, organisational policies and professional codes.

Claims are complex where they are not routine and cannot be dealt with mechanistically, for example, when a claim involves negotiation and/or is technically demanding involving complex legal issues or substantial financial implications.

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Performance criteria

- You must be able to:*
- P1 Gather the information required to evaluate the claim and address any gaps in the information available currently
 - P2 Review all of the relevant information available and determine the circumstances of the incident upon which the claim is based
 - P3 Identify the insurance cover relevant to the claim and confirm all appropriate terms and conditions applying
 - P4 Identify and review all available insurance cover relevant to the claimant, and relevant legal principles and contractual obligations, determining their impact for the claim being evaluated
 - P5 Assess the liability of all parties involved in the claim
 - P6 Identify the financial implications of the claim, including immediate and potential implications, assessing their impact against possible settlement scenarios
 - P7 Assess potential ongoing actions towards determining liability and the amount that might be due, analysing the likely costs of such actions against the likely outcomes for determining settlement terms
 - P8 Take appropriate action where there are indicators of non-disclosure, misrepresentation, fraud or potential fraud, in line with your organisation's procedures
 - P9 Decide upon the appropriateness of ongoing actions towards investigating the claim, setting out the reasoned rationale for the decision
 - P10 Ensure that your decisions are in accordance with your organisation's ethos and practice as well as legal and regulatory requirements
 - P11 Progress actions towards determining the extent of liability where these are appropriate
 - P12 Provide all relevant parties with the information appropriate to progressing the claim
 - P13 Refer all matters that are beyond your level of authority promptly to the relevant person, setting out clearly the circumstances and the reason for the referral, making reasoned recommendations regarding future action
 - P14 Ensure that adequate reserves are applied for the claim, in line with your organisation's rules and industry regulations
 - P15 Maintain accurate and complete records at all times

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Knowledge and understanding

You need to know and understand:

Financial services specific knowledge and understanding

- K1 The structure of the insurance market and the roles and responsibilities of the various parties within it, relevant to your area of responsibility
- K2 The different stages in the progression of insurance claims
- K3 The decision making process at different stages in progressing a claim, and their potential impact on the claim
- K4 The importance of gathering all relevant information necessary to determining the cover and extent of liability in claims
- K5 The information required towards determining the extent of cover and liability in insurance claims
- K6 Sources of information regarding claims
- K7 The importance of reviewing legal precedents and how they affect the handling of a claim
- K8 The importance of maintaining accurate reserves, and the factors making up claims reserves
- K9 The importance of contract certainty and its impact upon the claims process
- K10 The importance of identifying where reinsurance is in force and how to do this
- K11 How different policy wording impacts upon claims and upon the claims reserving process
- K12 The importance of instructing and using external experts, and how to do this

Context specific knowledge and understanding

- K13 Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including ethical standards and health and safety, as they impact on determining the extent of cover and liability in insurance claims
- K14 Your organisation's ethos and practice associated with progressing claims
- K15 Your organisation's claims management process
- K16 Your organisation's estimating practices
- K17 The effects of claims leakage on insurers
- K18 Your organisation's policies and procedures for investigating complex insurance claims
- K19 The parties involved in progressing complex insurance claims, the information that they need from you towards ensuring effective progress and how to provide this
- K20 The limits of your authority, and the actions to take where these are exceeded

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Additional Information

Behaviours

You must demonstrate that:

1. You use information and knowledge effectively, efficiently and ethically
2. You show integrity, fairness and consistency in decision making

Links to other NOS

‘Signposting’ other relevant NOS

There is a close relationship between these NOS and the NOS for General Insurance, which have been developed separately by the Financial Skills Partnership (formerly Financial Services Skills Council). These can be accessed via www.financialskillpartnership.org.uk

In addition, the Sector Skills Body, Skills CFA, have developed NOS which include the competences required for leadership and management, as well as customer service. The website address for Skills CFA is www.cfa.uk.com

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