



معهد الخليج لدراسات التأمين  
GULF INSURANCE INSTITUTE

## Certificate in Applied Insurance Studies

### Claims Handling

Course Code	ACCH
Content	Unit 1: Application of Insurance Principles to claims Handling Unit 2: Loss Notification and Types of losses Unit 3: Claims Service Administration and Handling Unit 4: Role of the Loss Adjuster and other Service Providers Unit 5: Validation and Settlement of Claims Unit 6: Claims Systems and Management
Duration	25 hours of structured learning involving classroom sessions, Q & A and case studies.
Audience	Intermediate
Learning Objectives	At the end of this course participants will be able to:

#### **1 Application of Insurance Principles to claims Handling**

- 1.1 Insurable Interest: how insurable interest may arise
- 1.2 Utmost Good Faith: Effect of breach; Effect of fraud and misrepresentation
- 1.3 Proximate Cause: Interpretation of insured Perils, excluded causes, uninsured perils
- 1.4 Indemnity: principle explained; how insurers provide indemnity; benefits vs indemnity;
- 1.5 Subrogation: when subrogation arises; Waiver of subrogation; sharing proceeds
- 1.6 Contribution : When contribution arises; methods of application

#### **2 Loss Notification and Types of losses**

- 2.1 Understand the distinction between a loss and a claim
- 2.2 Explain the duty of the insured in the event of loss.
- 2.3 Outline the initial claims handling process on notification of a loss
- 2.4 Distinguish between the following types of loss:
  - 2.4.1 Physical damage to property
  - 2.4.2 Economic Losses
  - 2.4.3 Injury (general damages/Special damages)
  - 2.4.4 Legal Expenses
  - 2.4.5 Medical expenses

#### **3. Claims Service, Administration and Handling**

- 3.1 Understand the importance of the claims department in the overall customer service quality of an insurance organisation.
- 3.2 Outline the organization a claims department, the claims manager and claims handlers
- 3.3 Outline the procedures and techniques for different classes of General Business
  - 3.3.1 Property - Commercial
  - 3.3.2 Householders and personal effects
  - 3.3.3 Motor
  - 3.3.4 Personal Accident & Health
  - 3.3.5 Liability
- 3.4 Be aware of various strategies for cost control and containment

#### **4. Role of the Loss adjuster and other service providers**

- 4.1 Explain the role of the loss adjuster and his relationship with the Insurer and the Insured



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- 4.2 Outline the circumstances in which his appointment would be necessary or recommended
- 4.3 Outline the process of a loss adjustment from the adjustor's appointment to the final settlement
- 4.4 Understand the roles and services provided by:-
  - 4.4.1 Insurance Brokers
  - 4.4.2 Surveyors
  - 4.4.3 Third party Administrators
  - 4.4.4 Authorized repairs
  - 4.4.5 Insurer's help lines
  - 4.4.6 Reinsurers
  - 4.4.7 Loss assessors
  - 4.4.8 Legal assistance, including uninsured loss recovery firms
  - 4.4.9 Disaster recovery companies

## 5. Validation and Settlement of Claims

- 5.1 Explain the significance of policy conditions and their breach
  - 5.1.1 Basis of the Contract (Proposal form)
  - 5.1.2 Void and Voidable Policies
  - 5.1.3 Express and Implied Conditions
  - 5.1.4 Conditions precedent to the contract
  - 5.1.5 Conditions subsequent to the contract
  - 5.1.6 Conditions precedent to liability
  - 5.1.7 Warranties
- 5.2 Explain the methods of settling claims and
  - 5.2.1 Indemnity claims: cash, repair, reinstatement or replacement
  - 5.2.2 Partial claims and Total losses
  - 5.2.3 Reinstatement or indemnity basis of settlement
  - 5.2.4 Application of excesses or deductibles
  - 5.2.5 Application of average (underinsurance)
  - 5.2.6 Aggregate deductible
  - 5.2.7 Co-Insurance
  - 5.2.8 Limits of Indemnity (Liability policies)
  - 5.2.9 Sib limits
  - 5.2.10 Benefit claims
- 5.3 Explain how salvage rights are acquired and methods to deal with salvage
- 5.4 Understand when an Ex Gratia Settlement may be appropriate and the effect of such settlement
- 5.5 Be aware of the mechanics, advantages and disadvantages of Alternative Dispute Resolution
  - 5.5.1 Arbitration
  - 5.5.2 Ombudsman Service
  - 5.5.3 Mediation
- 5.6 Be aware of the significance of fraudulent claims and methods of detection
  - 5.6.1 Significance of fraudulent claims on the performance of insurers and the industry
  - 5.6.2 Rights of insurers in fraudulent claims
  - 5.6.3 Effect on the policy of fraudulent claims
  - 5.6.4 Methods of detection of fraudulent claims



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5.6.5 Procedures to reduce the instances of fraudulent claims

5.7 Be aware of the considerations for claims under compulsory insurance policies

**6. Claims Systems and Management**

6.1 Outline the operation of the different kinds of claims systems

6.1.1 Distinguish between own and third party claims

6.1.2 Applying reserves and estimates

6.1.3 Settled, Outstanding, IBNR and IBNER claims

6.2 Outline management and regulatory reporting requirements for insurers

6.2.1 The significance of correct recording and reporting

6.2.2 Calculating a loss ratio

6.3 Outline the reporting and accounting duties of a cedant under proportional reinsurance treaties

6.3.1 Bordereaux

6.3.2 Loss Notification

6.3.3 Loss Control clauses

Private study	Students should undertake a minimum of 75 hours of private study.
Assessment	Test: Two hours, 100 multiple choice questions.
Language	These courses are available in English and in Arabic.
Accreditation	1 credit towards Associate of the Gulf Insurance Institute