



General Insurance Claims Handling Framework

Australian and New Zealand
Institute of Insurance and Finance

RTO 3596



Why have a General Insurance Claim Framework?

The insurance industry is fundamental to our economy, and our Claims teams are the proof point for insurance. As an industry we are not well understood by our broader community - and the less we are understood, the more important it is that we can point to a frame of reference of 'what good looks like'. Industry Codes, such as the General Insurance Code of Practice is an excellent example of this. The recent implementation of licensing requirements for Claims Handling has provided an opportunity for the insurance industry to establish a minimum professional standards framework for Claims Handling and Settling Services in such a way that we can focus on professionalising Claims Handling for the benefit of all.

Why ANZIIF?

As the only professional body spanning all sectors of the insurance industry, ANZIIF is in a unique position to work with industry to establish professional standards appropriate to our industry. Claims handling, as a licensed activity, is one such example.

In 2021, ANZIIF also collaborated with the Life Insurance industry to establish similar frameworks for Life Claims and Underwriting, further supporting professionalism within the industry.



What are the benefits of having the Framework?

After extensive consultation there is broad support for having a framework that provides minimum standards and for this framework in particular. In welcoming the development of this framework, some of the benefits identified through industry workshops include:

- It provides an independent benchmark for organisations to assess their staff competency to handle claims based on the level of decision-making authority they have;
- It avoids uncertainty in defining what is a reasonable level of competency for licensing purposes – providing a clear and consistent roadmap;
- It provides flexibility on an ‘if not, why not’ approach to cover wholesale/retail and differing business models;
- The framework does not require organisations to pay any annual or other licensing fees;
- The framework does not require any independent certification;
- It provides an opportunity to improve the professionalism of Claims Handling, including improving attraction and retention of employees;
- The framework is flexible enough to align easily to existing role structures; and
- An appreciation of the consistency this could drive across industry.

What does endorsing the Framework entail?

Endorsing the Framework means committing publicly to the framework, even where elements of it may not be fully implemented within the company on a risk assessed basis.

A commitment to the Framework requires each company to:

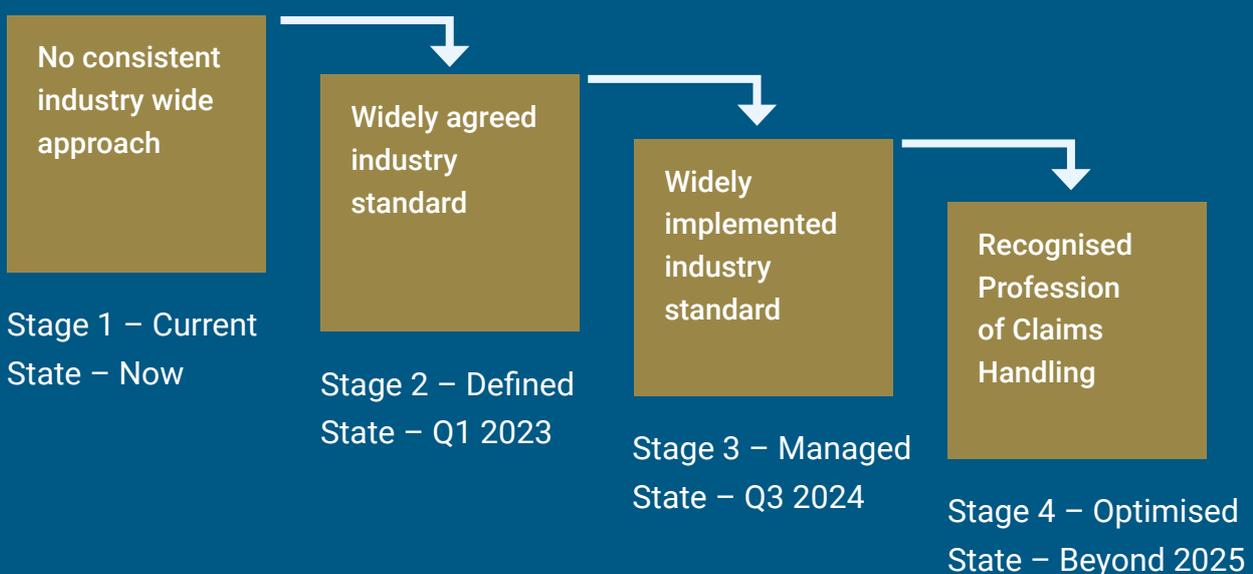
- Identify claims handling roles under the scope of their licence.
- Determine which roles have decision making authority and the level of that authority by mapping roles to the Framework levels.
- Make a documented, risk-based decision appropriate to their business based on their business model, customer and product set as to how the framework should apply in this particular context.
- Assess their existing training against the Framework within their organisation to determine gaps.
- Determine whether to build or buy to fill the gaps.
- Ensure implementation of training to progressively fill the gaps within a reasonable timeframe.

For insurers and broking businesses with delegated claims authorities in place, this is also an excellent way of providing a statement of compliance and demonstrating a learning pathway for staff.

Importantly, the Framework is flexible in implementation by providing an 'equivalency' structure. Claims roles are to be assessed at 'competent at the level equivalent to' the relevant group and level, meaning that training can be completed externally, by recognition of current competence, or thorough robust internal training and assessment programs. It is recommended that companies ensure assessment strategies are independently reviewed to ensure that they meet the expectations of the Australian Qualifications Framework.

Timeline for implementation

Companies that have endorsed the Framework have also considered and endorsed the implementation timeframe. The overall approach is to increase maturity levels of the professionalism of Claims Handling over time.



What is the Framework?

The Framework covers all claims handling roles within the scope of the licence for a Licenced Claims handler (whether employed directly or by delegation), and provides the standards required for Unlicenced Insurance Fulfilment Providers. The roles are grouped into clusters, and standards are set according to complexity and responsibility.

There are three clusters in the framework:

- 1 Licensees, Authorised Representatives, Sub Authorised Representatives with Decision Making Authority
- 2 Licensees, Authorised Representatives, Sub Authorised Representatives with No Decision-Making Authority
- 3 Unlicenced Insurance Fulfilment Providers – No Decision-Making Authority

All competencies have been linked to the Australian Qualifications Framework (AQF) for transparency, robustness and mapped to ASIC Information Statement 253 requirements. The full requirements for each Group and level are laid out in the following tables.

1. Licensees, Authorised Representatives, Sub Authorised Representatives with Decision Making Authority

	LEVEL 1 Manage simple claims	LEVEL 2 Manage complex claims and/or people leader	LEVEL 3 Responsible Manager
Qualification (or partial qualification) and/or competence equivalent	Certificate IV competencies * 1. Apply codes and standards to ethical practice 2. Apply and maintain knowledge of financial products and services 3. Conduct work according to professional practices in the financial services industry	Certificate IV General Insurance	Diploma of General Insurance
General Insurance Code of Practice	Full General Insurance Code of Practice (GICoP), plus Claims Handling and Settlement Service context, Financial product advice and Cash settlement		
Company specific	Role based: Specific product, claims philosophy, claims processes and procedures, ID/EDR		
Continuous professional development	Ongoing professional development required.		

* Foundation level requirement. These competencies focus on the behavioural expectations and common elements of ASIC Info 253. See Appendix 1 for the detail of these competences.

Note that 'competence equivalence' can be fulfilled in many ways including organisational training, Recognition of Current Competence (RCC), Recognition of Prior Learning (RPL) and external training.

2. Licensees, Authorised Representatives, Sub Authorised Representatives with No Decision-Making Authority

LEVEL 1	
Non-customer facing, no decision-making authority	
General Insurance Code of Practice	Full General Insurance Code of Practice (GICoP), plus Claims Handling and Settlement Service context
Company specific	Role based: Specific product, claims philosophy, claims processes and procedures, ID/EDR

3. Unlicensed Insurance Fulfilment Providers – No Decision-Making Authority

LEVEL 1		LEVEL 1
Service Suppliers under GI Code of Practice		All other Fulfilment Providers
General Insurance Code of Practice (GICoP)	GICoP Service Provider and Vulnerability modules, plus Claims Handling and Settling Service context	Best practice is Principal, Owner and/or Licensee GICoP Service Provider and Vulnerability modules, plus Claims Handling and Settling Service context
Company specific	Competence in the service that they provide (licenced or other competence test)	

Not all fulfilment providers are covered by the scope of the General Insurance Code of Practice, however Licensed Claims handlers are required to ensure that Fulfilment providers are competent.

The ASIC Information Statement 253 requires that the Licensee needs to ensure that representatives who are not their employees are adequately trained and competent to handle and settle claims on their behalf and remains responsible for the conduct of these representatives – regardless of whether their conduct was within the authority given.

All Fulfilment Providers must be honest, fair, and efficient and subject to the requirements of the ASIC Act (for example fraud and bankruptcy requirements).

Some fulfilment providers will be explicitly required to meet the standards of Service Suppliers under the General Insurance Code of Practice.



Appendix 1 – AQF Competency standards for Foundation Requirement

1. Apply codes and standards to ethical practice

Elements	Performance Criteria
Elements describe the essential outcomes	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Develop knowledge of ethical and professional issues	<p>1.1 Use reliable sources of information to ensure that knowledge of ethical issues and professional practice is current, comprehensive and relevant.</p> <p>1.2 Maintain professional relationships and networks to facilitate awareness of current issues.</p> <p>1.3 Analyse applicable codes of ethics and conduct and their relationship to work practices.</p>
2. Apply ethical standards to professional practices	<p>2.1 Identify and examine factors that impact on professional and ethical decision making.</p> <p>2.2 Apply codes and standards of ethical conduct to assignments.</p> <p>2.3 Develop and promote strategies for dealing with possible dilemmas.</p> <p>2.4 Promote ethical standards and practice with clients, colleagues and others.</p>
3. Evaluate professional practices and knowledge related to ethical practice	<p>3.1 Reflect on and evaluate ethical practices in work assignments.</p> <p>3.2 Monitor and review practice in relation to standards of ethics and conduct.</p> <p>3.3 Seek advice and feedback on performance to improve ethical practice.</p> <p>3.4 Participate in professional development activities and networks to address identified needs in current ethical practice.</p>

[training.gov.au - PSPTIS001 - Apply codes and standards to ethical practice](https://training.gov.au/units/PSPTIS001)

2. Apply and maintain knowledge of financial products and services

Elements	Performance Criteria
Elements describe the essential outcomes	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Identify and communicate characteristics of financial products and services to client	1.1 Identify products and services used by organisation and their characteristics and purpose 1.2 Identify key terms and conditions of products and services and how they affect consumer use of them 1.3 Communicate characteristics of products and services to clients
2. Identify compliance obligations for products and services	2.1 Determine compliance requirements in the provision, sale and use of products and services and communicate to clients 2.2 Identify compliance reporting requirements and complete documentation as identified
3. Match products and services to clients	3.1 Identify organisational promotional strategies for products and services in business activities 3.2 Identify clients whose needs match products and services according to promotional strategies 3.3 Provide information and documentation for products and services to client according to organisational policies and procedures and legislative and regulatory requirements
4. Maintain product knowledge	4.1 Access information regarding updates to products and services using workplace systems 4.2 Review updated product and service terms and conditions to maintain currency of product knowledge 4.3 Review and apply updates to compliance requirements as required

<https://training.gov.au/Training/Details/FNSINC412>

3. Conduct work according to professional practices in the financial services industry

Elements	Performance Criteria
Elements describe the essential outcomes	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Prepare to provide financial services	1.1 Identify tasks, requirements and responsibilities involved in own job role 1.2 Identify procedures, guidelines, policies, standards, codes of practice and ethical requirements relevant to own job role 1.3 Consult with appropriate colleagues to identify position and responsibilities of own job role in wider organisation
2. Provide financial services within the professional practice framework	2.1 Apply relevant procedures, guidelines, policies, standards, codes of practice and ethical considerations to own job role 2.2 Carry out work tasks according to organisational policies and procedures, and in accordance with industry, organisational and community expectations 2.3 Communicate with colleagues and clients regarding stakeholder needs and expectations of own job role as required
3. Maintain professional practice	3.1 Identify and review personal professional development needs and goals on regular basis 3.2 Clarify and comply with organisational, legislative, and regulatory requirements 3.3 Consult with managerial staff to clarify ongoing expectations and goals of organisation and job role

training.gov.au - FNSINC411 - Conduct work according to professional practices in the financial services industry

Thank You

ANZIIF is only able to bring collaborations of this nature to industry through extensive consultation. This Framework is no different.

Thank you to the many hundreds of people who have provided constructive input into the final Framework. These include CEO's, Heads of Claims, Risk, People, HR OD and L&D, Claims, Risk and Procurement teams and Regulators.

The support of the ANZIIF Board, and our Faculties and Councils has been invaluable in sponsoring and promoting the Framework. And, finally, to the great people at ANZIIF who can conceptualise the need and build consensus to an industry outcome and then deliver quality education to support those outcomes. Thank you.





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