



IRISH CLAIMS CONSULTANTS

Central Bank of Ireland
Consumer Protection Department
PO Box 559
Dame Street,
Dublin 2

21st July 2011

Re: Second Consultation on review of Consumer Protection Code CP54

Dear Sir or Madam,

We refer to the above matter and attach our submission on the claims processing section of the review for your consideration.

Our submission is in the form of additions in red to the original document with the additional suggestions at the end of the document again in red.

We look forward to hearing from you.

Yours sincerely

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CLAIMS PROCESSING²

² These provisions do not apply to health insurers where a method of direct settlement is used.

7.7 A **regulated entity** must take steps to verify the validity of a claim before making a decision on its outcome.

7.8 A **regulated entity** must have in place a written procedure for the effective and proper handling of claims. At a minimum, the procedure must provide that:

- a) where an accident has occurred and a personal injury has been suffered, a copy of the **Personal Injuries Assessment Board** information leaflet (*reference no.*) is issued to the **claimant** as soon as the **regulated entity** is notified of the claim;
- b) where the potential **claimant** has been involved in a motor accident with an uninsured or unidentified vehicle or with a foreign registered vehicle, the **regulated entity** must advise the potential **claimant** to contact the Motor Insurance Bureau of Ireland (MIBI);
- c) where a claim form is required to be completed, it is issued within five **business days** of receiving notice of a claim;
- d) the **regulated entity** must offer to assist in the process of making a claim, including, where relevant, alerting the **consumer** to policy terms and conditions that may be of benefit to the **consumer**;
- e) details of all conversations with the **claimant** in relation to the claim must be noted; and
- f) the **regulated entity** must, while the claim is ongoing provide the **claimant** with updates of any developments affecting the outcome of the claim within 10 **business days** of the development. When additional documentation or clarification is required from the **claimant**, the **claimant** must be advised of this at an early stage and, if necessary, issued with a reminder in writing.

7.9 An **insurance intermediary** who assists a **consumer** in making a claim must on receipt of the completed claims documentation, transmit such documentation to the relevant **regulated entity** without delay.

7.10 Where a **regulated entity** engages the services of a loss adjuster and/or expert appraiser it must inform the **claimant** in writing of the contact details of the loss adjuster and/or expert appraiser it has appointed to assist in the processing of the claim and that such loss adjuster and/or expert appraiser acts in the interest of the **regulated entity**.

7.11 In the case of motor insurance and property insurance claims, and other claims where relevant, the **regulated entity** must inform the **claimant** in writing that the **claimant** may appoint a loss assessor to act in their interests but that any such appointment will be at the **claimant's** expense **and that regulated entity must ensure that such loss assessor is also a regulated entity**.

7.12 At the **claimant's** request and with the **claimant's** written consent, a **regulated entity** must engage with a third party which a **claimant** has appointed to act on his/her behalf in relation to a claim.

7.13 A **regulated entity** must be available to discuss all aspects of the claim with the **claimant**, including assessment of liability and damages, during normal office hours, or outside of these hours if agreed with the **claimant**.

7.14 Where an **insurance undertaking** appoints a third party to undertake restitution work in respect of a claim, the **insurance undertaking** must provide the **claimant** in advance and in writing, with details of the scope of the work that has been approved and the cost.

7.15 Where a method of direct settlement has been used, a **regulated entity**:

- a) must not ask the **claimant** to certify any restitution work carried out by a third party appointed by the **insurance undertaking**; and
- b) must certify in writing to the **claimant** that the restitution work carried out by the third party appointed by the **insurance undertaking** has been carried out to restore the **claimant's** property to the standard that existed prior to the insured event.

7.16 A **regulated entity** must ensure that any claim settlement offer made to a **claimant** is fair, taking into account all relevant factors, and represents the **regulated entity's** best estimate of the **claimant's** reasonable entitlement under the policy.

7.17 A **regulated entity** must, within 10 **business days** of making a decision in respect of a claim, advise the **claimant** in writing of the outcome of the investigation explaining the terms of any offer of settlement.

7.18 The **claimant** must be allowed at least 10 **business days** to accept or reject the offer. Where the **claimant** waives this right and accepts the settlement offer within this timeframe, the **regulated entity** must retain a **record** of this decision.

Where a direct settlement option has been exercised by the regulated entity the performers of said method must also be registered with the appropriate body unless they are supervised by the regulated entity and or their regulated agents

Where a direct settlement option has been exercised by the regulated entity and the regulated entity requires any restitution works to be certified this certification must be carried out by an expert and the cost of such expert must be included in the settlement

In order to reflect the unequal relationship between the claimant and the regulated entity and their agents consideration may be given in the future to move towards the position on the Continent in that the cost of representation is covered as standard under the various insurance policies.

7.19 If the **regulated entity** decides to refuse the claim, the reasons for that decision must be provided to the **claimant** in writing.

7.20 Where the policyholder is not the beneficiary of the settlement the policyholder must be advised in writing by the **regulated entity**, at the time that settlement is made, of the final outcome of the claim including the details of the settlement. Where applicable, the policyholder must be informed that the settlement of the claim will affect future insurance contracts of that type.

7.21 A **regulated entity** must provide a **claimant** with written details of any internal appeals mechanisms available to the **claimant**.

7.22 A **regulated entity** must pay a claim to the **claimant** within 10 **business days** from the date the **claimant** has agreed to accept the offer made by the **regulated entity** offering to pay a particular amount in discharge of a claim, unless a method of direct settlement is being applied, once the following conditions have been satisfied:

- a) the insured event has been proven;
 - b) all specified documentation has been received by the **regulated entity** from the **claimant**;
 - c) the entitlement of the **claimant** to receive payment under the policy has been established;
- and
- d) the appropriate amount has been agreed subject to finalisation of legal costs, where applicable.