

Chapter 16

Reporting requirements

Notes on completing the value measures report form (REP019)

Proforma column	Proforma	Guidance
B	Add-on policies and stand-alone policies sales	Where cover is included within the main <i>policy</i> or sold as an optional extra or a cover extension of the <i>policy</i> (A) and not a separate <i>policy</i> then that cover should be reported as part of the reporting for <i>policy</i> (A). The only exception to this approach is the reporting of legal expenses cover which should be reported separately in any event.
F	Number of claims registered	<p>Examples of how the number of claims registered should be reported are set out below:</p> <p>Scenarios</p> <p>Where an event covers multiple claim components this should be reported as a single claim. This could include multiple treatments for a single condition for pet insurance, which would be treated as a single claim.</p> <p>Where a person contacts the <i>firm</i> to report an event as required under their insurance <i>policy</i> but does not wish to make a claim, this should not be reported as a claim registered.</p> <p>Where a customer initially calls, or contacts the <i>firm</i>, to make a claim and is advised at that time that the loss is not covered or the claim is below the <i>policy</i> excess and decides not to pursue a potential claim further then this should be reported as a claim registered and a rejected claim.</p> <p>Where a person rings the <i>firm</i> to ask a general or hypothetical question about their <i>policy</i> or the cover, or checks their <i>policy</i> coverage online then this should not be reported as a claim registered.</p>

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I	Number of claims accepted	<p>Where a claim is registered but not subsequently pursued (including where the customer does not contact the <i>firm</i> again) and the <i>firm</i> closes the claim within a reasonable period then the claim should be removed from claims registered (in the period that the claim is closed) and treated as a claims walkaway in that period.</p> <p>Examples of how the number of claims accepted should be reported are set out below:</p> <p>Scenarios</p> <p>If a <i>firm</i> pays out on one element of a claim, but is still investigating another element of the claim at the end of the relevant reporting period (i.e. the claim is still open) then this claim should only be reported as a claim accepted in the reporting period in which:</p> <ul style="list-style-type: none"> (a) the final pay-out has been made; or (b) the claim is otherwise closed. <p>If a <i>firm</i> pays out on one or more elements of a claim, but rejects other elements of the claim (and the claim is now closed by the end of the reporting period) then this claim acceptance should be reported in this data field.</p> <p>If a <i>firm</i> pays out on one or more elements of a claim and there are no outstanding elements of the claim at the year end and it is closed, these claims should be included. If in the subsequent period, the claim is reopened then this subsequent element of the claim should not be included in this data field.</p>
J	Claims rejected	<p>For the purposes of the report <i>firms</i> may use the description of insurance fraud in the Insurance Fraud Register (see http://www.theifr.org.uk/en/faqs/#1175).</p> <p>An example of a claim rejected because of breach of condition of the <i>policy</i> is where a claimant failed to notify the provider</p>

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		<p>within an appropriate time period after an event that was likely to result in a claim.</p> <p>An example of a claim rejected because there is no cover is where the claim falls within an exclusion under the terms and conditions.</p> <p><i>Firms</i> should include claims rejected at the first notification of loss.</p> <p><i>Firms</i> should include claims whether or not they were registered in the same reporting period as they were rejected.</p> <p>Examples of how <i>firms</i> should report rejected claims are set out below:</p> <p>Scenarios</p> <p>Where a <i>firm</i> rejects one element of the claim but other element(s) of the claim are still being investigated and are outstanding then this partial rejection should not be included in this data field for this reporting period. However, if in the following period the remaining elements of the claim are rejected then the claim rejection should then be included in this data field for that later reporting period.</p> <p>Where a <i>firm</i> accepts one element of the claim but rejects another element of the claim, this should not be treated as a rejected claim.</p> <p>Where a claim has been rejected because the <i>policy</i> has been voided, this should not be treated as a rejected claim.</p> <p>Where a customer has contacted the wrong <i>insurer</i> or provider to make a claim – this should not be included in the registered and rejected claims data.</p> <p>Where a person contacts the <i>firm</i> to enquire whether they are covered for a claim (relating to an event that has taken place or loss that has occurred) and are informed that they are not covered, then this should</p>

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L	Total claims pay-out cost	<p>be included in both claims re-jected and claims registered.</p> <p>Where an <i>insurer</i> or provider is part of a panel and the panel provider may not record which <i>insurer</i>/providers on the panel rejected the claim – <i>firms</i> may estimate their number of re-jected claims by calculating a proportion of rejected claims in line with the <i>insurer</i>/provider’s share of the business.</p> <p>Where a claim is closed and the only cost incurred is an investi-gation fee or cost (e.g. a call-out charge) and the claim is re-jected then this should be treated as a rejected claim. However, if following the in-vestigation the customer walks away from the claim then the claim should not be treated as a rejected claim.</p> <p>Where a claim is registered and some elements of the claim have been rejected, but the cus-tomer has walked away from the remaining elements of the claim then this should be treated as a rejected claim.</p> <p>These costs could include both internal and external out-sourced costs, where relevant. For example, loss assessment ac-tivities performed in-house could be included, including both the direct cost and an ap-propriate apportionment of overheads.</p> <p>Excluded costs are:</p> <ul style="list-style-type: none"> •expenses including costs associ-ated with the general handling of claims; •other non-claims costs; and •costs of providing a regular ser-vice element such as a helpline or a boiler service for home emergency. <p>Scenarios</p> <p>Where part of the claim was paid-out in the previous re-ported period and part in the current reporting period, then the claim pay-out that took place in the previous period</p>

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N	Top 2% of claims	<p>should be included in the calculation for the total pay-out in the current reporting period.</p> <p>Where a claim has been closed/ settled in the previous period but the claim has been re-opened in the current reporting period, any additional claim pay-out should be included in this field.</p> <p>Where <i>firms</i> subsequently receive recoveries from other <i>firms</i> these recoveries should be netted off against the relevant claim pay-outs.</p> <p>Where a claim is settled, but the settlement includes a regular payment element then the settlement value as it is reported on the <i>firm's</i> system should be included in the cost.</p> <p>For all legal expenses and vehicle breakdown products, <i>firms</i> are not required to report data for total claims pay out costs and average claim pay out.</p> <p><i>Firms</i> should report the amount that the top 2% of claim pay-outs are above in the reporting period.</p> <p>For example, if you have 100 claims then the 2% column would be the total claim pay-out cost for the claim accepted with the 2nd highest claim.</p> <p>For all legal expenses and vehicle breakdown products, <i>firms</i> are not required to report data for the top 2% of claims.</p>
Q	Claims complaints as a % of claims	<p>This may be calculated as the number of claims complaints divided by the number claims registered.</p>